

Outlook Toward the Future



FUTURE AGENDA

ÔZAKGYO

Annual Report 2021

We have been leading the industry since the day we were founded, with 45% compound annual growth that continues to rise and with the correct foresight and outlook towards the future - even accounting for the uncertainties of the pandemic and beyond.

In this period where the importance of active risk management is better understood, by taking appropriate action in advance we have made our success sustainable. We have demonstrated leadership with our financial strategies developed by anticipating risks, understanding our subcontractor and supply chain, and by having success in contract management. We have also continued the transformation with our digitalized business processes.

With our flexible portfolio management, we have turned to the tourism industry where we are continuing to shape the future with investments that extend abroad and endeavors that will make a real difference.

Great achievement in Büyükyalı

We have completed a New Urbanism project to world-class standards on the coast road in Istanbul Kazlıçeşme, despite very difficult conditions. We achieved our sales objectives and became one of the highest-grossing Emlak Konut real estate investment projects, achieving 290 independent section sales in 2021. *We will conclude the sale of the few remaining sections this year.*

TL **4.5** Billion

Büyükyalı Total Sales Revenues









Life has begun in Gktrk

Construction on our project in Gktrk, one of the most valuable areas in the city, is complete and deliveries have begun; residences marketed in the first phase are almost sold out. With the completion of the Gktrk project, we have demonstrated our high investment capacity and our determination to seize opportunities, strengthening our pioneering role and respectability within the industry. **We will be commencing sales in the Gktrk second phase in the period ahead.**

38,000 m²

zak Gktrk Project

Salable Area

The heart of Istanbul beats in Fişekhane

At the heart of the Büyükyalı project, Fişekhane connects Istanbul with culture, arts, gastronomy, and good living. Fişekhane continues to enliven the city, becoming one of the must-see tourist spots in Istanbul by receiving a brown plate while adding modern life to a historic backdrop. *Artistic and gastronomic events, sports festivals, concerts, and more await visitors to Fişekhane throughout the year.*

5 million

Total Number of Visitors









New objectives, new investments

Our flexible management structure has allowed us to accelerate our investments in tourism in line with lifestyle changes and developing trends in the real estate industry. With our ability to recognize and take advantage of opportunities, we are going to make new moves in Bodrum, Didim, and Antalya. The new trends will shape our investments on the plots we have purchased.

5 *resort hotels*

*Tourism Investments Planned
in the Medium Term*

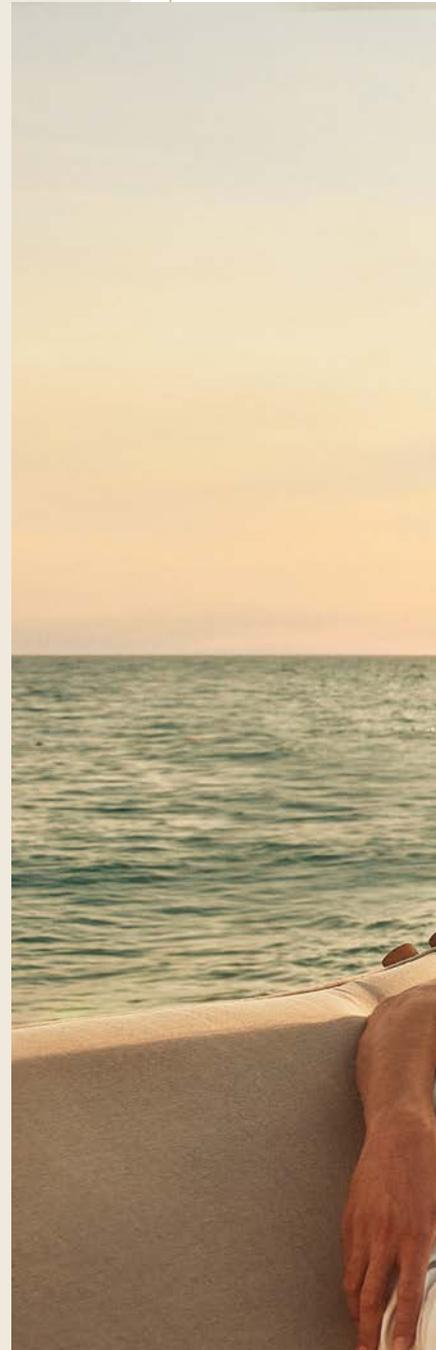
A new Ela, a new experience

This is not just a brand change; with our transformation project, the classic holiday concept of sun, sea, and sand is evolving into a unique and different concept in line with today's trends such as aqua fitness, vegan living, and children's development.

The physical properties and main concept of our hotel are being created from the ground up in extraordinary detail. Our new concept stands out with its philosophy of "creating perfect moments."

TL 5 Billion

*Tourism Investments Planned
in the Medium Term*









Flexible portfolio and risk management

Adapting quickly to changing conditions and achieving success amid life's rapid changes requires having a flexible structure. The flexible portfolio management at Özak REIC allows us to quickly focus on different opportunities and to rapidly find new pathways to increase our areas of activity. *We are making our success sustainable by taking the right steps in subcontractor and supply-chain management while employing active risk management to accurately read the future of the markets.*

TL **7.4** Billion

Total Real Estate Portfolio Value

Strong financial structure

We are making our difference felt in the industry with courage, resolve, and correct strategic structuring for a profitable future. We inspire confidence with our continuous revenue sources, cash flow strength, and unique project development capacity, which provides a rapid return on investment. *With our low debt rate and strong liquidity, we are better prepared for the future than many other companies.*

TL **7.1** Billion

Net Asset Value





Chairman's Message



At Özak REIC we have created a new synergy in 2021, with projects in tourism and residence production building the brand.

Esteemed Stakeholders,

Global supply and logistics disruptions and increasing cost inflation around the world were the main economic developments in 2021. The IMF and other organizations have highlighted that an increase in income inequality, as well as employment losses caused by the pandemic, could take a turn for the worse this period. Other key topics included increasing input costs and the measures taken to reduce the pressure caused by inflation.

Increases in the costs of all commodities, starting with iron, have triggered an increase in construction costs. Increasing input costs slowed down the creation of new projects in the real estate industry and started to raise the prices. For this reason, we see that completed projects provide an important opportunity for consumers. Furthermore, a significant reduction in the payback period in the real estate industry and an increase in rental revenues caused an increase in demand. We can say the industry is on a new track, particularly when it comes to brand residences.

As we look at the real estate industry in Turkey, the effects of a global pandemic—unlike any seen in the past 100 years - have begun to fundamentally change many elements from sales to construction methods, from the makeup of structures to the materials used, and from consumer behavior to general trends.

It has become clear at this time that the industry needs to undergo an environmentally sensitive structural transformation to achieve sustainable growth. Projects that are more environmentally friendly, have low carbon emissions, and are climate friendly are coming to the fore. In this regard, it is vital for the period ahead that we establish specific standards starting with all forms of manufacturing in the industry and following through to the final use stage.

With our environmentally friendly approach, we are among the pioneers in the industry.

We in Özak REIC are becoming industry leaders with our environmentally sensitive projects, achieved through foresight and vision. We have made a difference in the industry in terms of sustainability with our LEED Green Building-certified Bulvar 2016 project; our 34 Portall Plaza project, which is designed as a smart building and makes a powerful contribution to sustainability; and our Büyükyalı project, which we brought to life in line with the New Urbanism movement and is built on foundations of security, naturalness, and sustainability. With our environmentally sensitive approach, we will continue to invest in renewable energy and construct environmentally friendly centers of life that treat life as a whole in our future projects as well.

9

TL Billion
Total Assets

As of end of 2021 we have increased our total assets by 53% to reach TL 9 billion and made a significant accomplishment.

We in Özak REIC are becoming industry leaders with our environmentally sensitive projects, achieved through foresight and vision.

7.1

TL Billion Net Asset Value

The net asset value of our company, which carried out key projects in critical locations, reached TL 7.1 billion by the end of 2021 with a stunning 92% increase.

Chairman's Message

By following a good risk management in all our areas of activity, we analyze and minimize both our financial and contractual risks.

Our flexible portfolio management was our strongest advantage in this period.

In addition to housing construction, our wide range of activities, from tourism and professional storage to shopping mall management and every branch of real estate, allow us to make the best of the current conditions and shape our investments accordingly. Meanwhile, we continue to minimize risks and grow with stability. By following a good risk management strategy in all our areas of activity, we analyze and minimize both our financial and contractual risks. With our strong supply chain and good subcontractor management, we can run our business whatever the conditions and continue to make a difference in customer satisfaction.

We positioned 2021 as the year of transformation.

Due to our abilities, we in Özak REIC have left a successful year behind us in terms of our financial matrices and our projects; in addition, our share stock was above others in the real estate industry. Apart from being a year in which we achieved our sales objectives and made a record turnover, 2021 was also a year where we accelerated investments and renovation. I can say that we are undergoing a significant transformation at a time when we are giving direction to new projects, setting out new strategies, and sowing seeds for their success. With the brand building works we have started, both in tourism and residence production, we have created a new synergy.

Our Ela Excellence brand is getting ready to give direction to the tourism industry.

We are planning to make a difference in tourism with the Ela Excellence brand. Ela Quality Resort Belek, which introduced Turkey to the idea of hotels with a family and child concept, has started to serve as Ela Excellence; the renovation work for this project was undertaken by turning the pandemic into an

opportunity. The hotel projects due to get underway on our plots in Didim and Demre will continue to highlight what makes the Ela Excellence brand different, redefining the holiday concept. We invested in some land in Bodrum in 2021 to allow foreign and domestic tourists to experience the privilege that is the Ela Excellence brand. We are also planning to invest in land in Kemer.

The tourism industry makes up a large share of the service export of our country. We in Özak REIC believe we have a much higher potential in this area, so we are accelerating our investments in tourism. With the Ela Excellence brand, which will be a strong name not only in Turkey but also around the world, we aim to support our country's image as a tourism destination and contribute to the development of tourism as one of our country's rising values.

Our Büyükyalı project, which we brought to life in line with the New Urbanism movement, continues to be the focus for investors.

Our Büyükyalı project has been described as complete, compact, and a transformation of the movement as a whole in line with society's expectations. We brought it to life with the New Urbanism movement, which is human focused, and have already undertaken the sale of 290 units and the delivery of 375 units, producing a sales turnover of TL 1.58 million. With a sale ratio of 74% and sale-delivery ratio of 93% by the end of 2021, Büyükyalı was also among Emlak Konut REIC's bestselling projects this year.

The concept of Büyükyalı, formed on the principles of economic, environmental, and social sustainability in a suitable urban setting, was designed with inspiration from Istanbul's timeless spirit, historical background, and traditional district life. Centered on people and good living, Büyükyalı Istanbul pursues design principles in perfect harmony with the New Urbanism movement.



In addition, we moved to our new office in Büyükyalı in 2021 along with Özak Global Holding and the Group companies.

With the Ela Excellence brand, which will be a strong name not only in Turkey but also the whole world, we aim to support our country's image as a tourism destination and contribute to the development of tourism as one of our country's rising values.

1.5

TL Billion

Total Sales
Revenues

We continued our operational success in 2021 and increased our total turnover to TL 1.5 billion.

Chairman's Message

In every project we undertake, we focus on the lifestyles and values we will offer our customers before profitability and numbers, and make the right investments at the right time.

Istanbul's New Tourist Destination: Fişekhane

Part of our Büyükyalı project, Fişekhane is where gourmet restaurants offering Turkish and world cuisine delicacies are found together and where exhibitions, concerts, theater plays, and carefully chosen movie showings are performed in uniquely designed halls preserving the historical background; Fişekhane received a brown plate in 2021 and became a place to be visited by tourists.

The arrival of a station on the Marmaray commuter line made it easy for everyone to find Fişekhane, one of Istanbul's key tourist attractions. Fişekhane is a center of life where we bring people together from all backgrounds and hold events suitable for everyone.

In addition to being a completely new center where the art and cultural life of Istanbul are shaped with Contemporary Istanbul Foundation events and galleries, the capacity to house the largest events in the world also brings Fişekhane to the fore.

Fişekhane has been restored with great diligence and still bears traces of its 19th-century architecture. Staying true to the original building, it has been repurposed in line with the requirements of today and provides a charming experience to its visitors with open-air areas at every hour of the day.

Our Göktürk Project shows the difference that is the Özak brand in the housing industry.

In every project we undertake we focus on the lifestyles and values we will offer our customers before considering profitability and numbers and we make the right investments at the right time. We have completed 95% of the construction work in the first phase of the Özak Göktürk project, which achieved successful sales figures due to the confidence instilled by the Özak name in

the housing industry. Sales of the second phase, which we have finished designing, will begin in 2022.

In Göktürk, which is attractive due to its proximity to Istanbul Airport and the TEM highway, we have developed a housing project that is at one with nature. Offering the advantages of a privileged life inside the city but far away from the crowds, the Özak Göktürk Project unites nature with quality architecture. In parallel with changing living conditions during the pandemic, it offers a peaceful, enjoyable, healthy, and hygienic life to those who wish to live within nature, in a plot surrounded by forests and in buildings that allow you to breathe and are no more than five stories high.

We will continue to ensure sustainable success in all our areas of activity.

With our strong equity structure and foresight, we in Özak REIC look with hope to the future and, with our faith in our country's potential, we continue to make investments without slowing down. Accordingly, with the strength of the Özak brand we aim to undertake new real estate projects in East and West Europe. The focus in all our projects, which we will bring to life with our innovative approach, will be on sustainability. Society has gained an understanding of social responsibility and green energy in recent years, prompting companies to act responsibly in these areas. We will continue to bring our projects to life with our environmental approach and continue to make investments in green energy.

Furthermore, we plan to make new investments in tourism in the period ahead with our Ela Excellence brand. We plan to make a difference in the industry and contribute to our country's tourism revenues with the hotel projects we have planned for Didim, Demre, Bodrum, and Kemer.

With our strong human resources, strong financial structure and experience, and the support from our stakeholders we will also continue to provide value to our country in the years ahead. In the wake of 2021, which we completed successfully, I would like to extend my thanks to our valued colleagues and to you, our valued stakeholders.

Best Regards,

Ahmet Akbalık

Chairman of the Board of Directors

With our strong equity structure and foresight, we in Özak REIC look with hope to the future and, with our faith in our country's potential, we continue to make investments without slowing down.

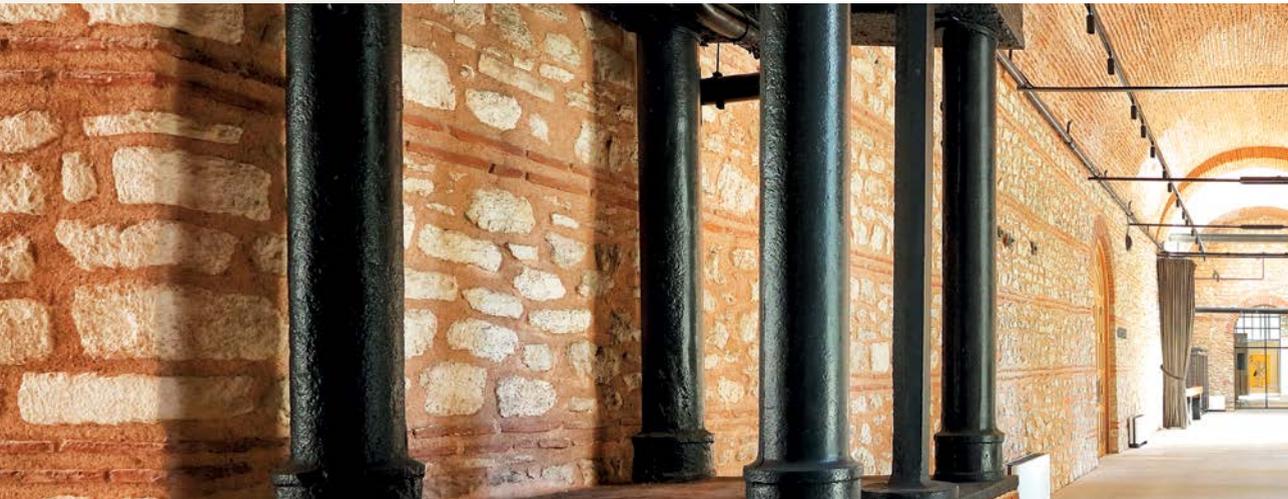
Özak REIC in Brief

Flexible portfolio management lets Özak REIC adapt to the prevailing conditions while making a difference in the industry with its pioneering projects, achieved through foresight and vision.

Founded in 2009, the origins of Özak REIC go back to İnt-Er Yapı, which started activity in the construction industry in 1995. With its innovative, quality, and efficiency-focused approach, Özak REIC conducts land and project development work with a wide product range and portfolio management in different segments such as housing, office, storage, tourism, and retail.

Özak REIC is continuing to provide sustainable value with 34 Portall Plaza, which has logistic and architectural features that add efficiency to companies in their business processes; Bulvar 216, which goes beyond the classical shopping mall concept and is based on the concept of eating and drinking and fun; Ela Excellence Resort Belek, which introduces Turkey to the idea of a hotel with a family and children concept; İş İstanbul 34 constructed as an A Class office; Bayrampaşa Metro Gross Market building, which started activity in 2011; Hayat Tepe and Hayat Tepe Suites whose sales were completed in a short time due to its investment potential and central location; Büyükyalı Özak Head Office, which joined the portfolio in 2020, and finally Fişekhane, which brings culture, arts, and gastronomy to İstanbul and which underwent a world-standard restoration by keeping true to its historical background.

Life in the Büyükyalı Project, where construction began in 2016 and Özak REIC is the pilot partner with a 60% share, began in the



second quarter of 2020, and Fişekhane, which acts as the city's new center of life in the project, came to life. Gourmet restaurants that offer delicacies from Turkish and world cuisine, exhibitions, concerts, theaters and movie theaters bring together people from all walks of life in Fişekhane, which was restored by preserving its deeply-rooted historical legacy. Fişekhane is shown by the brown plate given to tourist attractions by the State Highways Authority and also has a Marmaray commuter line station. Located on the coast of the Sea of Marmara, the Büyükyalı project is located right in the center of Istanbul and neighbors many strategic locations such as the Historic Peninsula, the Grand Bazaar, the new airport, and the Eurasia Tunnel, and increases in value with each passing day.

The first stage of the housing project, designed on the Company's plots in Göktürk, began in 2020; the sales of the first stage were completed by the end of 2021 and we plan to bring the second stage to life in the beginning of 2022. Göktürk is one of Istanbul's districts that has seen the highest rise in value; the first stage of the project, which was brought to life with the "Özak Göktürk" brand, received considerable attention.

Özak REIC has started construction activities to bring to life the second stage of the project on the second plot in Göktürk, and aims to start launch and sales activities in the first quarter of 2022. Özak REIC is also planning to develop a mixed-use project on its Beşiktaş Balmumcu plot, and add value to urban life. The Company will also continue its tourism investments with projects to be developed on its tourism-allocated lands in Antalya Demre and Aydın Didim.

Striving to "add value to life," Özak REIC is a trend-setter for the future with projects that are centered on happiness and comfort, while saving time and making life easier for all its customers.

At the end of 2021, Özak REIC's total assets stood at TL 9 billion, real estate portfolio at TL 7.4 billion, and net asset value at TL 7.1 billion.

7.4

TL Billion
Real Estate
Portfölyo Value

Özak REIC, which has a broad portfolio, stands apart from its competitors with its projects in strategic locations.



Özak REIC in Figures



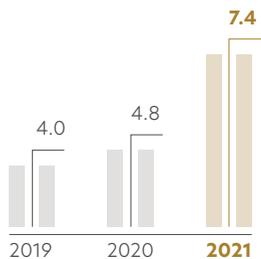
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TL Billion
Total Revenue

Real Estate Portfolio
Value (TL Billion)

85%

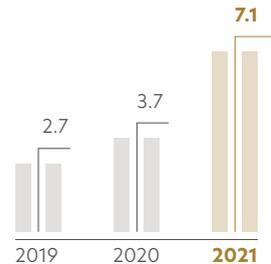
Growth^(*)



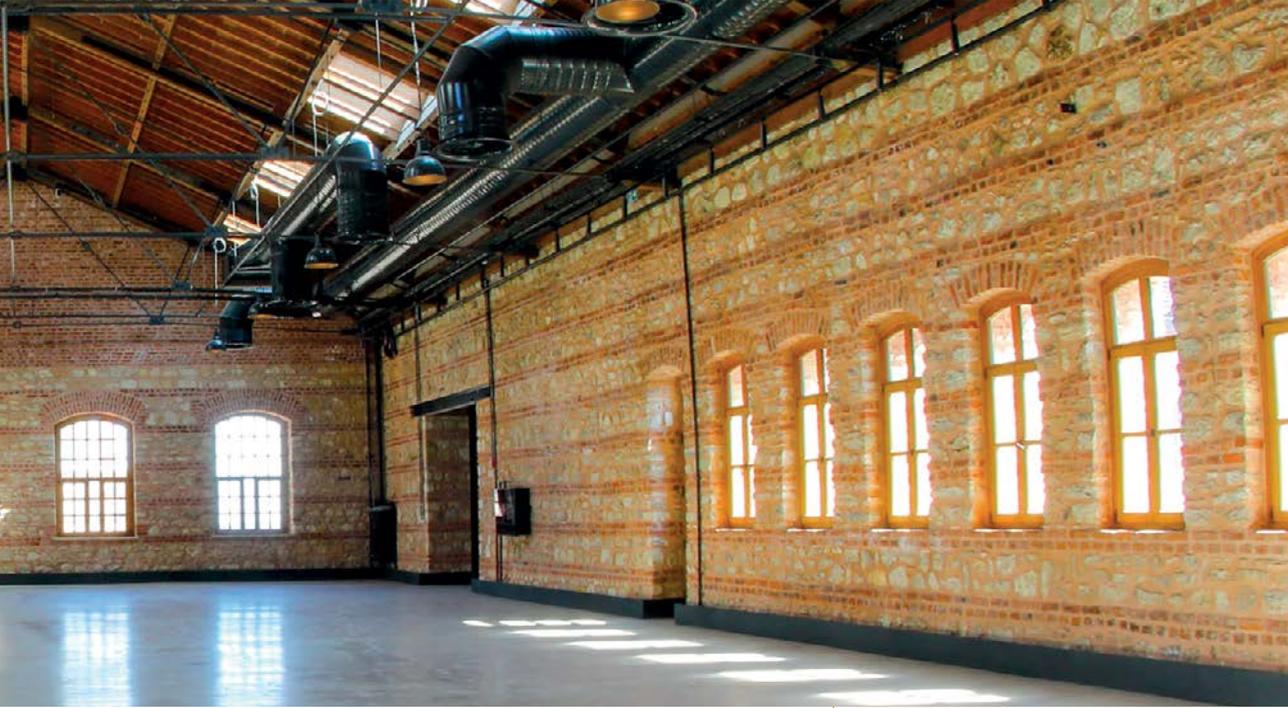
Net Asset Value
(TL Billion)

163%

Growth^(*)



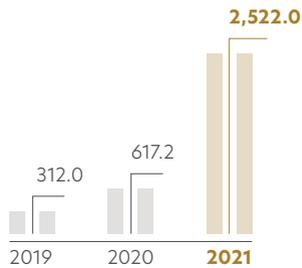
^(*) Growth between 2019-2021



Net Profit
(TL Million)

708%

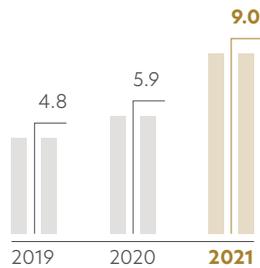
Growth^(*)



Total Assets
(TL Billion)

88%

Growth^(*)



668

TL Million
EBITDA

As of Year-End

TL 9 Billion

Total Assets

45%

EBITDA Margin

TL 7.1 Billion^(*)

Net Asset Value

TL 2.8 Billion

Market Capitalization

TL 364 million

Capital

TL 6.7 Billion

Shareholders' Equity

TL 1.5 Billion

Total Sales Revenues

TL 135 million^(*)

Rental Income

TL 668 million

EBITDA

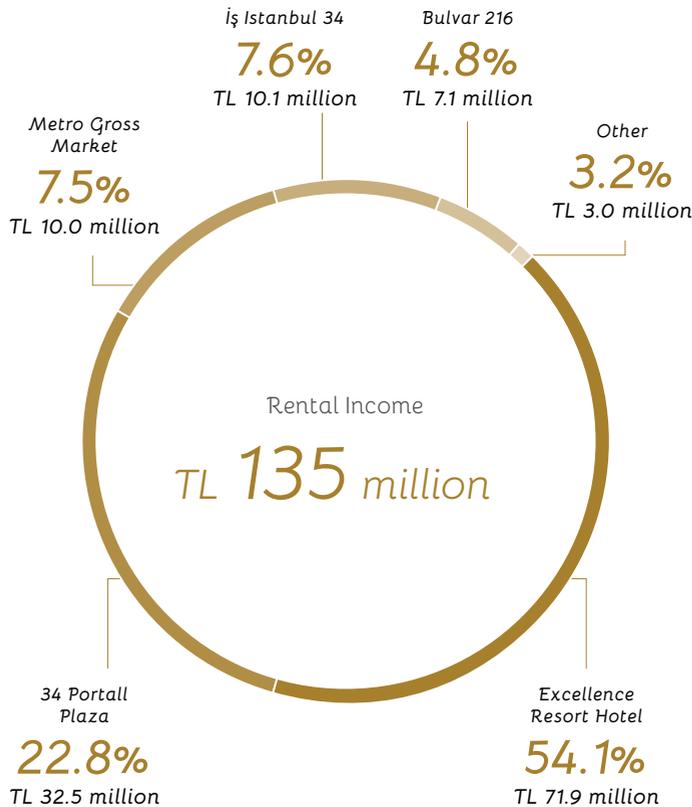
TL 2.5 Billion

Net Profit

^(*) Based on unconsolidated financial statements.

Breakdown of Özak REIC's Rental Income^(*)

In the breakdown of Özak REIC's TL 135 million rental income, Ela Excellence Resort ranks first with TL 71.9 million, and 34 Portall Plaza is in second place with TL 32.5 million.



87.5%

Average
Occupancy in
Total Portfolio

67%

Foreign Currency
Based Rental
Contracts

^(*) Based on unconsolidated financial statements.

Our To-Do List

2022

- 1 ▶ *Increase net total asset value by year's end to TL 11 billion*
- 2 ▶ *Smoothly conduct the production, sales, and delivery operations for the Büyükyalı Project*
- 3 ▶ *Conduct sales and delivery operations at Çöktürk 1 and Çöktürk 2 projects*
- 4 ▶ *Increase rental income to over TL 300 million through more efficient and effective use of our portfolio*
- 5 ▶ *Take advantage of new investment opportunities in line with new needs and expectations introduced by the pandemic*

For information on this page, please refer to the note under the title "Forward-Looking Statements" on page 237.

Our To-Do List

Medium - Long Term

- Achieve US\$ 1 billion in net total asset value while building up our financial strength* ◀ 1
- Develop tourism projects with innovative concepts on plots in Bodrum, Didim, and Demre* ◀ 2
- Complete sales and delivery in the Büyükyalı and Çöktürk projects* ◀ 3
- Develop a mixed-use project on the Balmumcu plot* ◀ 4
- Develop a mixed-use project on the Mahmutbey plot* ◀ 5
- Develop real estate projects in foreign markets to generate sales and rental revenue* ◀ 6
- Keep a constant watch on opportunities to create new values* ◀ 7

For information on this page, please refer to the note under the title "Forward-Looking Statements" on page 237

Our Annual Plan 2022

3 January 2022

2021 Year-End Real Estate Appraisal Reports

14 January 2022

Disclosure of Sales and Rental Data Not Exceeding 2% of Assets in 2021

26 January 2022

Selection of Appraisal Company

25 February 2022

Delivery of Financial Statements for Year-End 2021 to the Tax Office

11 March 2022

Disclosure of 2021 Year End Financial Results

11 March 2022

Disclosure of 2021 Year End Activity Report

23 March 2022

Analyst Meeting on Financial Results for End of 2021

26 April 2022

Ordinary General Assembly Meeting

10 May 2022

Disclosure of 3-Month Financial Reports for 2022

17 May 2022

Delivery of the 3-Month Financial Statements for 2022 to the Tax Office

18 May 2022

Analyst Meeting on 3-Month Financial Results for 2022

17 August 2022

Delivery of the 6-Month Financial Statements for 2022 to the Tax Office

19 August 2022

Disclosure of 6-Month Financial Reports for 2022

24 August 2022

Analyst Meeting on 6-Month Financial Results for 2022

9 November 2022

Disclosure of 9-Month Financial Reports for 2022

16 November 2022

Analyst Meeting on 9-Month Financial Results for 2022

17 November 2022

Delivery of the 6-Month Financial Statements for 2022 to the Tax Office

31 December 2022

Year-End Real Estate Appraisal Reports

January

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August

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November

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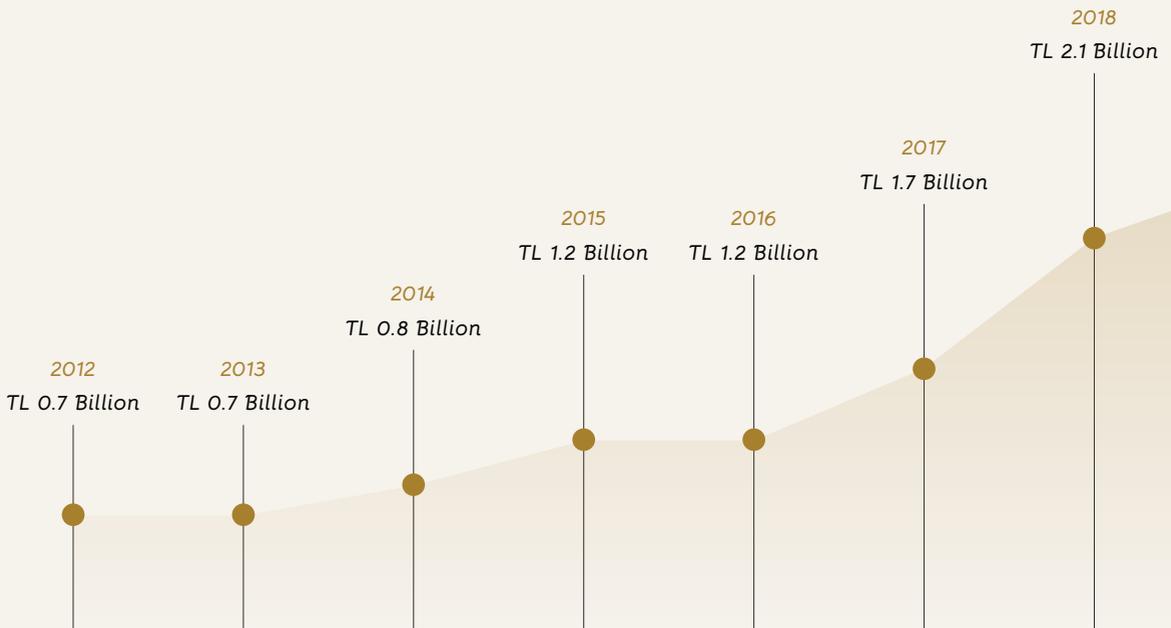
December

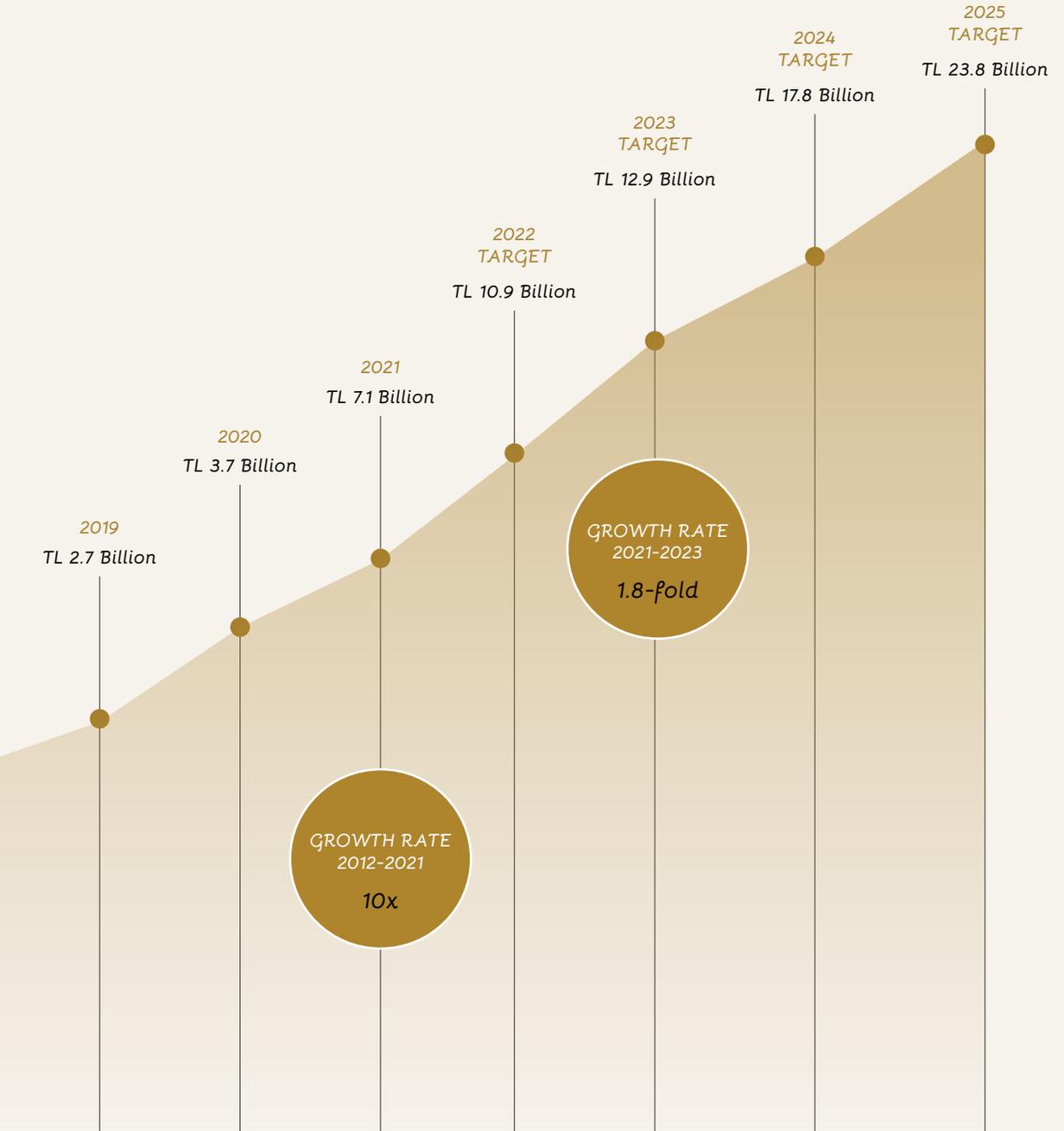
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Our Sustainable Growth Potential

Increasing its sustainable growth potential every passing day, Özak REIC has grown 10-fold in the past 9 years, and expects an extra 2-fold growth by 2023.

Özak REIC Net Asset Value Projection





Business Model

Özak REIC has so far moved with an industry-leading vision with the trend-setting projects it developed, and is continuing its journey with sure steps with operations in four different segments.

GUIDING THE INDUSTRY WITH THE
VISION OF DEVELOPING TRENDSETTING
PROJECTS

FLEXIBLE AND PROTECTIVE STRUCTURE AGAINST RISKS FROM OPERATIONS IN
FOUR DIFFERENT SEGMENTS

INDUSTRY & OFFICE

34 PORTALL PLAZA
İKİTELLİ

İŞ İSTANBUL 34
GÜNEŞLİ

ÖZAK OFFICE
BUILDING
BÜYÜKYALI

COMMERCIAL

FİŞEKHANE

METRO GROSS
MARKET
BAYRAMPAŞA

BULVAR 216
ATAŞEHİR

HOUSING

BÜYÜKYALI
ZEYTİNBURNU

HAYAT TEPE
BAYRAMPAŞA

ÖZAK GÖKTÜRK
PROJECT 1

ÖZAK GÖKTÜRK
PROJECT 2

ÖZAK GÖKTÜRK
PROJECT 3

BALMUMCU
PROJECT

MAHMUTBEY
PROJECT

TOURISM

ELA EXCELLENCE
RESORT HOTEL
BELEK

ELA BODRUM
HOTEL PROJECT

ELA DİDİM HOTEL
PROJECT

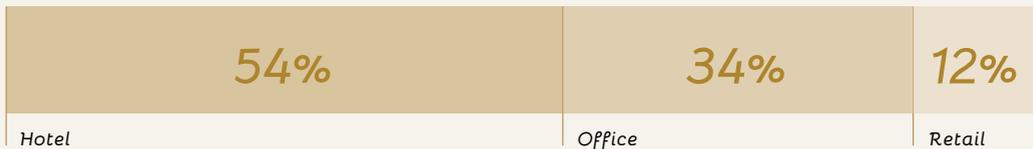
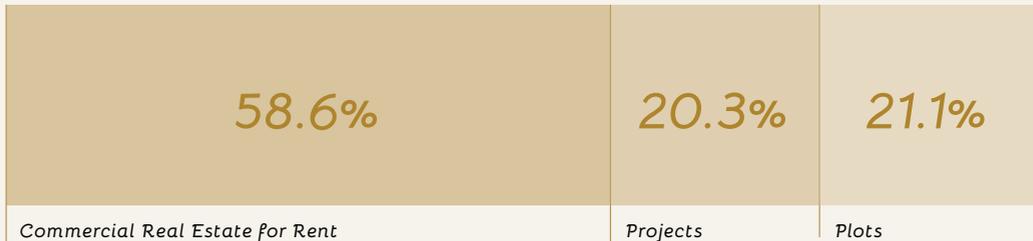
ELA DEMRE
HOTEL PROJECT

- FLEXIBLE BUSINESS MODEL • RELIABLE TENANT PORTFOLIO • STRONG FINANCIAL STRUCTURE
- VALUABLE EXISTING PROJECTS • OPERATIONS IN DIFFERENT SEGMENTS • PREDICTABLE CASH GENERATION
- DIVERSIFYING DOWNTOWN PROJECTS • PORTFOLIO OF VALUABLE ASSETS

Portfolio Structure

In the breakdown of real estate portfolio & rental income of Özak REIC, commercial real estate brings 58.6% rent, 20.3% from projects, 54% from hotels and 34% from offices.

Breakdown of Özak REIC Real Estate Portfolio & Rental Income



With environmentally-friendly and prestigious real estate projects, Özak REIC adds value to the country's economy and to life.

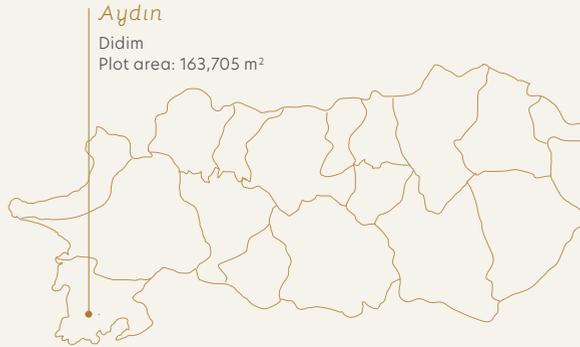
Istanbul



Antalya



Aydın



Muğla



ÖZAK GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

Founded	1 February 2008
Transformation to REIC	3 June 2009
Issued Capital	TL 364,000,000
Registered Capital Ceiling	TL 1,000,000,000
Date Floated and Corrected Initial Share Price	15 February 2012/TL 1.08
Headquarters	Istanbul
Trade Registry Office/ Registration Number	Istanbul/654110
Tax Office/Tax ID Number	Zeytinburnu/662 077 5167
BIST Ticker Code	OZKGY
Headquarters Address	Kazlıçeşme Mah. Kennedy Cad. No: 52C/5 Büyükyalı, Zeytinburnu Istanbul-TURKEY
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Özak Global Holding closely follows all developments in its areas of activity, both in Turkey and abroad, and continues to pioneer change with its operational efficiency understanding.

5 Industries

Scope of Activities

~5,000

Employees

Özak Global Holding in Brief

With foundations that date back to the creation of Özak Tekstil by the Akbalık family in 1985, Özak Global Holding is one of the leading organizations that provides strength to Turkey's economy and adds value to life. It has a long and successful past, competence in different industries with complementary service cultures, a strong employment network, and a stable financial structure.

With new investments over time, Özak Global Holding has entered different industries including construction, real estate investment trusts, tourism, and facility management. In each one, through its qualified human resources, foresight, strategy development ability, and trust in innovation it has become one of the driving engines of the Turkish economy.

Always aiming to be the best in its field and continuing to serve with sustainable work models, Özak Global Holding correctly analyzes the needs of its industries and customers with its competent management team. It closely monitors developments in Turkey and the rest of the world and continues to be the pioneer of change with its operationally efficient approach.



Textiles

The first company founded by Özak Global Holding in 1985, Özak Tekstil expanded its area of activity in a short time with prudent investment decisions; and is now a company employing approximately 5,000 personnel including sub-contractors

Designing and manufacturing for global brands, Özak Textiles exports 95% of the goods it makes in three different factories covering 51,000m² of indoors area.

Now far more than just a producer, Özak Tekstil stands apart from its competitors in the industry with its value adding corporate structure, R&D team, and ability to design.

The company is preferred by leading global brands including Armani Jeans, Prada, Hugo Boss, Zara, Massimo Dutti, Stradivarius, Guess, Replay, Esprit, and Levi's.

Özak Textiles

- Founded in 1985
- Three separate factories covering 51,000 m² of indoors area
- Strategies that set it apart from its competitors
 - Design and model development capabilities in line with customer needs
 - Specialized R&D staff setting the fashion trends of the future
 - Cooperation with specialized national and international institutions in regard to social responsibility and occupational safety issues
- Production for world-renowned brands including Armani Jeans, Prada, Hugo Boss, Zara, Massimo Dutti, Stradivarius, Guess, Replay, Esprit, and Levi's.
- Annual production capacity of 7 million pieces
- Products that create added value with 95% of production exported
- Leader of Turkish high-quality denim exports, with a 5% share
- Steady growth since its founding



Özak Global Holding in Brief

Construction

Active in the construction industry since its inception, the Group started operations in 1995, becoming one of the most active players in the industry with its subsidiary Int-Er Yapı.

Without exception, Int-Er Yapı designs living spaces that generate maximum benefit for people at all construction sites. The company provides comprehensive services that match the project concept, thereby adding a new dimension to the industry.

Staffed by experts in their respective fields, Int-Er Yapı delivers a diverse range of services in project, supply, quality, cost, and process management, distinguishing itself from other companies to boast a strong position in the industry.



Int-Er Yapı

- Founded in 1995
- Construction operations of Özak Group
- Project management, supply management, quality management, cost and process management in Özak REIC's projects
- Experienced staff of 220
- Construction site workforce of 2,300 including sub-contractors

Real Estate

With its deep roots in the construction industry, Özak Global Holding turned its construction company Özak Yapı Sanayi ve Ticaret A.Ş. into a real estate investment company in 2009, together with all its assets and liabilities, and created the Özak Real Estate Investment Company.

This strategic decision made by Özak Global Holding following observations of global and national general trends resulted in a new star player joining the Turkish real estate industry.

Özak REIC stands out with its innovative approach, strong analytical skills, and a business model that predicts changing social needs.

The Company also sets the trends of the future, tapping into its strength and experience and undertaking projects that save time and facilitate the lives of residents. Therefore, its environmentally-friendly, prestigious real estate projects add value to the economy, and to life in Turkey.



Özak REIC

- Founded in 2009
- Real estate and real estate investment projects, tourism activities
- Business development, zoning and legislation, feasibility studies and market research, valuation, best-use studies, expert architectural design staff
- Exclusive projects in city centers and awards received from prominent European institutions
- Award-winning annual reports
- Ranked 57 in Forbes Türkiye magazine's "Turkey's Top 100 Companies" list in 2015
- Özak REIC Subsidiaries
 - Aktay Hotel Management (95%)
 - Özak-Yenigün-Ziylan Ordinary Partnership (60%)
 - Büyükyalı Hotel Management (60%)

Özak Global Holding in Brief

Tourism

Özak Global Holding began operating in the tourism industry in 2007 by establishing Ela Excellence Resort Hotel via its subsidiary Aktay Tourism^(*) and Aktay Hotel Operations.

Continuing to serve since its foundation with special personal services and international standards of quality, Ela Excellence Resort Belek is the first hotel in Turkey with a child/family concept.

With its Turkish-Ottoman architectural style, flawless service concept reflecting Turkish hospitality and an industry-leading child/family-friendly hotel concept, Ela Excellence Resort Belek successfully continues to support the promotion of Turkey, and has been given high scores on prestigious travel websites such as Booking.com, Tripadvisor, Hotels.com by staying guests.



Turkey's best managed children's activity hotel, Ela Excellence Resort has been awarded "Turkey's Best Family Hotel (Kundu-Belek Region) in Excellence Management Awards 2019, one of the most prestigious awards in the tourism industry.

Ela Excellence Resort Hotel also received the "Traveler's Choice 2020" award in a survey by Tripadvisor in 2020, certifying its success yet again.

Aktay Turizm İşletmeleri

Ela Excellence Resort Hotel

- Family and kids-first concept, reception and monitoring systems for children, teen club, aqua fitness
- Quality rooms, private villas, dedicated teams exclusively serving each villa, helicopter, VIP transfer services
- Nine different 'a la carte' and snack restaurants staffed by famed chefs and a team of food engineers to provide quality control, and a vegan section
- Occupancy rate reaching 100% in the high season

^(*) A merger through acquisition was conducted with Aktay Tourism in 2015.

Facility Management

In 2011, Özak Global Holding established Akyön Facility Management as a company with a 360-degree service approach in market analysis, real estate development processes, marketing, operations, and rental for real estate projects such as plazas, housing, offices, industrial storage, logistic centers, and shopping malls.

The Company plans to attain significant brand and market value and to provide services to non-group companies as well in the coming years.



Akyön Facility Management

- The management of security, cleaning, care & maintenance, and leasing functions for the shopping malls, offices, houses, and residences within the portfolio of Özak Global Holding
- In the years ahead, these services will be delivered to non-group companies as well, with a view to attaining significant brand and market value

Akyön Facility Management adopts a 360-degree service approach in real estate projects including plazas, housing, offices, industrial storage, and shopping malls.

About Özak REIC

Having adopted the principle of offering practical and enriching solutions in the projects it develops, Özak REIC brings projects with high profit potential to its investors with its team specialized in urbanism.



9

TL Billion
Total Assets

Özak REIC's total assets stood at TL 9 billion as of the end of 2021.

Founded in 2009 to gather all real estate investments of Özak Global Holding under a single roof. Özak REIC was driven by the group's experience in the construction industry and İnt-Er Yapı's know-how in project management, process management, and budget and supply management, undertaking successful projects and becoming one of the leading players in the industry.

Having adopted the principle of offering practical and enriching solutions in the projects it develops with its ability to predict trends, Özak REIC stands out with its unique projects located in the heart of the city.

Özak REIC has a separate team specialized in urbanism. The Company capitalizes on the know-how of its select business partners from the industry to develop projects in the city's most dynamic zones, with a view toward raising living standards for its residents and generating high profits for its investors.

Özak REIC's completed projects include 34 Portall Plaza, with logistical and architectural features that add value to firms' business processes; Bulvar 216, which goes beyond the conventional shopping mall concept to focus on blending

gastronomy with leisure; Ela Excellence Resort Belek, which introduced Turkey to family- and children-focused accommodation; İş İstanbul 34, built as state-of-the-art Class A office space; Bayrampaşa Metro Gross Market, which became operational in 2011 with a total market space of 8,470 m², Hayat Tepe and Hayat Tepe Suites, the sales of which were completed quickly owing to their central location, and Özak General Management building, located in the Büyükyalı Project, which is the focal point of the “people” and “good living” concepts.

Flexible Portfölio Management

With each passing year, Özak REIC further expands its wide operation network, which ranges from land acquisition and project development and design through to production and sales and marketing, through sustainable rental income generated by its high-quality portfolio, a strong equity base and means of funding, and powered by its highly competent, expert human capital.

Successfully maintaining its subcontractor management and materials supply management with its strong supply chain, Özak REIC continues to work on plot and project development with its broad product range and flexible portfolio management in different segments such as housing, office, storage, tourism, and retail.

The five segments in which Özak REIC invests make up the strong individual building blocks of the whole in the Company's flexible business model. This structure lets the Company protect itself from cyclical changes, minimize risks, and focus on project investments that will generate profits.

Its diverse portfolio and profit-oriented structure have let Özak REIC gather sustainable growth momentum since its founding. Total assets of Özak REIC have grown around seven fold since it went public in 2012 and the Company has become one of the biggest real estate investment trusts in Turkey, ranking 57th in Forbes Türkiye magazine's “Turkey's Top 100 Companies” list based on 2014 data, leaving behind several major companies.



6.7

TL Billion
Shareholders'
Equity

Taking strength from its strong equity structure, Özak REIC increased its shareholders' equity to TL 6.7 billion in 2021.

About Özak REIC

Özak REIC adopts an environmentally friendly approach for a habitable world and places holistic architecture at the center in addition to investing in renewable energy in its projects.



New Urbanism Movement

Özak REIC develops its projects with the New Urbanism Movement, defined as a thorough, compact, and holistic transformation.

Environmental Awareness

With its highly prestigious real estate projects, Özak REIC not only adds value to the economy and daily life, but also takes environmentally sensitive steps in its activities for a more beautiful and habitable world.

Bulvar 216, Turkey's first gastronomy concept shopping mall, was granted LEED (Leadership in Energy and Environmental Design) Silver Certification by the US Green Buildings Council for its architecture, which protects the environment and adds value to life.

Notable features of 34 Portall Plaza, which was designed as a smart building of the future, contribute to environmental sustainability. These include a hydrophobic system that drains rainwater, a renewable energy infrastructure, a waste oil collection area, a purification system for production facilities, and special illumination systems that adjust power usage according to daylight and employee density.

Predicated on the principles of safety, naturalness, and sustainability, Büyükyalı has been prepared with the "New Urbanism" concept, which prioritizes the environment and humans. Inspired by historical city walls and carrying traditional aesthetic values such as stone and

bricks to the next generations, Büyükyalı utilized gracefully aging natural materials that never harm the environment. The existing trees on the project sites were cultivated and diversified, and solar panels were installed on the roofs of buildings for energy efficiency.

Özak REIC will continue to invest in renewable energy in all the projects it is developing and is planning to develop for the future, and it will continue to construct environmentally friendly centers of life and projects with its environmental approach and architectural point of view that takes life as a whole.

New Urbanism Approach

New Urbanism is a human-centered movement characterized by a thorough, compact, and holistic transformation to address communities' expectations. An advocate of this movement, Özak REIC takes the needs of future generations into account, while melding traces of history with the requirements of the modern world. Özak REIC addresses changing customer expectations and the requirements of different lifestyles promptly, delivering outstanding quality. The Company redefines every detail, from material quality and design to social life and transport within living spaces to boost the comfort, safety, happiness, and satisfaction of residents.

Aiming to reduce environmental, economic, and social problems as a whole with projects designed in this regard, Özak REIC will accurately anticipate the changing needs of people in an ever-changing world by adopting an innovative approach in every project it undertakes, and accordingly develop sustainable models that will make their lives more efficient and easier.

Strong Share Performance

Özak REIC conducts its operations in accordance with the regulations of the Capital Markets Board. Özak REIC has been traded on Borsa Istanbul under the ticker "ÖZKGY" since 15 February 2012 with a free float rate of 25%. Since its IPO, Özak REIC has aimed to create value for all its shareholders and business partners with its strong financial structure and sustainable growth strategies. Shares corresponding to 25% of the Company's capital are publicly traded. As of the end of 2021, the Company's total assets stand at TL 9 billion, and total revenues at TL 1.5 billion.

25%

*Free Float
Rate*

Aiming to create value for all its shareholders and business partners with its strong financial structure and sustainable growth strategies, shares corresponding to 25% of Özak REIC's capital are publicly traded.



About Özak REIC

Standing out with its distinctive touch reflected in every project that it develops, Özak REIC will continue to offer profit opportunities to its customers and business partners with the investments it makes.



Özak REIC is developing a mixed-use project featuring housing, office space, and an apart hotel in Balmumcu, one of Istanbul's most central locations.

Standing out with its distinctive touch in every project, Özak REIT aims to rank among the pioneering real estate investment companies in the industry by stably increasing its growth rate. To this end, Özak REIC's highly competent team will clearly identify current needs using in-depth analysis, and define future trends with the extraordinary projects it develops.

Prescient Structure

Continuing to offer profit opportunities to its customers and business partners with foresighted investments now and in the future, Özak REIC plans to develop housing and commercial projects in the city's major hubs as well as real estate projects in different locations abroad in addition to Özak Göktürk second stage and the investments it is going to make in Balmumcu following the Büyükyalı and Özak Göktürk projects.

Özak REIC plans to enter the urban hotel segment where it can display its uniqueness in the city center. Accordingly, Özak REIC will begin a mixed-use project featuring housing, offices, and an apart-hotel in Balmumcu, one of Istanbul's most central locations. The Balmumcu plot stands out with its uninterrupted views over the Bosphorus and proximity to the Bosphorus Bridge, the E-5 freeway, and the coastal road.

Furthermore, Özak REIC plans to develop new hotel projects on its Didim and Demre plots with the Ela Excellence brand and international standards of quality, and has also made the decision to invest in Kemer. Making a unique entrance to the industry with the Ela Resorts brand, the Company plans to provide the privilege of the Ela Resorts brand to domestic and foreign tourists and be at the center of the conversation in the tourism industry.

Büyükyalı

With the assurance of Emlak Konut REIC, Özak REIC, Ziylan Gayrimenkul, and Yenigün İnşaat commenced construction on the world-class project in 2016. Spanning a salable area of 282,746 m² and a leasable area of 34,430 m², the Büyükyalı Project is located on the Kennedy Avenue on the coastal highway in Istanbul's Kazlıçeşme region, which will soon significantly gain in value.

Focused on the concepts of "people" and "good living," Büyükyalı aims to offer a "good life" to residents and visitors in every sense of the expression. Based on the "new urbanism" movement, the concept incorporates elements such as pedestrian comfort, traditional neighborhood culture, and colorful social life, as well as cultural diversity, quality, and sustainability, thus strengthening the project's "good life" vision.

Bearing the signature of British architecture firm Chapman Taylor, which boasts over 200 international awards, the Büyükyalı Project features houses of varying concepts and sizes, including lofts, branded residential houses, and offices in addition to rentable social spaces for commercial, artistic, cultural, and social purposes, and designated children's areas.

Deliveries under the project began in September 2019 and life in Büyükyalı started as planned in the second quarter of 2020. The company has taken great care to conduct its sales and delivery processes smoothly despite the negative impact of the COVID-19 pandemic, which gripped the entire world in 2020, in every industry. As of the end of 2021, the sales ratio was 74%, sales/delivery ratio was 94%.



Büyükyalı's sales and delivery processes were undertaken seamlessly, and as of the end of 2021, the sales ratio was 74%, sales/delivery ratio was 94%.

About Özak REIC

Situated at the center of the city's major thoroughfares, Büyükyalı is adjacent to the Historical Peninsula, along the Marmara Sea, and at the entrance of the Bosphorus.



The architectural work on Büyükyalı has been assumed by British architectural firm Chapman Taylor, which boasts more than 200 international awards.

Büyükyalı is located in Kazlıçeşme, an Istanbul district that has been thoroughly transformed by branded projects and public investments with a substantial corresponding rise in financial value offering a high investment potential. Dotted with top-quality gyms, schools, and universities, the district continues to increase its investment appeal each day with new housing, marina, hotel, shopping mall, hospital, and infrastructure projects.

Situated at the center of the city's major thoroughfares, Büyükyalı also has access to marine lines and public transport. In this exclusive district, adjacent to the Historical Peninsula and along the Marmara Sea, Büyükyalı residents will be able to enjoy sea taxis, land travel, and rail systems. The Marmaray commuter line, commuter trains, a new eight-lane coastal highway, and marine transport facilities are just some of the transportation options in this area, which has also gained direct access to the Asian side of Istanbul with the addition of the Eurasia Tunnel underwater tunnel in 2016.

Büyükyalı residents and guests can easily travel to all parts of the city and eschew the problem of traffic by walking to Zeytinburnu Marmaray, a commuter station that opened in 2019 within a few minutes of Büyükyalı. In addition, as the construction of the bridge is now complete, they can reach the coast, the entrance of the Bosphorus, and the 30-km long uninterrupted hiking and cycling trail.

Özak REIC Head Office Building

The Company bought 10 independent sections at Büyükyalı Project C Block and T2 Block in January 2019. The real estate spans a total salable/rentable space of 5,848 m² and 4,487 m² of the real estate began use as the company Head Office in 2020.

In October 2020, T3 Block of 9,812 m², which is situated within the Project's commercial space Fişekhane, was purchased jointly by Özak REIC, Yenigün İnşaat, and Ziylan Gayrimenkul in proportion to their stakes in the project. (Özak REIC holds a 60% stake in the ordinary partnership.)

Fişekhane

The plot of land where Büyükyalı now rises once housed a tank maintenance workshop in its most recent history. The area is also home to structures erected before 1900 and was granted "historical edifice" status by the Ministry of Culture and Tourism.

Fişekhane, namely a former Cartridge Factory, is among these structures. It was also a prominent building among the "Royal Factories of Zeytinburnu" - an indicator of the modernization drive of the Ottoman Empire and its military in the first half of the 19th century, which was marked by wars.



The Özak REIC Head Office Building, in the Büyükyalı project, is located on 4,487 m² of space.

About Özak REIC

A historical structure with an industrial function in the history of Istanbul, Fişekhane was brought back to life with restoration work done to world standards with the Büyükyalı Project of Özak REIC.



Restored with great care while keeping its uniqueness, Fişekhane has a historical atmosphere with traces of 19th century architecture.

A significant structure with an industrial function in the history of Istanbul, this building was closed to the public for more than a century but brought to life by restoration to global standards with Özak REIC's Büyükyalı project, and then opened to visitors. Fişekhane had its soft launch in June 2021 with restaurants in its commercial units, and gave Istanbul a completely new gastronomy stop. In August 2021, it hosted the Sea Concerts with its concert stage built over the sea to bring a completely new concert experience to the city, and started to make a name for itself in the industry as the meeting point of Istanbul residents in culture-arts-gastronomy-life fields.

Fişekhane underwent a diligent restoration by staying true to the original building, and was then repurposed according to the requirements of this century. Still bearing the traces of 19th-century architecture, Fişekhane takes visitors on an immersive journey.

Standing right at the entrance of the Bosphorus, at the shore of Marmara Sea, Fişekhane forms the heart of the peerless and high quality social life in Büyükyalı İstanbul and, with its magnificent history, features a culture and arts center, stages, movie theaters, galleries, brands making their debut in the Turkish market, gourmet restaurants, pleasant cafes, an organic bazaar selling local delicacies, and many other attractive features. Thus, it offers a genuine neighborhood lifestyle as the city's new meeting point.

Fişekhane captures the limelight as a brand-new center giving shape to İstanbul's cultural and artistic life with the main concert and theater stage, as well as a theater and movie theaters of various capacities which can be shaped as per requirements, in addition to Contemporary İstanbul Foundation events and gallery areas. With the infrastructure in place to host major domestic and global events besides its own calendar, Fişekhane is set to become the new center of the city's creative energy.

Fişekhane will also feature creative workshops, amusement parks and playgrounds, activity programs boosting personal development, sports facilities, and "Büyükyalı Club." Built to ensure the satisfaction of children and adults alike, there is also a Montessori School supporting the physical and mental development of children.

Özak Göktürk

Özak REIC went on to undertake projects with the potential to yield high profits and started to develop a housing project intertwined with nature in 2020.

This project is situated on Özak REIC's own land in Göktürk, one of İstanbul's up-and-coming residential districts in close proximity to İstanbul Airport and the TEM freeway.

Özak REIC's plots in Göktürk have a total area of 51,989 m². In 2019, the Company obtained a construction license for the project and started sales of the first phase in 2020. On 22 decares of land, the project will comprise a total of 157 houses of various sizes, and buildings up to five stories tall. Life in the project will begin in the first quarter of 2022.



In addition to the main concert and theater stage, Fişekhane also features an art center, galleries, movie theaters, gourmet restaurants, cafes, and organic bazaar.

About Özak REIC

Owning a 51,989 m² plot in Göktürk, Özak REIC has proven its competence in quality, aesthetics, functionality, architectural design, and lifestyle development with the Özak Göktürk housing projects.



The Özak Göktürk project's first stage comprises 157 houses no more than five stories high on 22 decares of land, and the construction work was 95% complete as of the end of 2021.

Placing the Özak name at the foundation of its branding strategy, the Company continued this practice by naming the project "Özak Göktürk," once more certifying the competence of the Özak brand in quality, aesthetics, functionality, architectural design, and lifestyle development.

Life in the first stage of the Özak Göktürk project is expected to begin in March 2022.

Özak Göktürk 2

Inside the city but far away from the crowds, providing a privileged life, the Özak Göktürk project's second stage is planned to offer more than a house to those who wish to breathe in the forest air while sitting at home. Combining nature with quality architectural lines, Özak Göktürk 2 is planned as a boutique life concept at the center of Göktürk with 67 houses on 10.5 decares of land neighboring the forest.

The Özak Göktürk 2 project offers 2+1 to 5.5+1 choices of high-ceiling houses with peerless terraces, spacious balconies, and gardens leading to the forest and will be open to sale within 2022.

The Company plans to complete the sales of the 2nd stage of the project in 2023 as well, and with the completion of the Özak Göktürk 2 project, aims to develop a project on its other plot in Göktürk.

Özak REIC plans to enter the urban hotel segment where it can display its uniqueness in the city center. Accordingly, Özak REIC will begin a mixed-use project in Balmumcu, one of Istanbul's most central locations. The Balmumcu plot stands out with its uninterrupted views over the Bosphorus, and proximity to the Bosphorus Bridge, the E-5 freeway, and the coastal highway.

Over the coming years, Özak REIC plans to develop new hotel projects

on its Didim and Demre plots under the "Ela Excellence" brand, at quality levels meeting international standards. Özak REIC aims to become one of the leading companies in the industry by ambitiously boosting its real estate turnover with the ongoing Özak Göktürk project as well as the new Balmumcu project to be developed in the future.



Özak Göktürk 2 project is a boutique life concept of 67 houses at the heart of Göktürk, on 10.5 decares of land neighboring a forest.

Our Vision



To become a followed brand that adds value to its investors, environment, and life by producing qualified and trend-setting projects.

Our Mission



To design and operate real estate projects from start to finish by focusing on digitalization and identifying needs across different areas accurately. To create an "Özak Project" perception by establishing leading, authentic, and accurate models.

Our Principles



Supporting “projects that add value to life”

The primary condition for any real estate project to be developed by Özak REIC is that it should enrich the modern urban architectural landscape and people's lifestyles.

Establishing “transparent and open communication” with all its stakeholders

Özak REIC promotes transparent communication with all stakeholders, from investors and executors to employees and clients, to guarantee indisputable, mutual trust.

Addressing investor expectations in full

At every stage of its business processes, Özak REIC works with professional teams of best performers in their respective fields to address investors' short-, medium-, and long-term profitability expectations in full.

Developing trailblazing projects in the industry

Özak REIC takes a global look into the real estate industry in its assessments, going beyond the Turkish market. New technologies, practices, and customer expectations are indispensable elements of our projects as a whole.

Our Strategy

Özak REIC continues on its path with its strategy of creating value and opportunity and developing strengthening projects.

ALTERNATIVE VALUE ADDED PROJECTS

Strategy

<p>CONSOLIDATING OUR STRONG POSITION WITH NEW PROJECTS AS A PROJECT DEVELOPER REAL ESTATE INVESTMENT TRUST</p>	<p>CREATING VALUE THROUGH DISTINCT CITY CENTER PROJECTS OFFERING ALTERNATIVE LIFESTYLES</p>	<p>STRENGTHENING CASH FLOW THROUGH PROJECTS HAVING A POTENTIAL OF HIGH RENTAL INCOME</p>	<p>TRANSFORMING CYCLICAL DEVELOPMENTS INTO COMMERCIAL OPPORTUNITIES THROUGH FORESIGHT</p>
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Goal

<p>SUSTAINING OUR PROVEN OPERATIONAL SUCCESS IN NET ASSET VALUE (NAV) GROWTH AT 45% CAGR^(*)</p>	<p>PURSUING ALTERNATIVE VALUE ADDED PROJECTS AS SOON AS EXISTING INVESTMENTS REACH THEIR FAIR VALUE</p>	<p>PIONEERING DIGITAL TRANSFORMATION IN THE INDUSTRY</p>
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^(*) CAGR: Compound Annual Growth Rate



Sustainability





Financial Indicators

In 2021, Özak REIC's total assets stood at TL 9 billion, total equity at TL 6.7 billion, and net asset value at TL 7.1 billion.

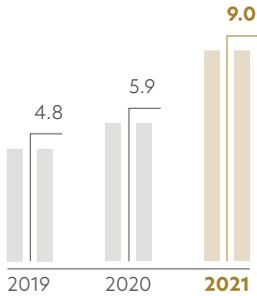
91%

Growth in Equity
(2020-2021)

Total Assets
(TL Billion)

53%

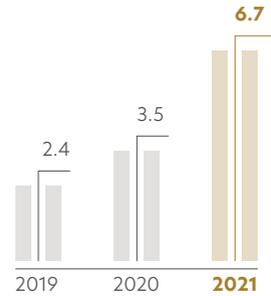
2020-2021 Growth



Total Shareholder's Equity
(TL Billion)

91%

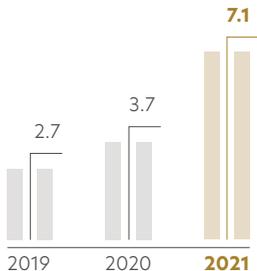
2020-2021 Growth



Net Asset Value(*)
(TL Million)

92%

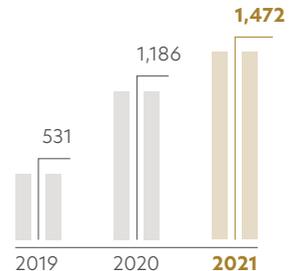
2020-2021 Growth



Total Sales Revenues
(TL Million)

24%

2020-2021 Growth



92%

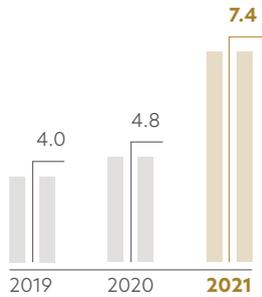
Net Asset Value
Increase
(2020-2021)

(*) Based on unconsolidated financial statements.

Total Real Estate Portfolio
Valu^{e(†)} (TL Billion)

54%

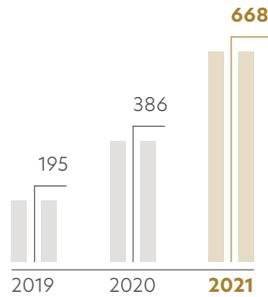
2020-2021 Growth



EBITDA
(TL Million)

73%

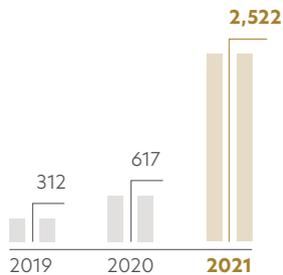
2020-2021 Growth



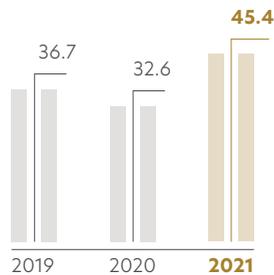
Net Profit
(TL Million)

309%

2020-2021 Growth



EBITDA Margin
(%)



2.5

TL Billion
Net Profit

45%

EBITDA Margin

^(†) Based on unconsolidated financial statements.

Recent Developments in the Portfolio

Büyükyalı Project

Life in Büyükyalı began in the 2nd quarter of 2020. As of the end of 2021, the sales ratio was 74%, sales/delivery ratio was 94%. Sales as part of the Büyükyalı Project amounted to TL 1.580 billion in 2021, while total sales have reached TL 4.5 billion since the project began.



As part of the Büyükyalı Project, a total of TL 4.5 billion in sales was achieved.

Fişekhane

Constituting the commercial space of Büyükyalı, Fişekhane opened its doors to visitors during the year. Offering a glimpse into its magnificent history, Fişekhane features a culture and arts center, stages, movie theaters, galleries, brands making their debut in the Turkish market, gourmet restaurants, pleasant cafes, an organic bazaar selling local delicacies, and many other attractive features. Thus, it presents a genuine neighborhood lifestyle as the city's new meeting point. T3 Block within Fişekhane has an area of 9,812 m² and was purchased jointly by Özak REIC, Yenigün İnşaat, and Ziylan Gayrimenkul in proportion to their stakes in the project (Özak REIC holds a 60% stake in the ordinary partnership).



Özak Göktürk Project

After the plot was purchased in 2021, and following project preparation, the construction permit was received at end of 2021. Özak Göktürk project comprises 67 units on 10.5 decares; sales of the second stage are planned to begin in the first quarter of 2022 and deliveries in the third quarter of 2023.

Sales of the second stage of Özak Göktürk project are expected to begin in the first quarter of 2022.



Land Purchase in Bodrum

Özak REIC purchased 345,492 m² of land in Bodrum Akyarlar in 2021.



Highlights in 2021

With its Ela Excellence brand, created with a comfortable, quality, and innovative holiday concept, Özak REIC has underscored that it is one of the strongest players in tourism.



Diligently restored with the requirements of modern life while maintaining aesthetic authenticity, and possessing the appeal of Istanbul's rich cultural heritage, Fişekhane has become a new meeting point in Istanbul with hit events held through the year.

Leader of the Real Estate Investment Hike: Özak REIC

Özak REIC received the title of "Leader of Real Estate Investment Hike in 2019" in the Real Estate Investment Companies category at the 5th Golden Bull Awards of the Turkish Capital Markets Association.

Özak REIC continued its projects in 2020 without respite and tapped into its strong equity structure despite the economic turbulence experienced during the pandemic. As life began in Büyükyalı, which ultimately became a sales champion, the Göktürk Project was opened for sales, spurring the attention of stock market investors. This prestigious accolade also contributed significantly to a near 100% hike in the Company's share value in one year.

Özak REIC on the "Global Emerging Markets Index"

Developing projects that raise the quality of, and add value to life, Özak REIC tapped into its strong financial structure and diversified portfolio in meeting all the criteria for listing on the "FTSE EPRA/NAREIT Global Emerging Markets Index," which is jointly managed by the industry's leading international institution EPRA (European Public Real Estate Association).

The inclusion of Özak REIC in the FTSE EPRA/NAREIT Global Emerging Markets Index will boost the Company's international visibility and contribute to efforts to reach large-scale investors. This development also attests to Özak REIC's ambition of developing customer-centered products and services, which is recognized by customers and investors alike.

The voice of the publicly-traded real estate industry in Europe, EPRA represents over 275 members that make up 94% of the market value of the FTSE EPRA European Index with assets of EUR 670 billion. EPRA indices contain some 500 share certificates, and the global index represents a real estate portfolio of more than EUR 3 trillion across the world. Investors trust the expertise and professionalism of EPRA to monitor the European market in particular. EPRA also allows them to compare portfolio returns.

Özak REIC is also in Büyükyalı

Özak REIC relocated to its new office in Büyükyalı, Istanbul's new seaside district. The 4,487 m² office building within Block C is now used as an office by Özak REIC, Özak Global Holding, and the Group companies.

A real-estate preliminary agreement to sell was signed in 2019 with Emlak Konut REIC regarding the acquisition by Özak REIC of 10 independent sections in C Block and T2 Block from the Büyükyalı Project, paying 10% in advance with a 60-month deferred payment option at a value of TL 80 million.

Istanbul's New Meeting Point: Fişekhane

Dating back more than two centuries, Fişekhane is one of the prominent historical assets of Istanbul and the heart of an unprecedented lifestyle in Büyükyalı. Diligently restored with the requirements of modern life while maintaining aesthetic authenticity, Fişekhane has been developed to become a new meeting point in Istanbul, with the appeal of Istanbul's rich cultural heritage.



Özak REIC, with its strong financial structure and varied portfolio, has been listed in the "FTSA EPRA/NAREIT Global Developing Markets Index."

Highlights in 2021

Aspiring to be the new meeting point and starting activities last year under pandemic conditions, Fişekhane has taken its place in the culture, arts, and gastronomy scene of Istanbul in a short time.



Fişekhane hosts many alternatives from gourmet restaurants and stages to children's play centers and movie theaters.

Fişekhane will be a brand-new center giving shape to Istanbul's culture and artistic life with its main concert and theater stage, three stages of different capacities which can be shaped to meet specific requirements, and Contemporary Istanbul Foundation events and gallery areas. With the infrastructure in place to host Istanbul's major events besides its own event calendar, Fişekhane is set to become the new center of the city's creative energy.

Hosting new global brands making their debut in Turkey, gourmet restaurants, pleasant cafes, and an organic bazaar offering regional delicacies, Fişekhane offers a genuine neighborhood lifestyle, and adds unique flavors to the lives of Istanbulites. Fişekhane offers many alternative experiences adding value to life:

- Four different stages hosting theater plays, concerts, and performance arts,
- Contemporary art galleries,
- Movie theater complex with six screens,
- Sports center and SPA,
- Entertainment and training center for children,

- Gourmet restaurants,
- Next generation cafes,
- Vegetable market,
- Shops

and more. Fişekhane has the mission of adding a new dimension to social life through its holistic and complimentary amenities and facilities.

After starting its activities under pandemic conditions last year, Fişekhane started its events in June 2021 with the launch of brands in its commercial units, and quickly gained its place in Istanbul's culture, arts, and gastronomy scene.

Hosting distinctive events such as Başka Cinema days, the Istanbul Theater Festival, and the Republic Concert of the Istanbul State Opera and Ballet in 2020, Fişekhane held hit events in 2021 through strong brand cooperations with the motto of culture-arts-gastronomy-life.

The traditional Classic Automobile Republic Rally, two of the important fashion events Mercedes Benz Fashion Week and Koza Fashion Show, and the Sea Concerts, a brand new concert experience for Istanbul, were among the key events hosted in Fişekhane in 2021.

Taking its place in Fişekhane in 2020 with its first and only permanent exhibition and art workshop venue called Cocoon, the Contemporary Istanbul Foundation hosted valuable artists in 2021. Cocoon's first art exhibition at Fişekhane was "Weaving the Cocoon" with contributions from Ahmet Çerkez, Ahmet Elhan, Burcu Erden, Eda Soylu, Elif Kahveci, Erman Özbaşaran, Evren Sungur, Işıl Kapu, Lütfullah Genç, Mithat Şen, Oddviz, Olcay Kuş, Olgu Ülkenciler, Onur Mansız, Sencer Vardarman ,and Ülgen Semerci, held between 21 July and 21 September 2020.

After this exhibition, Cocoon hosted, in order, "Convergence" with 33 pieces from Ali-Rabia Güreli Collection, "Mask/Association," a 20th year gift to Baksı Museum collection, "Moving Memories" curated from photographs and new media works in Borusan Contemporary Art Collection, "Terra Incognita/Undiscovered Lands," which is attached to the "Plant for Life" project continued for a long time by the Yves Rocher Foundation, and finally "Landscape in the Video" exhibition.

The Classic Automobile Republic Rally and Mercedes Benz Fashion Week were among the most significant events hosted in Fişekhane in 2021.

Highlights in 2021

Özak REIC opened the doors to a privileged life with "Özak Göktürk," where dreams can come true.

First Stage of Özak Göktürk Project is Complete

Özak REIC not only develops new living spaces but also refreshing lifestyles in the projects it undertakes. While spearheading the real estate industry with its outstanding quality approach, Özak REIC has paved the way for a privileged life with "Özak Göktürk," where dreams can come true.

Launched in September 2020, Özak Göktürk Project features 157 houses. As of the end of 2021, preliminary sales of 154 houses worth TL 612 million excluding VAT were completed.

The project is being developed on Plot 203, Parcel 1 in Göktürk, on one of the plots within Özak REIC's portfolio. Designed with Özak REIC's philosophy of "adding value to life," Özak Göktürk covers 22 decares of land surrounded by forest. The project features refreshing structures up to five stories in height, high-quality living spaces, 75% of which is allocated for landscaping, and a total of 157 distinctive houses. Beckoning residents on a peaceful, comfortable, healthy, and sanitary life, Özak Göktürk also enables easy access to anything that one may need in their day-to-day life.

Ela Excellence

Ela Excellence Resort Hotel was renewed as Ela Excellence as part of the renovation work in 2021 and consolidated its place among the most important players in tourism.

Renewed to offer a completely perfectionist quality of service, Ela is respectful to nature with digital menus to lower the carbon footprint, amenities not tested on animals, packaging that breaks down in nature, and collaborations with local producers.

Ela Excellence Resort Hotel was renewed as Ela Excellence as part of the renovation work in 2021 and consolidated its place among the most important players in tourism.

With a customer oriented service concept, a bold gastronomy experience, a peerless detached holiday concept, restaurants and equipped for wellness, fitness, a new and unique children's club, smart rooms and renewed water sports options, Ela Excellence redefines holiday.

COVID-19 Measures

Since the beginning of 2021, establishments in Fişekhane had been operating under the gradual normalization process established by the Ministry of the Interior, with 50% capacity and day and hour limits, as well as package delivery. When the Gradual Normalization Measures were completed in June 2021, Fişekhane sped up its advertising to make a good start into the summer season with restaurants and all establishments. In this period, as marketing and advertising campaigns were started with the launching of new brands, Fişekhane hosted many concerts, exhibitions, and an open air cinema showing during the summer period.

Establishments in the Bulvar 216 project of Özak REIC also started activities with 50% capacity according to the gradual normalization processes starting in June 2021. Also, the Board of Directors decided that the establishments would not be charged rent for the duration they were closed.

Furthermore, Ela Excellence Resort Hotel was also opened on 1 April 2021 in accordance with the pandemic measures, and continued activities until the end of the season on 31 October. During this time, Ela Excellence Resort Hotel generated large interest, especially with the individual lake houses, and during the 17-day long lockdown at the end of April, special discounts were provided to health care workers.

Ela Excellence
Resort Hotel
opened on 1 April
2021 in accordance
with the pandemic
measures, and
continued activities
until the end of
the season on 31
October.

Net Asset Value Table

In 2021, Özak REIC's net asset value reached TL 7.1 billion.

Net Asset Value Table (TL Million)			
	2020	2021	
Plots	Bodrum	-	603
	Göktürk 3	-	208
	Göktürk (KOP)	-	21
	Balmumcu	186	307
	Mahmut Bey Plot	71	111
	Demre Plot	-	92
	Aydın Didim	-	226
	Total Plots	257	1,568
Buildings	34 Portall Plaza, Istanbul	574	883
	İş Istanbul 34, Istanbul	281	405
	Büyükyalı Özak Office Building	83	116
	Metro Gross Market, İstanbul	255	386
	Bulvar 216, İstanbul	409	553
	Ela Excellence Resort Hotel	1,287	2,007
	Total Buildings	2,889	4,350
Projects	Göktürk 1	344	339
	Göktürk 2	-	121
	Hayattepe	7	4
	Büyükyalı	1,312	1,040
	Total Projects	1,663	1,504
Subsidiaries (Tourism)	Aktay Otel İşletmeleri A.Ş (Hotel Management)	167.9	242,3
	Büyükyalı Hotel Management	-	-
	Betuyap - Detuyap	0.5	0.5
	Total Subsidiaries	168.4	242.8
	Cash&Financial Investments	657.8	1,171
	Other Assets	387.2	360
	Other Liabilities	1,781.40	1,634
	Debts	509.3	446
	NET ASSET VALUE	3,732	7,116



Taking its place in the culture, arts, gastronomy, and life scene with a restoration completed to world standards, Fişekhane has made its launch and become one of Istanbul's leading brands with its hit events and important and unique restaurants and cafes in the field of gastronomy.

Milestones

1995

- İnt-Er Yapı was established to undertake construction work at home and abroad and provide services in the areas of project management, supply management, quality management, and process management.

2004

- The allocation for the plot of land in Antalya Belek for Ela Excellence Resort Hotel was received.

2007

- Ela Excellence Resort Hotel Belek, introducing the family and children concept to Turkey, entered service.

2009

- With the founding of Özak REIC, the Özak Group gathered all its real estate assets under the roof of Özak REIC.

2010

- The "İş İstanbul 34" project, an A-Class office equipped with the latest technology in Güneşli, was completed.
- "34 Portall Plaza," featuring facilities to boost efficiency in business processes, was completed in İkitelli, Istanbul.

2011

- The land on which the Metro Gross Market and Hayat Tepe projects in Bayrampaşa, Istanbul would be constructed was acquired.
- Akyön Facility Management, a 360-degree service provider in marketing, operations, and rentals under real estate projects, was founded.

2012

- Özak REIC stock started trading on the Istanbul Bourse under the ticker OZKGY.
- Work on the Bulvar 216 project in Ataşehir, Istanbul began.
- Work on the Istanbul-Bayrampaşa Hayat Tepe project began.
- Work on the Metro Gross Market in Bayrampaşa, Istanbul was completed.
- The land located in Balmumcu, Istanbul was acquired.

2014

- The tender for the Büyükyalı Project in Istanbul's Kazlıçeşme district was won.
- The land located in Göktürk, Istanbul was acquired.
- The Hayat Tepe project in Bayrampaşa, Istanbul was delivered.
- Bulvar 216, a project based on the concept of gastronomy and leisure in Ataşehir, Istanbul, was completed.
- The allocation of the land situated in a bay far from the effects of the open sea in Antalya's Demre district, and the land in Didim, Aydın with exquisite geography, was approved.
- Work began on the Istanbul-Bayrampaşa Hayat Tepe Suites project.

2015

- The Hayat Tepe Suites project in Bayrampaşa, Istanbul was delivered.
- Özak REIC ranked 57th in Forbes Turkey magazine's list, "Turkey's Top 100 Companies in 2014."

2016

- Foundations of the Büyükyalı Istanbul Project were laid.
- Four additional plots in Istanbul's Balmumcu district were added to Özak REIC's real estate portfolio.

2017

- A second plot measuring 32,800 m² was added to Özak REIC's portfolio in Göktürk.

2018

- Büyükyalı achieved record turnover in individual sales.
- Allocation for the second plot in Demre, Antalya was obtained.
- The construction license for the Demre hotel project was obtained.

2019

- Apartment deliveries within the Büyükyalı Istanbul Project began.
- The license for the Özak Göktürk project was obtained.

2020

- Life began in Büyükyalı.
- Fişekhane was opened.
- Preliminary sales of Özak Göktürk began.
- The Company was listed on the Global Emerging Markets Index.
- Özak REIC moved to its new head office in Büyükyalı.

2021

A fourth plot measuring 10,600 m² was added to Özak REIC's portfolio in Göktürk.

The license for our Göktürk 2 project was received.

The land registry processes for our Didim plot were completed.

Fişekhane received a brown plate and became one of the must-see historical and touristic locations in Istanbul.

Fişekhane had its formal opening. It became Istanbul's new meeting point.

"Ela Excellence Resort" brand was renewed as "Ela Excellence" following the renovation work at the hotel.

Özak REIC added the 345,492.18 m² Bodrum Akyarlar plot to its portfolio.

Capital and Shareholding Structure

Since its IPO, Özak REIC has aimed to create value for all its shareholders and business partners with its strong financial structure and sustainable growth strategies. Shares corresponding to 23% of the Company's capital are in free float.

Özak REIC was established with an initial capital of TL 2,000,000 in 2008. This increased to TL 16,952,776 the same year; to TL 80,945,420 in 2009; to TL 93,373,837 and then to TL 106,731,750 in 2010; and finally, to TL 141,483,500 in 2011.

Özak REIC offered shares to the public, which have a nominal value of TL 39,250,000 in total and consist of shares amounting to TL 15,516,500 issued by way of a capital increase in 2012 and shares having a nominal value of TL 23,733,500 owned by existing shareholders and corresponding to 25% of the Company's capital. The total capital of the Company amounts to TL 157,000,000.

Afterward, TL 93,000,000 - from the profit for the year 2014, which corresponds to 59.24% of issued capital and TL 114,000,000 - from the profit for the year 2018, which corresponds to 45.6% of issued capital were added to the Company capital. As such, in a capital increase by bonus issue, the Company capital was increased to TL 250,000,000 in 2015 and to TL 364,000,000 in 2019.

The issued capital of Özak REIC - having a registered capital ceiling amounting to TL 1,000,000,000 - totaled TL 364,000,000 as of year-end 2021.

The current shareholding structure of the Company as of the report date is as follows:

Full Name	Nominal Value (TL)	Share in Equity (%)
Ahmet Akbalik	171,876,069	47.22
Ürfi Akbalik	94,527,034	25.97
Free Float	91,000,000	25.00
Other	6,596,987	1.81
Total	364,000,000	100.00

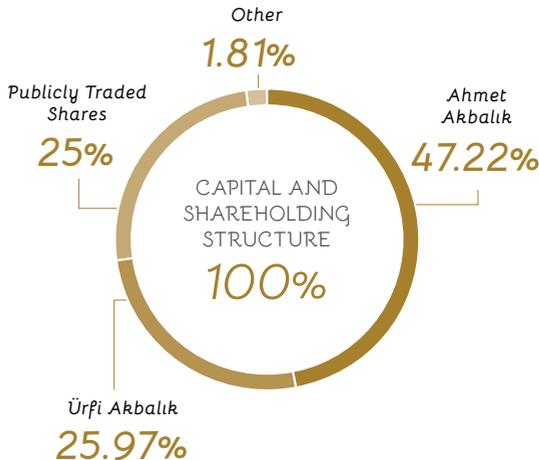
From the shares representing the equity, 91,000,000 (25% of the equity) maintain traded share status on the stock market and are traded on BIST-Stars. Of these shares, 6,709,003 (1.84% of capital) belong to Ahmet Akbalık. 2,185,057 belong to Özak REIC after the share buyback performed in 2019.

The remaining publicly-traded shares (23% of capital) belong to various individual and corporate investors, and as of 31.12.2021, 8% of shares in actual free-float are held by foreign investors and 92% by domestic investors.

Privileged Shares

The capital of the Company consists of 364,000,000 shares each having a nominal value of TL 1. The shares are divided in two as Group A and B. Group A shares are registered shares and have the privilege to nominate candidates in the selection process for the members of the Board of Directors pursuant to Article 8 of the Articles of Association. The portion of the capital amounting to TL 2,318,471 consists of privileged Group A registered shares. The remaining Group B shares of TL 361,681,529 are bearer shares.

Four of the members of the Board of Directors are elected from among the candidates to be nominated by Group A shareholders by a majority vote. The other two members are elected by the General Assembly Meeting from among the candidates nominated by Group B shareholders by a majority vote provided that the candidates comply with the principles regarding independence stipulated in the Capital Market Law. According to Article 9 of the Articles of Association, any security granting a privilege, other than the shares granting the privilege to nominate candidates in the election process for the members of the Board of Directors may not be issued.



The Company's actual free-float ratio is 23%.

Subsidiaries and Joint Ventures

Following the merger with Aktay Tourism in 2015, Ela Excellence Resort Hotel joined the Özak REIT portfolio, and is being operated by Aktay Hotel Management.

Aktay Otel İşletmeleri A.Ş.

Aktay Hotel Management was established in 2011 to operate in the field of hotel management. Özak REIC holds 95% of the shares at the company. Following the merger with Aktay Tourism in 2015, Ela Excellence Resort Hotel joined the Özak REIT portfolio, and is being operated by Aktay Hotel Management.

Paragraph (a) of Article 28/1 of Communiqué No. III-48.1 on Principles Regarding Real Estate Investment Companies of the Capital Markets Board regulates that REICs are entitled to participate in "operating companies." Paragraph 4 of the same article includes the provision: "Participation in operating companies by the subsidiaries cannot be more than 10% of the total assets registered in the subsidiaries' financial statements disclosed to the public at the end of the financial year."

Head office	Kazlıçeşme Mah. Kennedy Cad. No: 52C/5 Büyükyalı, Zeytinburnu , Istanbul-TURKEY
Scope of activities	Tourism and hotel management
Özak REIC's share	95%
Capital	TL 9,000,000

Özak-Yenigün-Ziylan Ordinary Partnership

Communiqué No. III-48.1 on Principles Regarding Real Estate Investment Companies of the Capital Markets Board regulates REICs' participation in ordinary partnerships. Article 33 of the Communiqué includes the provision: "Subsidiaries may form an ordinary partnership with one or several shareholders to exclusively carry out a project."

In the ordinary partnership established for the Büyükyalı project within the scope of Revenue Sharing Work in consideration of the Land Sale for Istanbul Zeytinburnu Kazlıçeşme for which a tender was made by Emlak Konut REIT, Özak REIT holds a share of 60% in the ordinary partnership, Ziylan Gayrimenkul Yatırım ve Yönetim A.Ş. holds a share of 32% and Yenigün İnşaat San. ve Tic has a 8% share as of end of 2017.

The partnership won the tender with the highest "Total Revenue of the Company Share in Return for Land Sale" offer worth TL 1,568,800,000 + VAT. The land covers an area of 111.262 m² on which a mixed-use project, including hotel, housing, residences, offices, retail, recreational and cultural areas, will be developed. The agreement regarding the project was signed on 9 April 2014, after which work on the project began.

The permit for the Büyükyalı Project was obtained in 2016, and sales rapidly took off following the launch held in September 2016. As of the end of 2021, preliminary sales of 1,088 units were completed in this project, yielding a sales turnover of TL 2.94 billion. Deliveries began within the scope of the project in September 2019. As of the end of 2021, the sales ratio was 74%, sales/delivery ratio was 94%.

Head office	Kazlıçeşme Mah. Kennedy Cad. No: 52C/5 Büyükyalı, Zeytinburnu , İstanbul-TURKEY
Scope of activities	Büyükyalı Project
Özak REIC's share	60%

Büyükyalı Otel İşletmeciliği A.Ş.

Büyükyalı Hotel Management was established to engage in touristic hotel management in 2015. Özak REIC holds a 60% stake in the Company.

Paragraph (a) of Article 28/1 of Communiqué No. III-48.1 on Principles Regarding Real Estate Investment Companies of the Capital Markets Board regulates that REICs are entitled to participate in "operating companies." Article 27 of the relevant Communiqué defines an "operating company" as follows: "In cases where the portfolio of the partnership includes properties to earn rental income, the basic services such as security, cleaning, general administration and similar for the said properties or their independent sections may be provided by the partnership to tenants or execution of an agreement between the partnership and an operating company for the provision of such services is possible. Advertisements and promotional activities to be carried out with the purpose of marketing and increasing the value of the properties and property projects included in the portfolio of the partnership are within the scope of basic services."

Head office	Kazlıçeşme Mah. Kennedy Cad. No: 52C/5 Büyükyalı, Zeytinburnu , İstanbul-TURKEY
Scope of activities	Tourism and hotel management
Özak REIC's share	60%
Capital	TL 50,000

Board of Directors

Ahmet Akbalık

Chairman of the Board of Directors

Ahmet Akbalık was born in 1971 in Istanbul and started his professional career in 1985 in a family-owned company, Özak Tekstil. He founded Özak Tekstil ve Konfeksiyon San. ve Tic. A.Ş. in 1991. He founded Inter Yapı in 2008 and Özak REIC in 2008. Ahmet Akbalık gathered all his companies under the Özak Global Holding A.Ş. umbrella in 2009. Serving in various positions throughout his professional career, Mr. Akbalık was the Deputy Chairman of the Turkish Exporters Assembly (TİM); Deputy Chairman of Istanbul Ready-to-Wear Exporters Association (İHKİB); Member of the Board of Directors and Executive Committee at the Foreign Economic Relations Board; and Member of the Board at Belek Tourism Investors Association. He currently serves as Deputy Chairman of the Services Exporters' Association and Chairman of the TIM Service Industry Committee. Furthermore, he is currently the Vice-Chairman of Özak Tekstil, founding partner and Chairman of Özak REIC, Özak Global Holding, and all affiliated companies. Mr. Ahmet Akbalık is the Honorary Consul of Macedonia in Antalya. He is married and has three children.

Ürfi Akbalık

Deputy Chairman

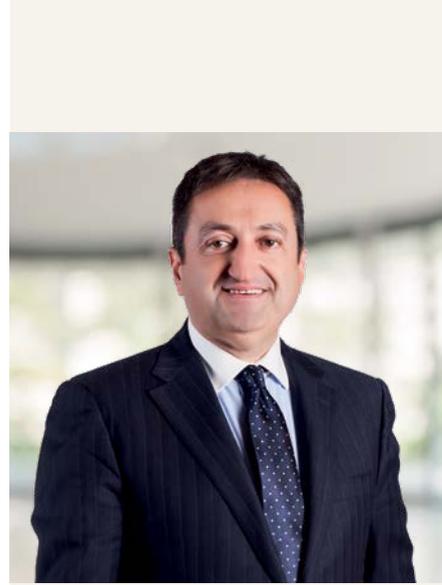
Ürfi Akbalık was born in 1976 in Istanbul and started his professional career in 1991 in a family-owned company, Özak Tekstil ve Konfeksiyon San. ve Tic. A.Ş. He contributed to the textile and apparel businesses in this period. He serves as Founding Partner, Member of the Board of Directors and Deputy Chairman at Özak Global Holding that was established by gathering Özak Group companies under a single roof, and the affiliated companies. Ürfi Akbalık, who previously served as a Member of the Board of the Istanbul Ready-Made Garment Exporters' Association (İHKİB), is currently serving as the Deputy Chairman of the Board of İHKİB.



Prof. Ali Alp

Board Member

Ali Alp was born in 1964 in Rize. He graduated from Ankara University Department of Business Administration in 1987 and obtained his Master's degree from Marmara University in 1991. He obtained his Ph.D. in Business Administration from Ankara University in 1995. He started his business career as Assistant Specialist at the Undersecretariat of Treasury and Foreign Trade in 1987 and then worked as a Specialist in the Capital Markets Board between 1988-1996. After 1996, he served as Advisor to the Minister of Economy, Vice President of the Prime Ministry Housing Development Administration of Turkey (TOKİ), Deputy Undersecretary at the Prime Ministry and Ministry of Culture and Tourism, Executive Board Member at World Tourism Organization, Chairman at Emlak Konut REIC, TRT Board Member, and served as Board Member at Turkey Accounting Standards Council. Alp worked as a faculty member at the Maastricht School of Business and the University of Illinois in Urbana-Champaign. Currently, Alp is a lecturer at the Department of Business Administration at TOBB University of Economics and Technology and teaches finance as a guest lecturer at Bilkent University and Vienna University of Economics. In addition, he is a Board Member at various listed companies.



Hadiye Taşkın

Board Member

Ms. Taşkın was born in Istanbul in 1980. In 2008, Taşkın joined Özak Global Holding, a 35-year old company operating in real estate, construction, tourism, textiles, and facility management, as HR Director. Later, she served as a Member of the Executive Board of Özak Global Holding. Ms. Taşkın was elected a Board Member for Özak REIC at the General Assembly meeting held on 14 May 2020.



Board of Directors

Oğuz Satıcı

Independent Board Member

Oğuz Satıcı was born in 1965 in Istanbul. He graduated from Washington International University with a degree in Business Administration. He started his professional career in the family business, Oğuz İplik, and later established the textile manufacturing, exports and domestic trade company, Teksfil İplik Örne Sanayi ve Ticaret A.Ş. in 1991, and Polaris Tekstil Sanayi Ticaret A.Ş. in 1994. In 1990, he became the youngest member to be elected to the Assembly of Istanbul Chamber of Commerce (İTO), and served as Board Member for the Economic Development Foundation (İKV) (1996-1998). He also served as Board Member for the Istanbul Textiles and Raw Materials Exporters Association (İTHİB) (1999-2001), Member of the Turkish Investment Climate Improvement Coordination Institution (2001-2008), Member of the Turkish Investment Consultancy Council (2004-2008), and President of Turkish Exporters Assembly (TİM) (2001-2008).

Prof. Saim Kılıç

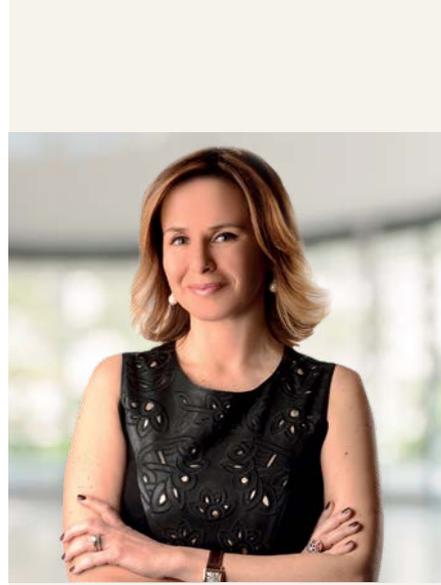
Independent Board Member

Born in 1972 in Ardahan, Saim Kılıç graduated from Ankara University, Faculty of Political Sciences, Department of International Relations in 1993 with high honors. He received a master's degree in finance from the University of Illinois at Urbana- Champaign in 2001, an MBA from the Faculty of Political Sciences at Ankara University in 2002, and a Ph.D. in Accounting and Finance in 2007 with high honors. He conducted studies at the University of Greenwich in London in the 2005/2006 academic year, then became an Associate Professor of Finance in 2012 and a Full Professor in 2017. He started his career as Assistant Specialist at the Capital Markets Board in 1994. For over 25 years, he worked as Specialist at the Capital Markets Board, Advisor to the Deputy Prime Minister at the Prime Ministry, Specialist Officer at the Presidency, Head of the Supervision and Monitoring Board at Borsa Istanbul (Assistant General Manager), Assistant General Manager at the Central Registry Agency, Member of the Regulatory Committee at the World Federation of Stock Exchanges and Federation of Euro-Asian Stock Exchanges, Board Member at the Central Registry Agency, Board Member at the Capital Markets Licensing Registration and Education Company, as well as Board Member and Advisor at numerous finance, manufacturing, energy and trade companies. He currently serves as a Faculty Member at the Altınbaş University, Faculty of Business Administration, and as the Chief Advisor to the University President, giving lectures on business, finance, and corporate governance. He is also a Board Member of GYODER. He has many articles, books and scientific studies in finance, capital markets, banking and stock exchanges and corporate governance.

Melda Bayraktarođlu

Independent Board Member

Ms. Bayraktarođlu began her professional life in 1996 as a Product Manager at Alarko Tourism and went on to serve as Brand Manager and Business Development Director. She worked as the Director in charge of health, tourism, and food for third persons under the Bonus Card program. Melda Bayraktarođlu, who continued her professional career in the real estate industry, has undertaken senior positions such as Executive and Board Member, Sales and Marketing General Manager for many years in leading companies in the hotel and other real estate development industries. She undertook the responsibility of project development, design management coordination, and sales and marketing strategies in many domestic and international real estate projects. Melda Bayraktarođlu graduated from Bilkent University's International Relations Department, the studied International Marketing Strategies at the London School of Economics. Later, she specialized in Real Estate Sales and Marketing Consultancy. Melda Bayraktarođlu, who is responsible for sales and marketing strategies including concept development and positioning in residential and office projects in the real estate company of which she is a Managing Partner, joined the Board of Directors of GYODER in 2013. She is an Advising Member at Aura Istanbul, Executive Board Member at ULI Women Leaders Initiative, and Board Member at the Turkish Association of Women University Graduates. She is fluent in Italian and English.



Board of Directors

Name and Surname	Duty	Assignment Date	Term of Office	Independence
Ahmet Akbalık	Chairman	14 May 2020	3 years	
Ürfi Akbalık	Vice Chairman	14 May 2020	3 years	
Prof. Ali Alp	Board Member	8 June 2021	1 year	
Hadiye Taşkın	Board Member	8 June 2021	1 year	
Oğuz Satıcı	Board Member	8 June 2021	1 year	Independent Member
Prof. Dr. Saim Kılıç	Board Member	8 June 2021	1 year	Independent Member
Melda Bayraktaroğlu	Board Member	8 June 2021	1 year	Independent Member

At Özak REIC's Board meetings dated 15 April 2021, and 7 May 2021, in line with the provisions of the Corporate Governance Communiqué, with the resolution of the Corporate Governance Committee, which also assumed the duties of the Nomination Committee, it was resolved that Oğuz Satıcı, Prof. Saim Kılıç, and Melda Bayraktaroğlu, who were recommended as Independent Board Members, be appointed as Özak REIC Independent Board Members and that the resolution be submitted for the approval of the shareholders at the first General Assembly.

Article 19 of the Articles of Association governs the roles and duties of the Board of Directors. The Board is responsible for carrying out the duties assigned to it under the Turkish Commercial Code, Capital Markets Law, and Articles of Association. The Board of Directors carries out all activities and procedures not requiring a Resolution of the General Assembly as per applicable legislation and the Articles of Association.

The Board of Directors convenes regularly and as necessary without any time restriction but not less than once in a month pursuant to the provisions of the Articles of Association. The Board of Directors held 38 meetings in 2021.

The Board of Directors holds its meetings with the participation of the majority of the total members and adopts its resolutions with the majority of the attending members. In the event of an equal number of votes, the proposal put to the vote is included in the agenda of the next meeting and if the majority vote cannot be obtained in that meeting, the proposal is deemed as rejected. Each member of the Board of Directors has one voting right irrespective of his/her position and duty.

All of the members of the Board of Directors attend the meetings in which the significant transactions listed in Article 5 of the Communiqué No. II-23.1 on Common Principles Regarding Significant Transactions and the Retirement Right, as well as the matters specified in relevant articles on Related Party Transactions under the Corporate Governance Communiqué No. II-17.1, are discussed. The members of the Board of Directors should take care to be present and express an opinion in the meeting including but not limited to those mentioned above. The counter opinions declared and the reasons for the dissenting votes cast in the meetings of the Board of Directors are entered into the resolution minutes.

Committees

The Audit Committee, Corporate Governance Committee, and Early Detection of Risk Committee have been established to enable the Board of Directors to fulfill its duties and responsibilities in a sound manner in accordance with the current status and needs of the Company. The committees carry out their duties in accordance with the duty and working principles approved by the Board of Directors.

There is no nomination committee in our Company. As such, the duties of this Committee are carried out by the Corporate Governance Committee pursuant to Article 4.5.1 of the Corporate Governance Principles attached to the Corporate Governance Communiqué No. II-17.1 of the CMB.

Investor relations managers have been charged as the Members of the Corporate Governance Committee in accordance with Article 11 of the Corporate Governance Communiqué No. II-17.1 of the CMB.

The Audit Committee and Early Detection of Risk Committee consist of two members each while the Corporate Governance Committee has four members. Both members of the Audit Committee are Independent Members of the Board of Directors. The Chairs of the Early Detection of Risk Committee and the Corporate Governance Committee are Independent Members of the Board of Directors; the remaining members are both non-independent and non-executive members of the Board of Directors. In addition, the Corporate Governance Committee includes the Investor Relations Managers as stipulated by Article 11 of the Corporate Governance Communiqué of the CMB.

Audit Committee

Prof. Saim Kılıç	Chairman of the Committee (Independent Board Member)
Oğuz Satıcı	Committee Member (Independent Board Member)

Corporate Governance Committee

Prof. Saim Kılıç	Chairman of the Committee (Independent Board Member)
Prof. D. Ali Alp	Member of the Committee (Non-Executive Board Member)
Orkun Ergüney	Member of the Committee (Investor Relations Manager)

Early Detection of Risk Committee

Prof. Saim Kılıç	Chairman of the Committee (Independent Board Member)
Oğuz Satıcı	Committee Member (Non-Executive Board Member)

Committees

Evaluation of the Board of Directors on Committees

Independent Members of the Board of Directors serve on more than one committee. The reasons thereof are the structure of the Board of Directors, the presence of only two independent members in our Board of Directors as permitted by the legislation, the obligation of constituting the Audit Committee with the independent members only pursuant to the corporate governance principles and the fact that the chairs of the other committees must be independent members also. As a result of these requirements, our independent members have had to be assigned to more than one committee.

The committees carry out their duties in accordance with the written duty and working principles approved by the Board of Directors. Accordingly, the Audit Committee, Corporate Governance Committee, and Early Detection of Risk Committee hold their meetings whenever deemed necessary but not less than four times and six times in a year, respectively. As such, the Corporate Governance Committee convened eight times, the Early Detection of Risk Committee convened six times while the Audit Committee convened five times in 2021.

The Corporate Governance Committee held three meetings within the year in its capacity as the Nomination Committee. In the other five meetings, they evaluated the Company's corporate compliance efforts and the activities of the Investor Relations Department.

The Audit Committee held four meetings to assess quarterly results and check financial reports and one meeting with the agenda of selecting an independent audit company.

The Early Detection of Risk Committee convenes once every two months as per the provisions of the TCC. This Committee meets to assess the risks the Company may be exposed to. The Committee reviewed the risk management systems at the last meeting of 2021.

Committees actively work in compliance with the working principles approved by the Board on 16 April 2014, and all the minutes of the meetings held by those Committees are submitted to the Board of Directors. The Board takes care to convene on the same day to discuss the outcomes of those meetings.

The activities of the Board of Directors committees, as well as the procedures followed when performing these activities, are explained in the working principles of the committees. The sections relating to the working principles are as follows.

Audit Committee

Duties and Responsibilities:

- Designating the independent auditing firm, drawing up the independent auditing agreements and initiating the audit process as well as overseeing the activities of the independent auditing firm at each stage;
- Assessing the Independent Auditor's statement of autonomy and the additional services that can be received from the independent auditing firm;
- Reviewing and concluding the complaints communicated to the Company concerning the Company's accounting and internal control systems as well as independent audit processes and establishing the methods and the criteria to be implemented for handling the communications of the Company's employees with respect to accounting, reporting, internal control, and independent audit processes under the principle of confidentiality;
- Obtaining the opinions of the executives of the Company and the independent auditors regarding the conformity of the annual and interim financial statements to be disclosed to the public with the accounting principles implemented by the Company and the truth as well as the accuracy thereof and communicating the same to the Board of Directors in writing together with its own assessments;
- Carrying out the other duties already assigned/to be assigned to the Committee as per the regulations of the CMB and the Turkish Commercial Code.

Meetings:

- The Audit Committee convenes a minimum of four times a year provided this is not less than once every three months and the results of the meeting are submitted to the

Board of Directors by being entered into the minutes. The Committee communicates the conclusions and the recommendations that it has reached related to its duties and responsibilities to the Board of Directors immediately in writing.

- The resolutions of the Committee are advisory. The Board of Directors is the ultimate decision-maker in the relevant matters.
- The meetings can be held at the registered office of the Company or another place that is easily accessible by the members of the Committee.

Corporate Governance Committee

Duties and Responsibilities:

- Establishing whether the Corporate Governance Principles are being implemented and if not, determining why as well as the conflicts of interest arising from any non-compliance with these principles fully and making recommendations to the Board of Directors to improve the corporate governance practices;
- Overseeing the activities of the Corporate Governance and the Investor Relations Department;
- Reviewing the Corporate Governance Principles Compliance Report to be disclosed to the public and checking whether the information provided therein is accurate and consistent with the information that the Committee possesses;
- Ensuring that the Corporate Governance Principles are developed, adopted, and implemented within the Company as well as conducting studies with respect to the matters for which they are not implemented and making recommendations to the Board of Directors for improving the level of compliance.

Committees

Nomination Committee

Duties and Responsibilities:

- Establishing a transparent system to determine, assess, and train suitable candidates for the membership of the Board of Directors and the executive positions having administrative responsibility as well as conducting studies to determine the policies and strategies related thereto;
- Performing reviews with respect to the structure and the effectiveness of the Board of Directors as well as providing the Board of Directors with the recommendations regarding the changes that can be made related thereto.

Remuneration Committee

Duties and Responsibilities:

- Determining the principles, criteria, and practices to be utilized in determining the remuneration payable to the members of the Board of Directors and the executives having administrative responsibility as well as overseeing these matters;
- Providing the Board of Directors with recommendations about the remuneration payable to the members of the Board of Directors and the top executives by taking into consideration the degree to which the criteria have been met.

Meetings:

- The Committee convenes as often as required by the duties assigned to it.
- The resolutions of the Committee are advisory. The Board of Directors is the ultimate decision-maker in the relevant matters.
- The meetings can be held at the registered office of the Company or another place that is easily accessible by the members of the Committee.

Early Detection of Risk Committee

Duties and Responsibilities:

- The Early Detection of Risk Committee assesses the situation in the reports to be submitted to the Board of Directors bimonthly. The Committee forwards the prepared report to the auditor as well.
- The Early Detection of Risk Committee prepares the working principles in a manner covering the members of the Committee, the frequency of the meetings, and the performed activities to be included in the annual report as well as the annual assessment report to constitute a basis for the assessment of the Board of Directors with respect to the efficiency of the Committee and submits the same to the Board of Directors.
- The Early Detection of Risk Committee makes recommendations to the Board of Directors but such recommendations do not release the Board of Directors from its duties and responsibilities arising from the Turkish Commercial Code.

Meetings:

- The Committee convenes a minimum of six times a year provided this is not less than once every two months. The resolutions adopted in the meetings of the Committee are put in writing, signed by the members of the Committee, and archived regularly.
- The Early Detection of Risk Committee is entitled to invite the executives whom it considers necessary to its meetings and obtain their opinions.
- The Committee compiles the conclusions and the recommendations that it has reached related to its duties and responsibilities as a report and submits the same to the Board of Directors.

Statement of Independence

To Özak Gayrimenkul Yatırım Ortaklığı A.Ş. Nomination Committee

With regard to my nomination to the seat of an independent member of the Board of Directors, soon to be available on your Company's Board of Directors, I hereby declare in writing that I am "Independent" according to the criteria specified in Article 4.3.6 of the Corporate Governance Principles attached to the Corporate Governance Communiqué of the Capital Markets Board (CMB), Capital Market Law, relevant legislation, and the Articles of Association.

Prof. Dr. Saim Kılıç

To Özak Gayrimenkul Yatırım Ortaklığı A.Ş. Nomination Committee

With regard to my nomination to the seat of an independent member of the Board of Directors, soon to be available on your Company's Board of Directors, I hereby declare in writing that I am "Independent" according to the criteria specified in Article 4.3.6 of the Corporate Governance Principles attached to the Corporate Governance Communiqué of the Capital Markets Board (CMB), Capital Market Law, relevant legislation, and the Articles of Association.

Oğuz Satıcı

To Özak Gayrimenkul Yatırım Ortaklığı A.Ş. Nomination Committee

With regard to my nomination to the seat of an independent member of the Board of Directors, soon to be available on your Company's Board of Directors, I hereby declare in writing that I am "Independent" according to the criteria specified in Article 4.3.6 of the Corporate Governance Principles attached to the Corporate Governance Communiqué of the Capital Markets Board (CMB), Capital Market Law, relevant legislation, and the Articles of Association.

Melda Bayraktaroğlu

Senior Management

Mehmet Fatih Keresteci

CEO

Mehmet Fatih Keresteci was born in 1977 in Istanbul and graduated from Istanbul Technical University, Department of Architecture. During his professional life, he worked as Business Development Officer for a long period of time where he took part in feasibility studies of various real estate projects. Besides, Mr. Keresteci has taken an active role in many construction tenders in both the public and private sectors from 2007 to 2011. Since joining Özak REIC in 2011, Mr. Keresteci has served, respectively, as Business Development Manager, Project Development Director, and Assistant General Manager in charge of Business Development. He was appointed General Manager of Özak REIC by Resolution Number 2014-29 of the Board of Directors dated 27 July 2014.

Özgür Çoban

Assistant General Manager in charge of Development and Legislation

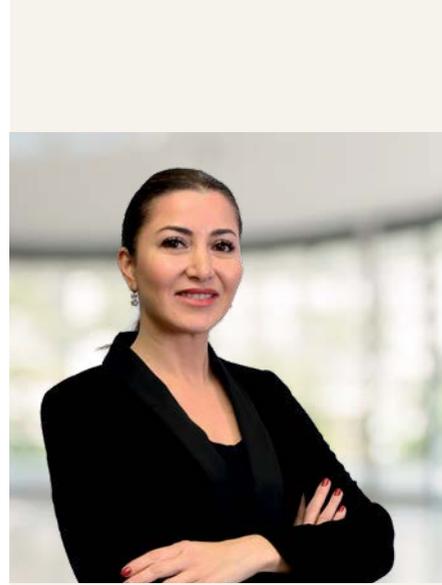
Özgür Çoban was born in 1970 in Artvin and graduated from Istanbul Technical University, Department of Civil Engineering. Having worked at different construction companies as a Project Manager for long years, Çoban joined Özak REIC in 2011 to serve as Director of Projects, Development, and Legislation. Since 2014, Çoban has been Assistant General Manager in charge of Development and Legislation at Özak REIC.



Zeynep Tuba Bayraktar

Assistant General Manager in Charge of Architecture and Design Coordination

Born in Istanbul in 1977, Zeynep Tuba Bayraktar is a graduate of Yıldız Technical University, Department of Architecture. In 2000, she participated in various training seminars on urbanism, regional planning, and housing/public housing covering six cities in France including Paris, organized by a variety of academics from the Nancy Architectural School and the University of Reims, as well as 6-month project work in the cities of Troyes and Nantes. Bayraktar started her career as an architect and worked as Project Manager, Technical Office Chief, and Projects Coordinator at different companies. In 2013, Bayraktar joined the Özak Group and worked as Project/Design Coordination Manager and Director, respectively, until 2018. Since 2018, Bayraktar has been Assistant General Manager in charge of Architecture and Design Coordination at Özak REIC.



The measures taken by the Ministry of Treasury and Finance and the Ministry of Environment and Urbanization in the aftermath of the pandemic were the lifeblood of the industry, and strengthened the uptick in recovery in the housing industry.

The Construction and Real Estate Industry in Turkey and Worldwide

The pandemic affected the entire world in 2020, peaked in 2021, but started to lose strength with the vaccination drive that began in the second half of 2021.

The COVID-19 pandemic affected almost every economic and social variable. Worldwide, many managerial processes, from ways of doing business to decision making, had to be re-shaped in light of emerging events. And, as in other industries, construction and real estate sustained impacts that shaped ways of doing business and the dynamics of demand.

The measures taken in our country and around the world in 2021 slowed the spread of the pandemic and the vaccination efforts pushed it back, giving the domestic and international markets room to breathe.

The measures taken by the Ministry of Treasury and Finance and the Ministry of Environment and Urbanization in the aftermath of the pandemic were the lifeblood of the industry, and strengthened the uptick in recovery in the housing industry. Thanks to the measures taken in 2021, we can say that the industry ended the year at a level very close to 2020.

Foremost among the socioeconomic developments driven by the pandemic since 2020 is the acceleration of digitalization and the accompanying understanding that respects nature and is mindful of human health.

According to IMF figures, the global economy shrank by 3.3% in 2020 when the pandemic started, but recovered quickly in 2021 with 5.9% growth. At the same time, the Turkish economy showed a positive divergence with respect to global markets with 1.8% growth in 2020. Although the figures for 2021 have not yet been announced, expectations are for strong growth of 10.5%.

Despite rises in inflation and foreign currency rates in the Turkish economy due to the pandemic, especially during the last quarter, house sales declined only 0.5% compared to 2020 at 1.491 million, demonstrating a successful outcome. The strong house sales, particularly in November and December, have proven that in inflationist environments houses are still seen as the most reliable investment in Turkey. Total house sales in December 2021 were 226,503, up 27% on November.

While mortgaged house sales showed a 209% increase in December 2021, they showed an overall 49% decrease over the year with 573,337 sales. While first-hand house sales declined by 1.7% in the whole of 2021, second-hand house sales showed a flat performance with 1.3 million completed.

With 276,000 house sales in the domestic sector, Istanbul maintained city leadership in 2021, followed by Ankara with 144,000, and Izmir in third place with 86,000 house sales and a 5.8% share. The cities with the lowest numbers of house sales were Hakkari, Ardahan, and Bayburt respectively.

House sales to foreigners declined by 10% in 2020 to 40,812, before rapidly increasing by 43% to 58,576 in 2021. The most popular city for house purchases by foreigners was Istanbul, with Antalya and Ankara becoming other popular locations. When considering foreigner house sales by nationality, Iranian investors ranked first in the Turkish housing market with 10,000 purchases, followed by Iraqi (8,661), Russian (5,379), and Afghan (2,762) investors.

The Turkish construction and housing industry will continue to rank among the country's leading industries for a growing economy. Indeed, the industry still has much more potential when considering demographic and economic developments and when compared with the rest of the world. Therefore, the mid-term trend points to growth as long as our country and industry remain stable and dynamic.

The Turkish construction and housing industry will continue to rank among Turkey's leading industries for a growing economy.



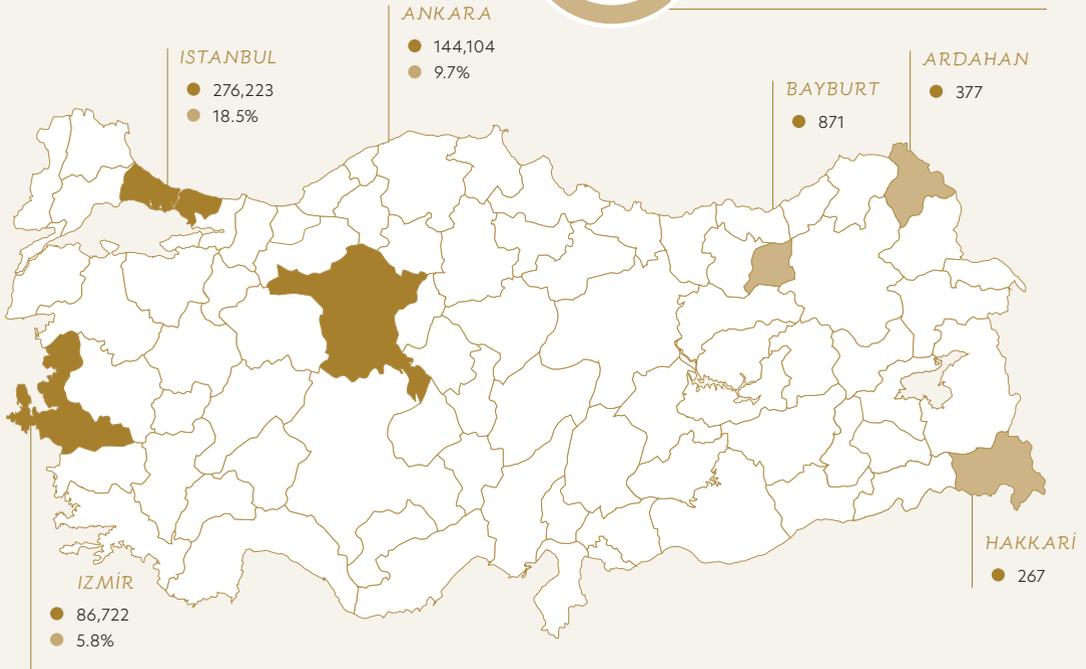
The Construction and Real Estate Industry in Turkey and Worldwide

A total of 1 million 491 thousand houses were sold in Turkey in 2021.

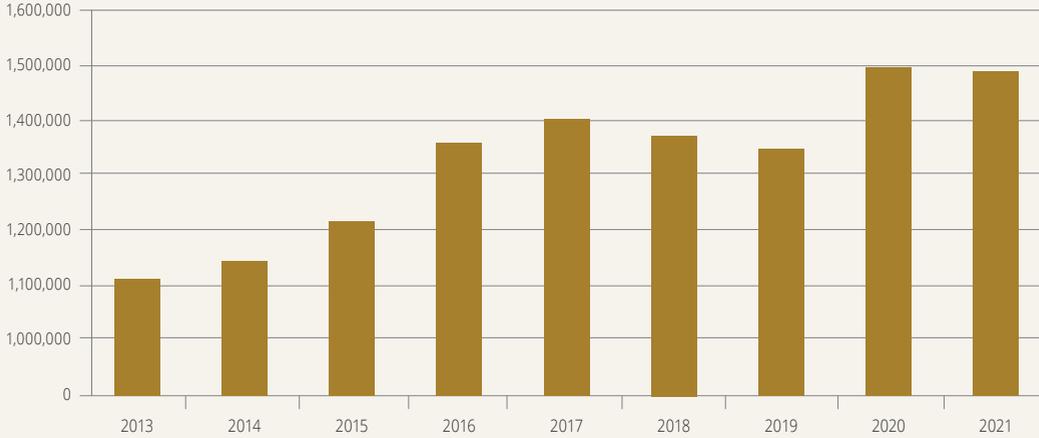
- Top Three Provinces in House Sales
- Last Three Provinces in House Sales
- Total house sales
- Rate in total house sales



461,523
WERE SOLD FOR THE
FIRST TIME



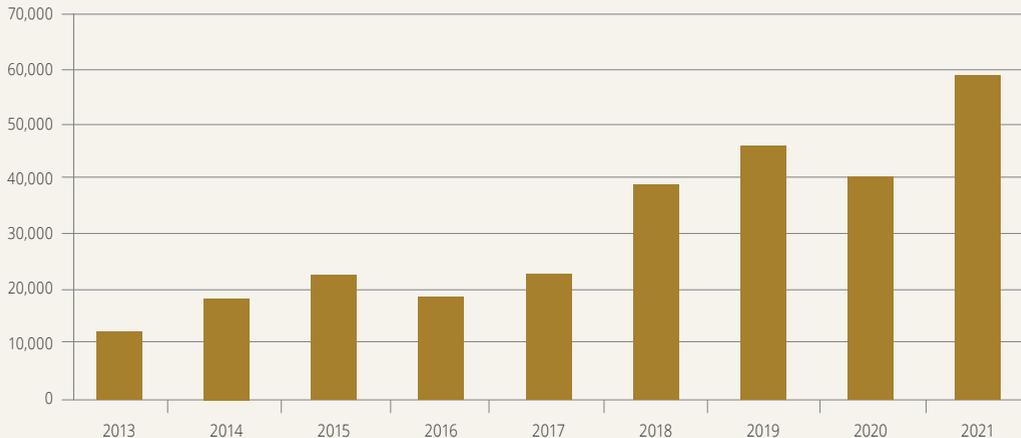
2013-2021 House Sales (Pieces)



House Sales

	2021	2020	Change (%)
By Type of Sales Transaction	1,491,856	1,499,316	-0.5
Mortgaged	294,530	573,337	-48.6
Other Sales	1,197,326	925,979	29.3
By Type of Sale	1,491,856	1,499,316	-0.5
First-Hand Sales	461,523	469,740	-1.7
Second-Hand Sales	1,030,333	1,029,576	0.1

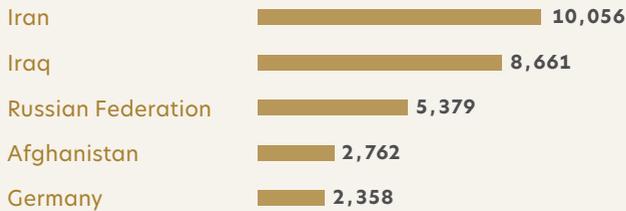
2013-2021 House Sales to Foreigners (Pieces)



The Construction and Real Estate Industry in Turkey and Worldwide

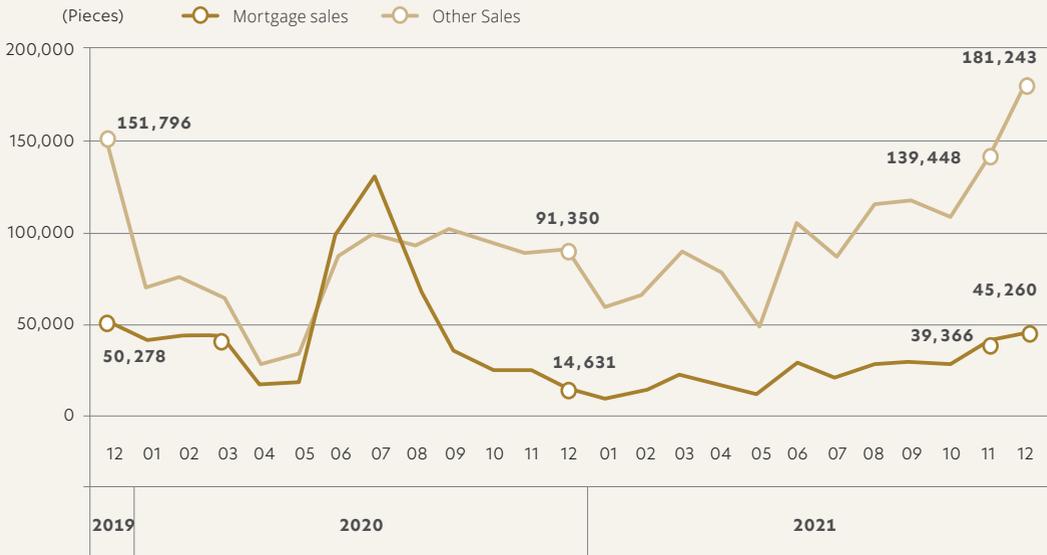
In sales to foreign persons in Turkey, the largest sales were to Iranian citizens with 10,000 persons.

Breakdown of Houses Sold to Foreigners by Nationality

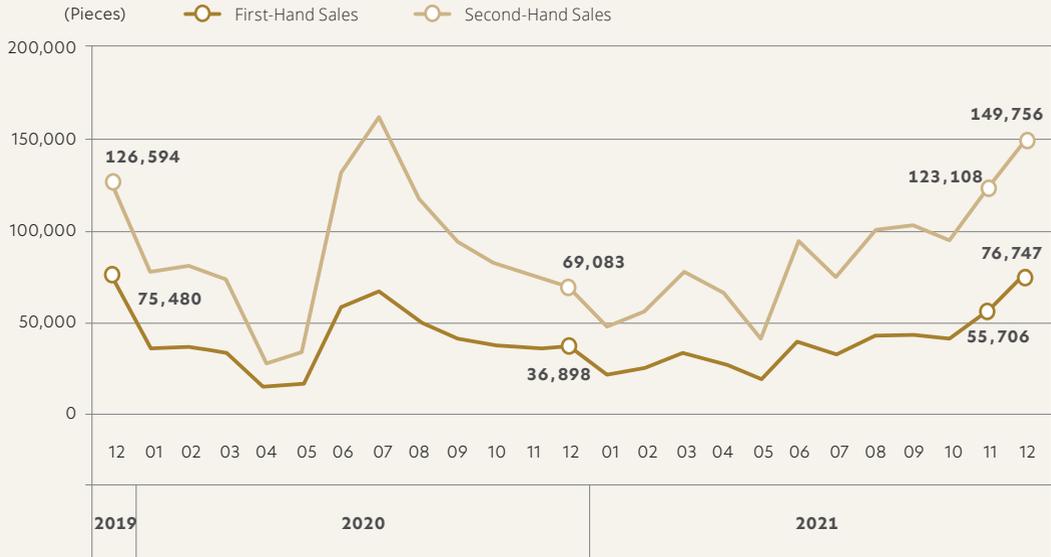


(Top 5 Countries)

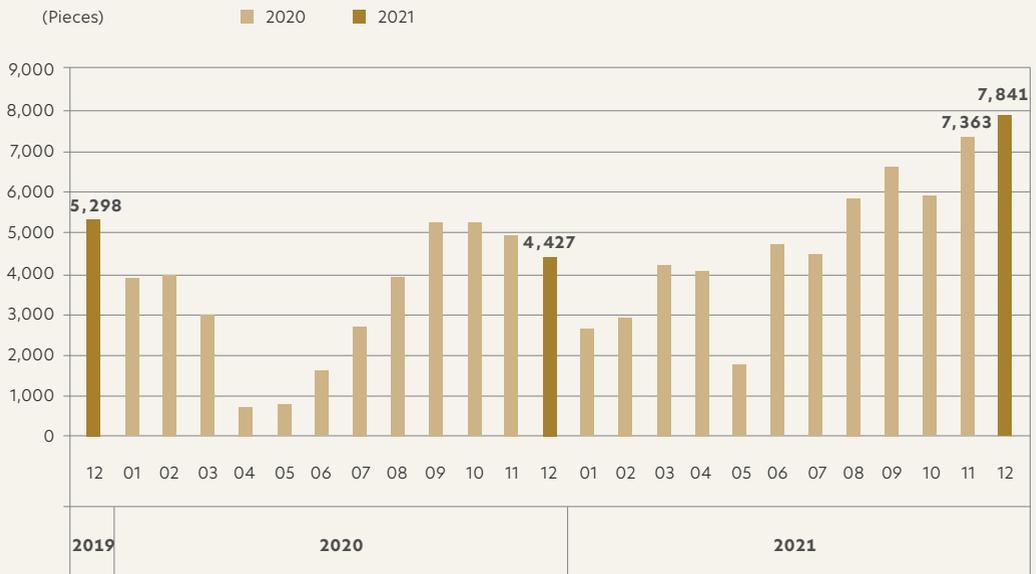
By Type of Sales Transaction (Pieces)



By Sales Method (Pieces)



House Sales to Foreigners (Pieces)



The Construction and Real Estate Industry in Turkey and Worldwide

2021 was a year when flexible rental solutions were highlighted more than ever.

Office Sector

An increase in demand was seen in the last quarter of 2021 in the Istanbul office sector, where economic fluctuations, as well as the pandemic, were influential. As the Turkish lira rapidly lost value against foreign currencies, the declaration of rent prices in TL caused uncertainty in the industry, and landlords, not wishing to lose value against foreign currency, adopted new list prices when updating the rent with the increases in mind; rent list prices in some buildings were declared in US dollars.

In the central business district (CBD), A class office buildings had a vacancy rate of 28.1% and B class office buildings had a vacancy rate of 15.4%. Average rent in the CBD came to 12.2 US dollars/m²/month, the lowest value in the decade; in B class office buildings it was calculated as 5.1 US dollars/m²/month.

Looking at non-CBD Europe, the vacancy rate in A class office buildings was 20.9% and the average rent was 9.2 US dollars/m²/month. In non-CBD Asia, the vacancy rate in A class office buildings was 18.3% and the average rent was 7.7 US dollars/m²/month.

Flexible rental solutions were highlighted more than ever in 2021. The total area of rental and corporate purchase transactions in Istanbul through the year came to approximately 337,000 m², an increase of 82% on the previous year. Rental transactions were comprised mostly of medium-sized and small-scale offices and there were no transactions over 20,000 m² in office space in the sector through the year. Twenty-six percent of transactions were for office sizes of 10,000-20,000 m² and the ratio of 5,000-10,000 m² office spaces was 14%. Forty-seven percent of the total transaction volume was for offices between 1,000 and 5,000 m² in size and the remaining 13% was for offices smaller than 1,000 m².

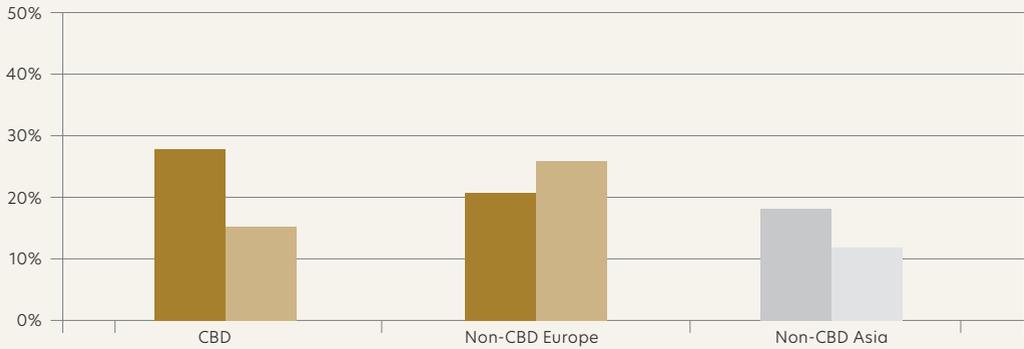
Much interest was shown in developing office areas during 2021; the Kâğıthane-Cendere region came to the fore in medium and large-volume transactions.

Furthermore, the increase in construction costs slowed the speed of construction for office projects in 2021 and brought the increase in Istanbul's A class office stock to a standstill.

We foresee an increase in returning to offices in the period ahead as the effects of the pandemic decline and an increase in 2022 for both investors and end-users in purchase transactions, which have traditionally lagged behind rentals.

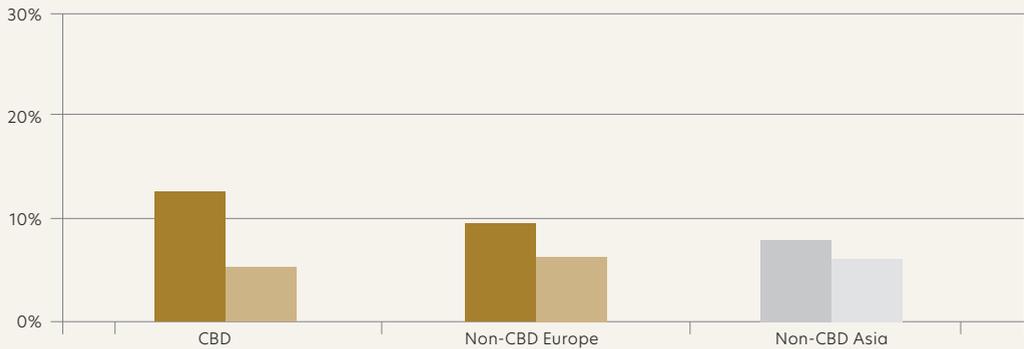
Vacancy Rates (%) by Regional Category

A Class CBD Non-CBD Europe Non-CBD Asia **B Class** CBD Non-CBD Europe Non-CBD Asia



Average Rental Fees by District (SQM/USD)*

A Class CBD Non-CBD Europe Non-CBD Asia **B Class** CBD Non-CBD Europe Non-CBD Asia



* USD 1 = TL 13.83
Source: PROPIN

The Construction and Real Estate Industry in Turkey and Worldwide

The number of citizens that visited foreign countries in 2021 increased by 22.1% compared with last year at 2,738,340 persons and the average spend per person was USD 676.

Tourism Sector

Tourism revenues were up by 95% in the last quarter of 2021 compared with the same period the previous year, at USD 7,631,374,000. Excluding cell phone, roaming, and marina services spending 80.1% of tourism revenue was from foreign visitors and 19.9% was from citizens residing abroad.

An overview of 2021 shows that tourism revenues increased by 103% to USD 24,482,332,000, personal expenditure was USD 19,679,915,000, and USD 4,802,417,000 was spent on package tours.

In the last quarter of the year, package tour spending increased by 202.5%; tour spending by 162.4%; and sports, education, and culture spending by 143.5% (the greatest increase throughout the year was in tour services.)

The nightly spending of foreign tourists staying overnight was USD 72 in the last quarter of 2021 and average nightly spending of citizens residing abroad was USD 43. Taken annually, the average nightly spending per person staying overnight was USD 66, with foreign tourists spending an average of USD 73 and Turkish citizens residing abroad spending USD 50.

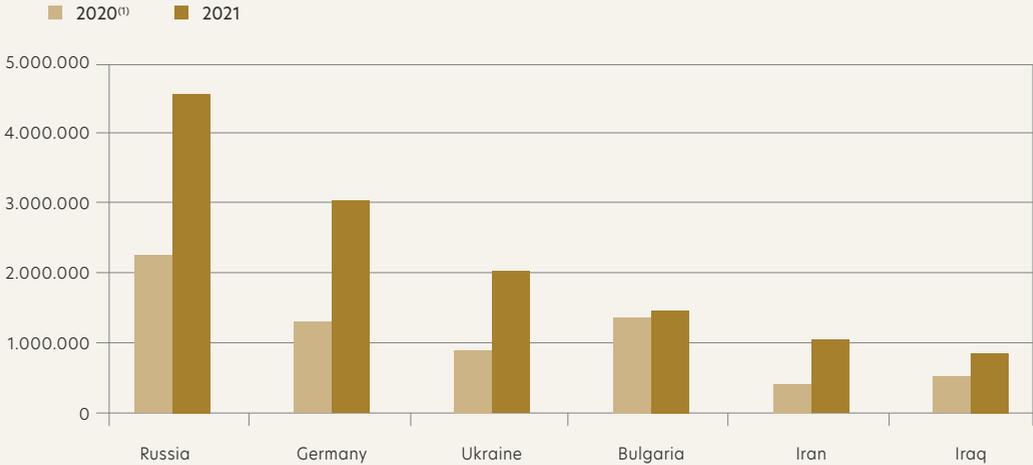
The number of outbound visitors leaving Turkey in 2021 was 29,357,463, an increase of 85.5% on the previous year. Of these, 81.5% were foreigners (23,940,021) and 18.5% (5,417,442) were citizens residing abroad.

Foreign visitors to Turkey in 2021 came mainly (71.4%) for tours, leisure, sports, and cultural activities while Turkish citizens residing abroad came mainly (64.5%) to visit friends and relatives.

Furthermore, tourism expenditure by citizens residing in Turkey and visiting other countries increased by 67.7% in 2021, reaching USD 1,851,922,000. Personal expenditure was USD 1,819,811,000 and USD 31,111,000 was spent on package tours.

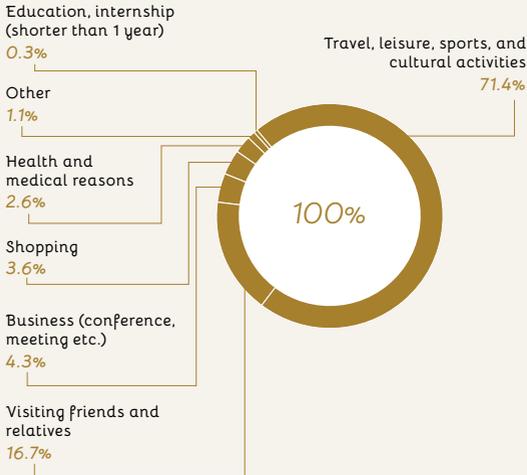
The number of citizens that visited foreign countries in 2021 increased by 22.1% compared with the previous year at 2,738,340 persons and the average spend per person was USD 676.

Number of Outbound Visitors by Country



⁽¹⁾ As surveys could not be made at borders because of the coronavirus, no data was published for 2020 2nd quarter. The data for 2020 covers the 1st, 3rd, and 4th quarters.

Visitors by Reason of Visit ⁽¹⁾ Foreign Tourists



Citizens Residing Abroad

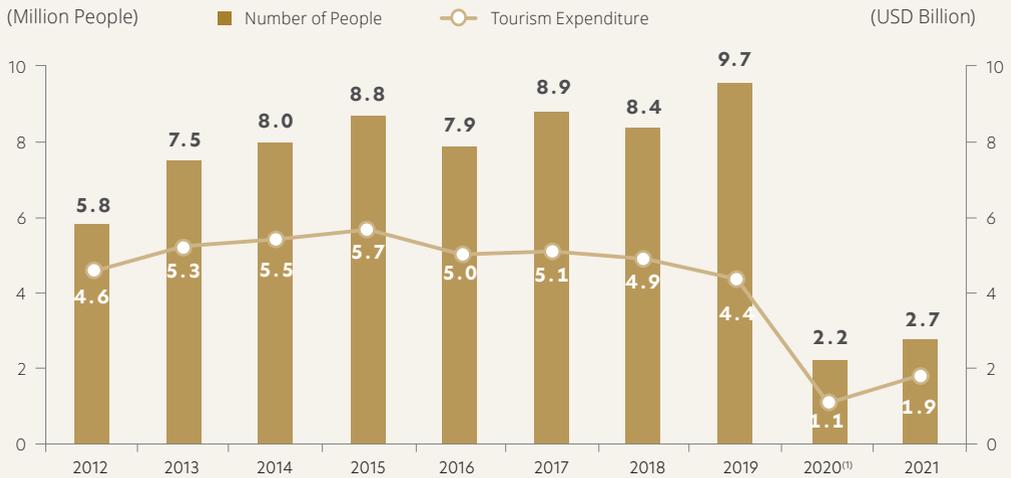


⁽¹⁾ The ratios were calculated excluding the accompanying people.

The Construction and Real Estate Industry in Turkey and Worldwide

Comparing by type of spending in 2021 with the previous year, the biggest change was tour services at 161.2%.

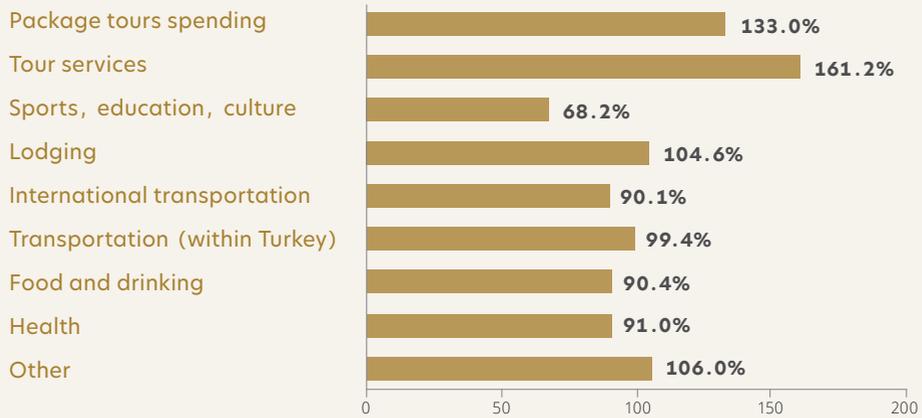
Tourism Expenditure and Number of People



⁽¹⁾ As surveys could not be made at borders because of the coronavirus, no data was published for 2020 2nd quarter. The data for 2020 covers the 1st, 3rd, and 4th quarters.

Change Rates by Type of Spending Compared to 2020

Yearly



34 Portall Plaza

At 34 Portall Plaza, designed as a smart building of the future, the renewable energy infrastructure and technological equipment contribute to environmental sustainability.



PROJECT DETAILS

Ownership	Özak REIC
Project Type	Industrial office building
Location	Istanbul, İkitelli
Occupancy Rate	93%
Inclusion in Portfolio	2010
Land Area	25,371 m ²
Leasable Area	85,711 m ²
Major Tenants	Aras Cargo, Özak Textiles, Teska Armature, Mutlusan Electric, and Asir Group
Rental Income for 2021	TL 32.5 Million
Appraisal Value	TL 882.7 million

Located in one of the most prestigious business districts of Istanbul, İkitelli, near to the E-5 and TEM freeways, 34 Portall Plaza was developed by Özak REIC and built by İnt-Er Yapı.

A next-gen industrial hub, 34 Portall offers ideal features for companies that want to manage their production and logistics processes from a single location. At 34 Portall, the elevation difference was turned into an advantage, and a solution was developed that enables trucks to move on each floor of the structure, with an independent entrance and exit, thus facilitating the business processes for the tenant companies. Following the foundation studies conducted carefully by a team of experts, the structure was built by carving out a massive block of rock.

This unique architectural solution and the building's use of advanced technology set the project apart from the competition. Designed as a smart building of the future, Özak REIC's 34 Portall Plaza employs remarkable features that contribute to environmental sustainability. These include a hydrophobic system that drains rainwater, renewable energy infrastructure, waste oil collection area, a purification system for production facilities, and exclusive illumination systems that adjust power usage according to daylight and employee density.

The possibilities offered by 34 Portall Plaza's next-generation building technology enable companies that want to manage production and logistics-related processes from a single location to meet their needs effortlessly.

Completed in June 2010, 34 Portall Plaza has a leasable area of 85,711 m² and boasts an occupancy rate of 75%.

32.5

TL Million

Rental Income
for 2021

882.7

TL Million

Appraisal Value

İş İstanbul 34

İş İstanbul 34's building systems are managed by a central automated system, facilitating the daily workflow of professionals through the efficiency, quality and safety they bring to the fore.



PROJECT DETAILS

Ownership	Özak REIC
Project Type	Office and commercial
Location	Istanbul, Güneşli
Occupancy rate	56%
Inclusion in Portfolio	2010
Land Area	6,586 m ²
Leasable Area	21,991 m ²
Major Tenants	Kod Denim, SGS Supervise, Odeabank
Rental Income for 2021	TL 10.1 Million
Appraisal Value	TL 405 million

Located in the Güneşli-Basın Ekspres Region and a central hub where the offices and the housing zones of many national and international brands are located, İş İstanbul 34 is an Özak REIC project built by İnt-Er Yapı on land measuring 6,586 m².

Located in Güneşli and a hub for multinationals on the European side of the city, İş İstanbul 34 is the preference for a contemporary business life featuring numerous facilities and modern technologies built on 10 floors.

With 21,991 m² of leasable area, İş İstanbul 34 stands out with its Class A office space featuring designs at the highest global standards. The project was meticulously developed by Özak REIC experts and offers high efficiency in office usage with a low proportion of wasted space. In addition, the building increases the service quality by offering solutions to diversified needs with standard and VIP office options in varying sizes.

İş İstanbul 34's building systems are managed by a central automated system, facilitating the daily workflow of professionals through the efficiency, quality and safety they bring to the fore. With an e-card controlled turnstile system, all building entries and exits are monitored and recorded throughout the day. The building's VRV system provides heating or cooling possibilities throughout the year according to the needs of the units on each floor. Fire prevention and fire extinguishing systems equipped with advanced technology ensure the highest degree of security of life and property.

By developing office projects with a different approach, Özak REIC devotes a great deal of attention to details that will foster employee happiness and motivation. Apart from office use, the Company has allocated 15 retail store areas, ranging from 137 m² to 2,000 m² for retail tenants in İş İstanbul 34, which was designed as the building of the future.

10.1

TL Million
Rental Income
for 2021

405

TL Million
Appraisal Value

Bayrampaşa Metro Gross Market

Offering favorable logistical opportunities, the project with its central location in Bayrampaşa is the choice of the leading wholesaler market chain Metro, which has operated in Turkey since 1990.



PROJECT DETAILS

Ownership	Özak REIC
Project Type	Retail
Location	Istanbul, Bayrampaşa
Occupancy Rate	100%
Inclusion in Portfolio	2012
Land Area	15,130 m ²
Leasable area	19,280 m ²
Major Tenants	Metro Gross Market
Rental Income for 2021	TL 10.0 Million
Appraisal Value	TL 385.6 million

Put into operation in 2011, Özak REIC's retail project is located near to Forum Istanbul Shopping Mall and IKEA. Istanbul Bus Terminal, CarrefourSA Hypermarket, and Bauhaus DIY Store lie to the east, Ferhat Paşa Ranch is to the southwest; and the shopping mall, which includes a hotel, theme park, entertainment center, and convention center, is to the west.

With a central location and architectural features that offer favorable logistical opportunities, the project was chosen by the leading wholesaler market chain Metro, which has operated in Turkey since 1990. Possessing a market area of 8,470 m² within a total leasable area of 19,280 m², the building was rented on a 30-year lease contract by Metro, which serves customers with 37 store locations in 21 provinces across the country.

10.0

TL Million
Rental Income
for 2021

385.6

TL Million
Appraisal Value

Bulvar 216

An unrivaled locale as Turkey's first destination dedicated to gastronomy, Bulvar 216 has been recognized with many awards from prestigious platforms since the project began.



PROJECT DETAILS

Ownership	Özak REIC
Project Type	Office & retail
Location	Istanbul, Ataşehir
Occupancy Rate	64% ^(*)
Completion Date	2014
Land Area	5,873 m ²
Retail Leasable Area	23,746 m ²
Major Tenants	Bedri Usta, The Hunger, Sushi Manga, Starbucks, D&R, Milyon Performance Hall, Sir Winston, Happy Moon's, Kensington, Smart Office
Rental Income for 2021	TL 7.1 Million
Appraisal Value (Retail)	TL 552.6 million

^(*) Car park area is included in the occupancy rate.

Located on 5,873 m² of land between West and East Ataşehir in Istanbul and home to distinguished global brands, Bulvar 216 hosts exclusive global brands with an unmatched architecture created by an unprecedented perspective on modern offices and avenues.

Embracing the slogan “the place to love life” with Özak REIC’s innovative style, the project was developed far from the traditional mall approach. Instead, Bulvar 216’s focus is on food, refreshments, and relaxation while featuring a large natural location that benefits from sunlight.

Completed in October 2014, the project has an occupancy rate of 64% as of year-end 2021. Four floors of the development were sold to OPET Petrolcülük A.Ş. for USD 53.1 million in July 2014.

An unrivaled locale as Turkey’s first destination dedicated to gastronomy, Bulvar 216 has been recognized with many awards from prestigious platforms.

- LEED (Leadership in Energy and Environmental Design) Silver certification from US Green Buildings Council
- “People’s Favorite” award in the “Shopping and Life Centers” category at the 13th Altın Örümcek (Golden Spider) Web Awards
- “European Property Awards” in five different categories: “Best Mixed-use Architecture,” “Best Office Architecture,” “Retail Architecture Turkey,” “Office Development,” and “Retail Development Turkey”
- “Sign of the City Awards” in the category of “Best Office – Ongoing Project”

7.1

TL Million
Rental Income
for 2021

552.6

TL Million
Appraisal Value

Ela Excellence Resort Hotel, Antalya

Aiming to offer its guests a unique holiday experience, Ela Excellence Resort Hotel is preparing for the 2022 season by undergoing a thorough renovation.



72.0

TL Million
Rental Income
for 2021

2,007

TL Billion
Appraisal Value

PROJECT DETAILS

Ownership	Özak REIC
Operating Company	Aktay Otel İşletmeleri A.Ş. (95% subsidiary)
Project Type	Tourism
Location	Antalya, Belek
Hotel Capacity	583 rooms/1,200 beds
Annual Average Hotel Occupancy Rate ^(*)	50% (2020: 50%)
Completion Date	2007
Land Area	90,150 m ²
Leasable area	86,673 m ²
Rental Income for 2021	TL 72.0 million
Appraisal Value	TL 2,007 billion

Developed on the İskele Site, Belek, Antalya in 2007, Ela Excellence Resort was included in Özak REIC's portfolio in 2009. With six floors, 583 rooms, and 1,200 beds, the hotel features a unique contemporary design that reinterprets Turkish and Ottoman architectural styles. In addition to 388 standard rooms, the facility also has suites designed to meet diversified needs. The lake houses and villas introduce a new approach to Turkish hotel management.

Previously named Ela Excellence Resort Hotel, the hotel was renewed as Ela Excellence as part of the renovation work in 2021 and consolidated its place among the most important players in tourism.

The resort includes a Convention Center consisting of eight separate meeting halls, a Spa & Wellness Center certified by the European SPA Association, and restaurants offering food from cuisines from all over the world. With these world-class amenities, Ela Excellence Resort has the capacity to accommodate prominent guests and host large-scale events. The prime ministers and delegations from the United Kingdom, Canada, and Italy who participated in the G-20 Summit that took place in Antalya in November 2015 preferred to stay in Ela Excellence Resort and experienced Özak REIC's service approach at the highest standards.

Regarded as the leader and pioneer in family-children concept accommodations in Turkey, Ela Excellence Resort offers rooms painted in different colors to prevent young guests from getting lost in the hotel, a closed-circuit TV system to monitor kids, and the Teddy symbol, which is closely identified with the hotel.

With a customer oriented service concept, a bold gastronomy experience, a peerless detached holiday concept, fitness, restaurants equipped for wellness, a new and unique children's club, smart rooms, and renewed water sports options, Ela Excellence redefines holiday.

Renewed to offer a completely perfectionist quality of service, Ela is respectful to nature with digital menus to lower the carbon footprint, amenities not tested on animals, packaging that breaks down in nature, and collaborations with local producers.

With 583 rooms and 1,200 beds, Ela Excellence Resort is Turkey's first family-children concept hotel.

Ela Excellence Resort Hotel, Antalya

With its sustainability policy, Ela Excellence Resort offers its guests a leisurely time in a green environment.

With its sustainability policy, the hotel offers guests a leisurely time in a green environment and features a 270-meter private sand beach, a pier area of 1,100 m², and a 6,630 m² outdoor swimming pool with five water slides. The facility also includes a 210 m² indoor swimming pool and a kid's pool.

Strict measures were taken by Özak REIC along with the legal arrangements that governed steps to tackle the COVID-19 pandemic. In addition, Ela Excellence Resort Hotel was shut down temporarily to protect the health of customers, employees, and the public, and to prevent the spread of the virus. After suspending services temporarily on 1 January 2021 as part of the measures to fight the COVID-19 pandemic, Ela Excellence Resort Hotel re-opened on 1 April 2021.

With the extraordinary ideas developed by Özak REIC, Ela Excellence Resort offers guests a unique and enjoyable holiday experience that exceeds their expectations and has received the following awards over the years:

Ela Excellence Resort holds the "Travelers' Choice" 2020 Awards and Excellence Management Awards 2019 "Turkey's Best Family Hotel-Belek" awards.

- "Travelers' Choice" 2020 by TripAdvisor
- Excellence Management Awards 2019, "Turkey's Best Family Hotel-Belek"
- Excellence Management Awards 2018, "Turkey's Best Managed Children's Activity Hotel"
- TripAdvisor "2018 Excellence" Award
- Quality Management Awards 2017, "Turkey's Best Managed Mediterranean Region Resort Hotel"
- Coral Travel Starway World Best Hotels 2017, "The World's Best 100 Hotels"
- booking.com 2017, "Excellence" award
- TUI Top Quality 2017, "Top Quality"
- TUI Holly 2016, "The World's Best 100 Hotels" list
- topHotels.ru travel comment website, "Service Excellence"
- HolidayCheck, "The Most Recommended Hotels"
- Top Hotels, "Service Excellence"
- International Istanbul Tourism Films Festival, "Tourism Commercial Campaign" category, "Best Hotel Commercial"



Özak Head Office Building, Büyükyalı

Özak Global Holding has gathered a broad range of group companies - from textiles and luxury real estate to real estate investment, construction, tourism, and facility management - under a single roof.



PROJECT DETAILS

Ownership	Özak REIC (100%)
Project Type	Office
Location	Istanbul, Büyükyalı
Project Start Date	2019
Project Completion Date	2020
Appraisal Value	TL 115.5 million
Leasable area	4,487 m ²

With the Büyükyalı Project, Özak REIC focuses on the concepts of "people" and the "good life" and aims to deliver its residents and visitors the "good life" in every sense of the expression. The Company relocated its head office to the very heart of that "good life" in 2020.

Özak REIC, Özak Global Holding, and affiliated companies relocated to their new offices in 2020 after Özak REIC purchased 10 independent sections within Blocks C and T2 in the Büyükyalı Project for use as an office building. This relocation enabled Özak Global Holding to gather a broad range of group companies - from textiles and luxury real estate to real estate investment, construction, tourism, and facility management - under a single roof.

As per the real estate appraisal report drawn up by Atak Gayrimenkul Değerleme A.Ş. at the end of 2021, eight independent sections used as office space within Block C cover 4,487 square meters and have an appraisal value of TL 115.5 million. The settlement permit for the office block was obtained in 2020.

In addition to Block C, which is used as the Head Office, the project also includes two independent sections in Block T2 on 1,361 m², housing a historical Turkish bath, extra office space, and an exhibition area.

Creating a coherent and functional design concept that reflects Özak's values, characteristics, and strengths was the main idea behind the project, which intends to preserve the cultural identity of the Company and the texture of the historical structure while creating an impressive office environment for Özak Holding and offering a modern, sophisticated, and innovative address.

The facade of the project was inspired by the facades and texture of the surrounding historical buildings. Brick and natural stone was used to create a synthesis of the past and future. To the extent possible, the project remained true to the original texture of the historical building. The combination of brick and stone, which makes up the new facade, is a deliberate design feature to establish a dialog between the two structures.

Situated at the center of the city's major thoroughfares, Büyükyalı will bring numerous benefits to Özak REIC. Private sea taxis and all forms of land and rail transport are among the options that Büyükyalı offers. The Marmaray commuter line, along with commuter trains, a new eight-lane coastal highway, and marine transport are just some of the transportation options in this area, which has also gained direct access to the Asian side of Istanbul with the addition of the Eurasia Tunnel underwater tunnel in 2016. The Zeytinburnu commuter station, which opened in 2019 and is located within walking distance of the project, allows Büyükyalı residents to reach any point in the city easily without having to wait in traffic.

4,487

m²

Leasable Area

115.5

TL Million

Appraisal Value

Hayat Tepe

Özak REIC's first housing project with the slogan "Happiness is at the heart of the city," the Hayat Tepe development is generating interest with its central location and social opportunities that enrich life.



PROJECT DETAILS

Ownership	Özak REIC
Project Type	Houses and residences
Location	Istanbul, Bayrampaşa
Project Start Date	2013
Project Completion Date	2016
Land Area	16,698 m ²
Total Salable Area	78,533 m ²
Hayat Tepe Delivery Rate (609/614) ^(*)	99%

^(*) As of 31 December 2021, 609 of the 614 independent sections in the Hayat Tepe Project have been delivered, amounting to a delivery rate of 99%. Four houses and one store remain.

Özak REIC's first housing project with the slogan "Happiness is at the heart of the city," the Hayat Tepe development is located in an area known as the Bayrampaşa shopping valley. The project area is near Forum Istanbul, Ikea, Bauhaus, and CarrefourSA, and can be readily accessed via the TEM and E-5 freeways.

The project is located at the heart of the city with a view of the Princes' Islands and the Historical Peninsula, featuring amenities that enrich the lives of residents and have drawn the attention of investors in a short time. In addition to an indoor swimming pool, gym, fitness center, SPA, and cafeteria, Hayat Tepe offers residents significant common space, including a kids' club, winter garden, and running track.

Developed by Özak REIC with an approach towards providing a diverse range of options, Hayat Tepe consists of 546 independent sections in three 24-story blocks, and offers two different interior space options, namely "modern" and "provence."

The Hayat Tepe Project consists of 612 apartments and two shops, and as of 31 December 2021, 609 flats have been delivered to the owners, with an overall delivery rate of 99%.

Hayat Tepe Suites

Combining Istanbul's free spirit and dynamism with modern architecture at Hayat Tepe Suites, Özak REIC responds to the needs of those who want to live the hectic urban lifestyle in comfort with this development project. Appealing to the preferences of apartment owners with a terrace-top swimming pool and a view of the sea, the project has quickly become a focal point for investors with its unique qualities.

With construction commencing in November 2014, Hayat Tepe Suites has 68 independent sections in total: 66 apartment units with 1+1 and 2+1 options and two retail stores. The project consists of five different apartment types, ranging from 40 m² to 72 m², all of which have been sold.

2016

Completion Date

Büyükyalı Project, Istanbul

Özak REIC (60%),
Ziylan Gayrimenkul (32%);
Yenigün İnşaat (8%)

Ownership

Kazlıçeşme, Istanbul

Location

Mixed-use

Project Type

Construction 1YY' 2021,
Sales 2023

Completion Date

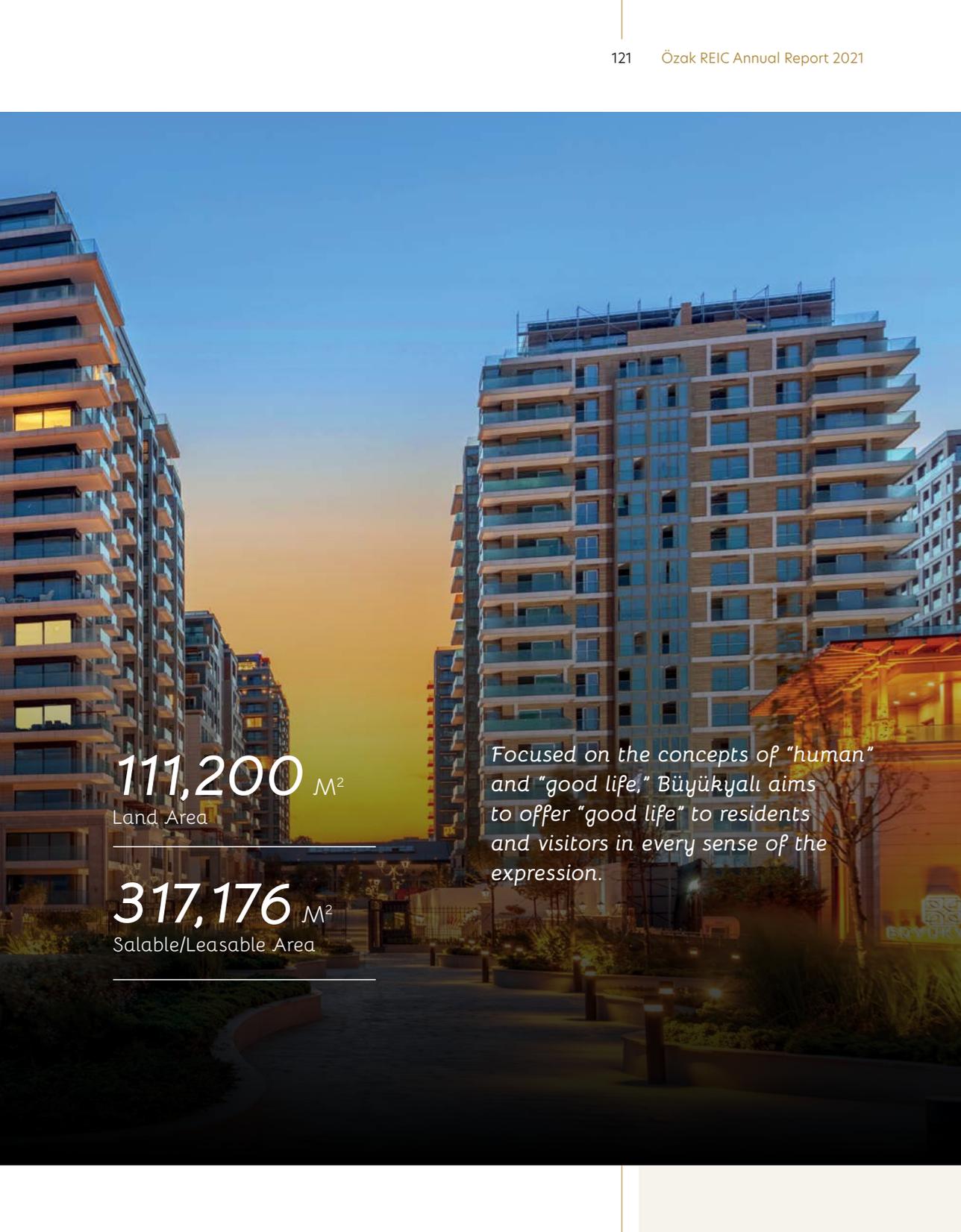
60%

Özak REIC's Share

TL **8.4** Billion
Total Expected Sales Revenue

TL **2.8** Billion
Expected Total Profit

TL **5.6** Billion
Land and Development Cost



111,200 M²

Land Area

317,176 M²

Salable/Leasable Area

Focused on the concepts of "human" and "good life," Büyükyalı aims to offer "good life" to residents and visitors in every sense of the expression.

Büyükyalı Project, Istanbul

Formed on the principles of economic, environmental, and social sustainability with a suitable urban frame, Büyükyalı was designed with inspiration from Istanbul's timeless spirit, historical background, and traditional district life.



PROJECT DETAILS

Ownership	ÖZAK REIC (60%), Ziylan Gayrimenkul (32%); Yenigün İnşaat (8%)
Location	Kazlıçeşme, Istanbul
Project Type	Mixed-use
Completion Date	Construction First Half of 2021, Sales 2023
Özak REIC's Share	60%
Total Expected Sales Revenue	TL 8.4 billion
Expected Total Profit	TL 2.8 Billion
Land and Development Cost	TL 5.6 billion
Land Area	111,200 m ²
Salable/Leasable Area	317,176 m ²
Sales Ratio (1,160/1,565)	74%
Sales-Delivery Ratio (1,088/1,160)	94%

With the assurance of Emlak Konut REIC, Özak REIC, Ziyilan Gayrimenkul, and Yenigün İnşaat are building Büyükyalı, "a new urbanism" project built to international standards on Istanbul's Kazlıçeşme coastline.

Özak REIC holds a 60% stake in the Büyükyalı project, while Ziyilan Gayrimenkul holds 32%, and Yenigün İnşaat 8%. Emlak Konut REIC receives 37% of the project's total revenue, which has been structured as a revenue-sharing model with Emlak Konut REIC.

Rising over a total area of 111 decares, Büyükyalı houses 1,565 units. Construction work on the project began in 2016 after the construction permit was granted and the project was launched in September. The show flats exhibited at the end of the year drew enthusiastic attention from investors and visitors alike.

As of the end of 2021, 290 units have been sold and 375 units delivered at the Büyükyalı project with a sales turnover of TL 1.580 billion. Rapidly attaining successful sales figures, Büyükyalı ranked among Emlak Konut REIC's top-selling projects in 2021 as well.

Deliveries started in the third quarter of 2019, and life in Büyükyalı began in the second quarter of 2020. As of the end of 2021, 1,088 independent sections have been sold, achieving a total sales/delivery ratio of 94%. As a result of the rigorous construction work performed despite the pandemic, the project completion rate was 99% and the Company reached the final round of the Project at the end of 2021.

The architectural process of Büyükyalı has been assumed by British architectural firm Chapman Taylor, which boasts more than 200 international awards. Centered on people and good life, Büyükyalı Istanbul pursues design principles in perfect harmony with the New Urbanism movement. Formed on the principles of economic, environmental, and social sustainability with a suitable urban frame by Chapman Taylor with contributions from project partners, Büyükyalı's concept was designed with inspiration from Istanbul's timeless spirit, historical background, and traditional district life.

2.8

TL Billion
Expected
Total Profit

Büyükyalı Project, Istanbul

As a result of rigorous construction work, the Büyükyalı Project was 99% complete at the end of 2021, and its architectural design drew enthusiastic attention from investors and visitors alike.



The Büyükyalı Project offers numerous transportation options available along with commuter trains, a new eight-lane coastal highway, and marine lines as well as the Eurasia Tunnel, the undersea tunnel that provides direct access to the Asian side of Istanbul.

The project features apartments in different sizes and concepts, along with lofts, a Fendi Casa block, and office space. The project also includes commercial, artistic, cultural, and social facilities and children's play areas. The living spaces in the project have been securely separated, while the streets, squares, parks, gardens, and courtyards have a spatial design blending traditional and contemporary architecture.

Easy transport, comfortable life

Situated at the center of the city's major thoroughfares, Büyükyalı also has easy access to marine lines. In this exclusive district, adjacent to the Historical Peninsula and along the Marmara Sea, Büyükyalı residents can enjoy sea taxis, land travel, and rail systems. The Eurasia Tunnel, which connects Istanbul's European and Asian sides via an underwater tunnel, is just one of the transportation options, which include a commuter line, the new eight-lane coastal highway, and sea transport. Located in very close proximity to the Zeytinburnu Marmaray station, two minutes on foot, Büyükyalı is situated at the center of the city's major thoroughfares. This advantageous location makes it easy for the Büyükyalı Project to eschew the problem of traffic, one of the most important issues in a megapolis such as Istanbul.

Historical texture, modern architecture

The plot of land where Büyükyalı now rises once housed a tank maintenance workshop in its most recent history. The area is also home to structures erected before 1900 and was granted “historical edifice” status by the Ministry of Culture and Tourism. As part of this project, there are plans to renovate these buildings by restoration work at world standards so they can be used as culture and arts centers, exhibition areas, museums, children’s clubs, eateries, and fashion and art workshops. These historical structures come alive with cultural and social activities, and become a part of daily life, further highlighting the classic urban heritage of Büyükyalı.

The Büyükyalı Project covers some buildings that are part of the Zeytinburnu Royal Factory, which played a prominent role in the 19th-century industrialization drive in the Ottoman Empire. The project management has decided to give new functions to these buildings, which had remained closed to public access for many years, by conducting conservation and restoration work in line with the principles of sustainability.

From the design stage onwards, immense care was taken toward these historical buildings, which have a special place in Büyükyalı’s architectural project. Büyükyalı Project differs from all other housing-living projects in that it focuses on these architectural buildings, blends historical heritage with modern technological advantages, and possesses a timeless architectural design.

Diligent restoration work

Academic consultants and teams of experts carry out the conservation and restoration work in the Büyükyalı Project. The project progresses under the supervision and approval of numerous key agencies and boards. With regards to the historical buildings, the following authorities granted approval: Ministry of Environment, Urbanization and Climate Change Urban Design Evaluation Commission, Ministry of Culture and Tourism Regional Board for Conservation of Cultural Assets, Ministry of Environment, Urbanization and Climate Change Istanbul Regional Commission for Conservation of Natural Assets, Istanbul Governor’s Office Directorate of Archeology Museums, Zeytinburnu Municipality Directorate of Zoning and Urbanization. As regards the project in general, the Istanbul Metropolitan Municipality Urban Silhouette Commission, and Transport and Traffic Regulation Commission gave their approval.

Büyükyalı’s plot of land once housed a tank maintenance workshop in its most recent history.

The area is also home to structures erected before 1900 and granted “historical edifice.”

Büyükyalı Project, Istanbul

The historic buildings were restored with the approval of the Ministry of Environment, Urbanization and Climate Change Urban Design Evaluation Commission and the Ministry of Culture and Tourism Regional Board for Conservation of Cultural Assets.



Büyükyalı Project is designed as a seaside district composed of four neighborhoods, and its architecture is inspired by Istanbul's urban texture which blends the traditional and the modern.

Within the scope of its urban master plan, Büyükyalı consists of different city blocks each of which has an original identity inspired by a specific neighborhood, thus embodying the special character of a typical Istanbul community. The current historical buildings in the project area signal the passage from one neighborhood to another, while the house blocks have been designed in a homogeneous manner so as not to create an undesirable housing image on the urban silhouette.

Designed as a seaside district composed of four neighborhoods, Büyükyalı is inspired by Istanbul's urban texture ,which blends the traditional and the modern.

A splendid sea view

The first area, which enjoys a splendid view of the Sea of Marmara, has been planned in the form of a "U" to ensure that all houses enjoy the view more. The houses are completed with an interior courtyard also overlooking the Sea of Marmara. The neighborhood extends as far as the central square and coastline in the east, while the western section extends as far as the central gate and the renovated historical Turkish bath building. The interior facade of the northern section overlooks the central square where the commercial enterprises are located and the

lively activities that take place there. Its architectural composition consists of three towers and connected intermediary buildings. In the first area, the materials used and the technical and structural details are based on the principles of naturalness, and originality.

As for the second area, special attention has been paid to the quality and design of the interior garden overlooked by all the buildings, and these buildings' connections to the outer streets. Composed of low-rise buildings and connected intermediary buildings, the second area is surrounded by historical structures on the eastern, western, and southern sides. Blending the traditional and modern, the neighborhood features tranquil gardens and children's playgrounds.

The third area, a housing and office block that brings together working and living spaces to meet contemporary requirements, is situated in the northeastern section of the project area. With its northern and eastern entrances located in proximity to the train station, the third area stands out with its contemporary line in the details and selection of materials. The buildings overlook a central courtyard centered around a decorative pool. There is a vast gym and entertainment facility open to all Büyükyalı residents on the northeastern side.

The fourth area is situated on the southwestern corner of the area that overlooks the Marmara Sea and consists of three high-rise blocks that enjoy splendid sea views. This area features the Fendi housing block, located on the southwestern corner of the fourth area, with a perfect view of the Historical Peninsula and the sea, as well as a central courtyard with a decorative pool and extensive natural landscaping.

The Büyükyalı Project has been designed along the principles of safety, naturalness, and sustainability, and all elements from materials to the choice of colors, from planning to equipment have been determined accordingly. A traditional color palette inspired by the historical city walls has been utilized in the project, which employs eco-friendly, natural, traditional materials such as stone and bricks that will age with grace and preserve Büyükyalı's aesthetic values for future generations. Furthermore, the Company has increased the number of trees in the area giving them a special place in the landscape, and employed solar panels on rooftops to save energy.



Büyükyalı Project has been designed along with the principles of safety, naturalness, and sustainability, and all elements from materials to the choice of colors to equipment have been determined accordingly.

Büyükyalı Project, Istanbul

Inspired by the historical city walls, the project employs eco-friendly, natural, traditional materials such as stone and bricks that will age with grace and preserve Büyükyalı's aesthetic values for the next generations.



Büyükyalı's landscaping features pools, mobile water arrangements, and fountains to extend the relaxing and reinvigorating effects of water across all the living spaces.

Reinvigorating effect of water

Büyükyalı's landscaping features pools, mobile water arrangements, and fountains to extend the relaxing and reinvigorating effects of water across all the living spaces.

Built as part of the project, the Büyükyalı bridge provides direct access to the 30 km coastline. Just a couple of steps away, residents can access personal activities such as walking and jogging, and spend quality time free of stress. Furthermore, vehicle traffic has been moved underground in Büyükyalı, which offers residents a human-centered, peaceful, and relaxing life amidst walking paths, parks, and gardens.

Healthy and quality life center

While delivering on its promise of a good life with its school, mosque, cinema, theater, shopping mall, sports club, fitness and SPA areas, cafes, and restaurants under the umbrella of the Fişekhane brand at the heart of the project, it strives to meet not only the requirements of today but also possible demands that may arise in the future.

There are plans to build a kindergarten and primary school with exemplary educational perspective and quality and which can be quickly accessed by children and parents on foot in Büyükyalı, which perceives life as a whole.

The Büyükyalı Project attaches huge importance to healthy living, an integral part of a good life. As such, the Büyükyalı Club has been designed to become a part of community life and raise sports awareness across the neighborhood by offering individuals of all ages the chance to engage in physical activity under the supervision of expert trainers. The club's infrastructure is being built to host the main sports disciplines as well as tennis, swimming, and sailing.

In addition to all these, the project's market and organic bazaar, cafes and restaurants offering delights from Turkish and world cuisines, and a vibrant shopping center featuring world brands provide solutions to help Büyükyalı residents save time.

Smart, efficient, safe

All the apartments are equipped with state-of-the-art "smart home" technologies in Büyükyalı, where numerous mechanisms from lighting to curtains, blinds, and VRV air conditioning and floor heating can be managed remotely. Smart home systems not only make life more practical for Büyükyalı residents but also prevent unnecessary energy costs and help save money.

Thanks to advanced sound insulation features, neighbors are not disturbed at all by each other's noise, while the top-caliber power generator system means that power outages are now a thing of the past in Büyükyalı. The antibacterial paint used in interior spaces means that residents live healthily in a house that breathes. The underfloor heating system used in the project helps create much more useful spaces in architectural terms. The top quality materials exceeding international standards used for heating and insulating purposes help cut energy costs while minimizing heating costs.



Büyükyalı houses are equipped with state-of-the-art "smart home" technologies, with numerous technological features from lighting to curtains, blinds, and heating and cooling systems.

Büyükyalı Project, Istanbul

Fişekhane features architectural characteristics intrinsic to industrial buildings that are designed to address functional requirements. Separately and meticulously detailed loft apartments in the Fişekhane building offer a glimpse into history, while capturing the zeitgeist of today as well.



The first true lofts in Turkey, present in Fişekhane, were named “Europe’s Best Loft Apartment” with their interior architecture at the European Property Awards.

The project features elevator systems that function even during a power outage, and all blocks have service elevators with separate entrances that add practicality to daily life.

The efficiency-centered design approach means that every square meter of the houses is utilized efficiently at Büyükyalı, where spaces such as elevator wells, shafts, fire escapes, social facilities, fire escape corridors, garbage rooms, and installation rooms are not included in apartment areas.

Europe’s best loft apartment

Fişekhane features the pure and rational architectural characteristics intrinsic to industrial buildings that are designed to address functional requirements. The separately and meticulously detailed loft apartments in this building offer a glimpse into history, while capturing the zeitgeist of today. These apartments, the first true lofts in Turkey, were named “Europe’s Best Loft Apartment” at the European Property Awards.

Büyükyalı furnished by Fendi Casa

One distinctive feature of Büyükyalı is the privilege of Fendi Casa, Italy's luxury and prestigious furniture designer and the world's unrivaled design brand that took its maiden step in Turkey with Büyükyalı. From the lobby and common spaces to closets, floor coverings, furniture, and fixtures, Büyükyalı is the first real estate project in Turkey to ever boast the signature of Fendi Casa, which blends luxury with elegance.

High investment potential

Büyükyalı is located in Kazlıçeşme, an Istanbul district that has been thoroughly transformed by branded projects and public investments with a substantial corresponding rise in financial value offering a high investment potential. Dotted with top-quality gyms, schools, and universities, the district continues to increase its investment appeal each day with new housing, marina, hotel, shopping mall, hospital, and infrastructure projects.

Büyükyalı keeps collecting awards

The awards that Büyükyalı wins demonstrate the success of the project. Having already received awards in various events, the project took Europe's Best Interior Architect Award for the show apartments at the "International Property Awards" in 2017 as well as 5 different awards at the European Property Awards in 2018. Büyükyalı Project collected the "Best Shopping Space Architecture" award with its top-quality retail areas, "Best Mixed-Use Space Architecture" for the perfect harmony among its different areas, "Best Show Apartment Design" awards for both the Loft and the Fendi-Casa designed apartment, as well as "Best Apartment Interior Design" award for Büyükyalı furnished by Fendi Casa.

Upon the accomplishments at the European Property Awards, Büyükyalı Project was distinguished to compete at the "International Property Awards" in 3 different categories. The Project garnered the "Best Loft Apartment of Europe" award at the "International Property Awards" held in December 2018.



From the lobby and common spaces to closets, floor coverings, furniture, and fixtures, Büyükyalı is the first real estate project in Turkey to ever boast the signature of Fendi Casa, which blends luxury with elegance.

Fişekhane

Fişekhane is a brand-new center giving shape to Istanbul's cultural and artistic life with the main concert and theater stage, as well as a theater and movie theaters of various capacities which can be shaped as per requirements, in addition to Contemporary Istanbul Foundation events.



Offering art lovers more than they can dream of, Fişekhane's gourmet restaurants also bring various tastes from world cuisine to visitors.

The plot of land where Büyükyalı now rises once housed a tank maintenance workshop in its most recent history. The area is also home to structures erected before 1900 and was granted "historical edifice" status by the Ministry of Culture and Tourism. Fişekhane, namely a former Cartridge Factory, is among these structures. It was also a prominent building among the "Royal Factories of Zeytinburnu."

A significant structure with an industrial function in the history of Istanbul, it was closed to the public for over a century. And now that Fişekhane has been elegantly and faithfully restored, this historical structure has become the destination for Istanbul's cultural and artistic life, and opened to visitors with amenities including, but not limited to a rich event calendar, shopping areas, and gourmet venues for food and refreshments.

Fişekhane underwent a diligent restoration by staying true to the original building, and was then repurposed according to the requirements of this century. Still bearing the traces of 19th-century architecture, Fişekhane takes visitors on an immersive journey.

For those who love entertainment and the arts, Fişekhane offers much more than they may expect. Visitors will enjoy live performances of their favorite musicians, see current exhibitions, watch popular plays and movies, enjoy the nostalgic feel of an open-air cinema, or rediscover their creative side by attending various workshops. Meanwhile, a pleasurable shopping experience with select brands, or delicious sampling of the world's cuisines at gourmet restaurants are among the other options on offer.

Fişekhane captures the limelight as a brand-new center giving shape to Istanbul's cultural and artistic life with the main concert and theater stage, as well as a theater and movie theaters of various capacities which can be shaped as per requirements, in addition to Contemporary Istanbul Foundation events and gallery areas. With the infrastructure in place to host major domestic and global events besides its own calendar, Fişekhane is set to become the new center of the city's creative energy.

Fişekhane also features creative workshops, amusement parks and playgrounds, activity programs boosting personal development and sports facilities to ensure the satisfaction of children and adults alike; there is also a school adopting the Montessori philosophy that supports the physical and mental development of children.

Fişekhane is more than a complex of culture, arts, and entertainment. It is indeed the center of the "good life." A good diet is essential for a "good life." This is the idea behind the Organic Farmers' Market and Natural Bazaar that offer organic and natural foods, as well as personal care products from all parts of Turkey. These venues are now open to visitors eager to discover a healthier lifestyle.

In addition, a Sports Center and Spa await Büyükyalı residents and visitors who fancy a workout, or just a bit of pampering.

The Büyükyalı Project is proving its success by receiving many awards in various categories.

Özak Göktürk Project

Launched in September 2020, the Özak Göktürk Project has since enjoyed high demand, and as of the end of 2021, 154 independent sections worth TL 612 million (excl. VAT) have been sold.



1.6

TL Billion
Total Expected
Sales Revenue

600

TL Million
Expected
Total Profit

Özak REIC not only develops new living spaces but also refreshing lifestyles in the projects it undertakes. While spearheading the real estate industry with its outstanding quality approach, Özak REIC has paved the way for a privileged life with "Özak Göktürk," where dreams can come true.

Designed with Özak REIC's philosophy of "adding value to life," Özak Göktürk covers 22 decares of land surrounded by forest. The project features refreshing structures up to five stories in height, high-quality living spaces, 75% of which is allocated for landscaping, and a total of 157 distinctive houses. Beckoning residents on a peaceful, comfortable, healthy, and sanitary life, Özak Göktürk also enables easy access to anything that one may need in their day-to-day life.

^(*) Total sales revenue and profit expected from two phases under Özak Göktürk.

Placing the name of "Özak" at the heart of its branding strategy, the Company named the Göktürk project "Özak Göktürk." Attesting to the Company's competencies in such areas as quality, aesthetics, functionality, architectural design, and development of lifestyles, the name "Özak" will be an umbrella brand in all the projects to be developed by the Company, starting with Özak Göktürk.

Added to the portfolio in 2017, the project has been developed in light of feedback from potential customers. In-depth on-site analyses, one-on-one interviews, surveys, and focus group meetings revealed that people seek peaceful, safe, and healthy spaces where they can socialize. They long for a warm social environment in which the culture of neighborly relations will flourish. They also wish to use their house both as a living space and working space when needed.

The project is right at the heart of Göktürk and in close proximity to all the facilities a city can offer. Özak Göktürk is located at the center of all the quality amenities of social life, offering residents access to anything they may need from shopping centers and health care services to well-established schools, cinemas, theaters, concerts, and other cultural events, cafes, restaurants, and gourmet markets. The project will, without a doubt, fully respond to prospective residents' needs and requests.

All the houses within the project feature balconies, terraces, and living spaces that open up to nature, greenery, and the forest. The Project is housed within a "breathing," reinvigorating architectural concept intertwined with the surrounding forest.

The construction permit of the 1st Phase of Özak Göktürk was obtained in 2019 and construction commenced in 2020. Launched in September 2020, the project has since enjoyed high demand, and as of end of 2021, 154 independent sections worth TL 612 million (excl. VAT) have been sold.

Life in Özak Göktürk -1 is expected to begin in March 2022.

Attesting to the Company's competencies in such areas as quality, aesthetics, functionality, architectural design, and development of lifestyles, the name "Özak" will be an umbrella brand in all the projects to be developed by the Company, starting with Özak Göktürk.

Özak Göktürk Project

The second stage of the Özak Göktürk Project offers a boutique life with 67 houses on 10.5 decares of land, and every house is designed with a garden, balcony or terraces, providing spacious and comfortable environments with high ceilings.

Work on the Özak Göktürk - 2 project on Özak REIC's Göktürk plot, Plot number 197 Parcel 1, has begun. Özak Göktürk - 2 is expected to be delivered in June 2023.

Offering a boutique living space in 67 houses in 10.5 decares of land, Özak Göktürk - 2 project is designed with a garden, balcony or terraces in every flat, providing spacey and comfortable environments with high ceilings. With a rich architecture full of elegant details, the Özak Göktürk - 2 project offers a life among nature right next to the forest, and with the priceless feeling of being neighbors to the forest and enjoying the smell of pine trees with every breath, it offers a life away from the stress of the city and yet close to the city.

Özak Göktürk - 2's green terrace areas, starting from 100 m² and growing up to 280 m², aim to offer every house both a peerless view and the joy of a garden.

Offering a unique living area for families who want to raise their children with their feet on the earth, Özak Göktürk - 2 is neighbored by the highest quality schools of Istanbul, and countless activities that support the physical and psychological development of children from horse riding to music, from golf to ballet, and from theater to swimming.

The Company's plans also include developing a project as an extension to Özak Göktürk on Özak REIC's land on Plot 201, Parcel 1 in Göktürk.

Özak Göktürk - 2 offers a unique living area for families who want to raise their children with their feet on the earth.



Balmumcu Plot, Istanbul

Project Details	
Location	Istanbul, Beşiktaş
Project Type	Mixed use project
Land Area	8,349 m ²
Total Appraisal Value	TL 307 million

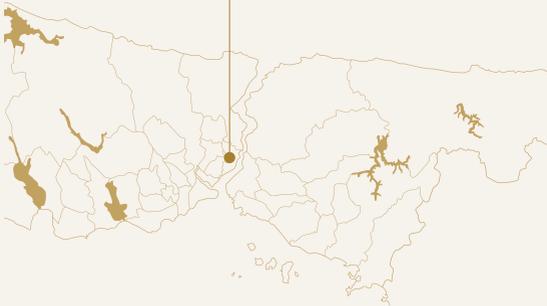
In Balmumcu, one of Istanbul's most central locations, Özak REIC plans to develop a mixed-use project featuring houses, office space, and apart units. The Balmumcu plot stands out with its uninterrupted views over the Bosphorus, and proximity to Bosphorus Bridge, E-5 freeway, and the coastal road.

Mahmutbey Plot, Istanbul

Project Details	
Location	Istanbul, Bağcılar
Definition	Housing
Land Area	6,682 m ²
Appraisal Value	TL 110.9 million

Özak REIC plans to develop a new housing project on its Mahmutbey plot with a forward-looking approach. In addition to its proximity to the junction of the TEM freeway only 900 meters away, the land is located at the intersection of seven existing and planned main transportation lines. This feature alone is sure to add value to the project and make it popular.

ISTANBUL, TURKEY
Balmumcu Plot



ISTANBUL, TURKEY
Mahmutbey Plot



Didim Plot, Aydın

Project Details

Location	Aydın - Didim
Project Type	Hotel
Land Area	164,000 m ²
Appraisal Value	TL 226 million

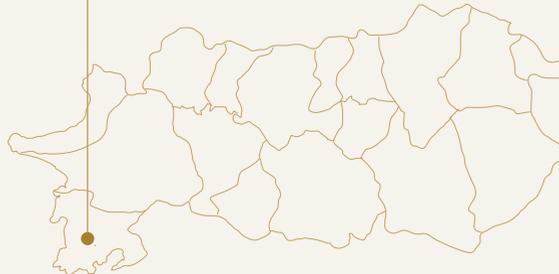
The plot in Aydın Didim, pre-allocated by the Ministry of Culture and Tourism to Özak REIC for 49 years, is 135 km from İzmir Airport and 81 km from Bodrum Airport. It is significant for being the only planned tourism investment zone in the region. Özak REIC will maintain the name "Ela," its first brand in the hotel management business, on the Aydın Didim plot with an extraordinary new concept hotel.

The Company applied to the Ministry of Finance, General Directorate of Real Estate to establish the right of easement for the said tourism-allocated real estate on 25 July 2014. However, as the investments could not be launched due to the problems in the development practices in the region, the Ministry of Culture and Tourism froze the final allocation period in 2015 until the zoning procedures for the land are complete, as per Article 17/7 of the Regulation on the Allocation of Public Immovables to Tourism Investments.

The final allocation period, which was frozen by the Ministry in 2015, resumed in 2019 following the commencement of new zoning studies. The procedures to issue the right of easement were completed in April 2021 following studies run with the Ministry of Treasury and Finance, General Directorate of Real Estate, and the rights for 49 years were included in the deed record.

AYDIN, TURKEY

Didim Plot



Demre Plots, Antalya

Project Details

Location	Antalya-Demre
Project Type	Hotel
Land Area	70,698 m ²
Appraisal Value	TL 92 million

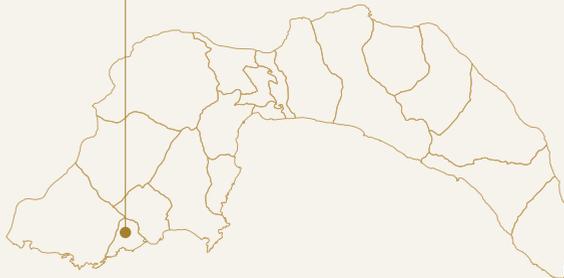
The procedure for issuing the right of easement or the Demre plot located in Antalya's Demre district, Plot 194 Parcel 338 was completed in 2016 and "Title Deed (for the establishment of permanent and individual rights of construction)" was issued for Özak REIC. The said plot has been allocated to Özak REIC for 49 years. The building license for the planned hotel project was received on 20 December 2018.

The development of the infrastructure and the Antalya-Dalaman freeway is expected to make a significant contribution to the five-star hotel project to be developed on the land in terms of tourism traffic.

Özak REIC won the tender for the day-trip tourism facility space situated on the parcel adjacent to the plot and the final allocation process has begun. The Ministry of Culture and Tourism decided to grant final allocation to Özak REIC for this day-trip tourism-allocated plot situated on special Parcel 7 of Taşdıbi-Sülüklü in Antalya's Demre District in 2018. However, because the investments could not be launched in the region due to the force majeure stemming from the change to be made to the region's zoning scheme, the Ministry of Culture and Tourism froze the final allocation period as from the exact allocation date, 8 October 2018, until the approval of the new zoning scheme, as per Article 17 of the Regulation on the Allocation of Public Immovables to Tourism Investments.

A further 60,344 m² will be added to the 70,699 m² plot in parcel 338, bringing the total area to 131,043 m², upon completion of the final allocation process for this day-trip tourism-allocated land.

ANTALYA, TURKEY Demre Plots



Bodrum Akyarlar Plot, Muğla

Project Details

Location	Muğla, Bodrum
Project type	Hotel
Land Area	345,000 m ²
Appraisal Value	TL 602 million

In the last quarter of 2021, the purchase of the 345,492 m² plot was completed on 2 December 2021 with the transfer of the deed. The said plot is now under the complete ownership of Özak REIC Project preparation studies are under way.

MUĞLA



Summary of Valuation Reports

Real Estate	Description	Appraisal Company Preparing the Report	Report Date and Number	2021 Appraisal Value (MN)	Yearly Rent Appraisal Value
Büyükyalı	Büyükyalı Project Real Estate Appraisal Report: Contract based on Revenue Sharing upon Land Sale, located in Istanbul Province, Zeytinburnu Town	Atak Gayrimenkul Değerleme A.Ş.	31 December 2021-2021/0654	2,215,000,000	-
Ela Excellence Resort Hotel	Real Estate Appraisal Report: Ela Excellence Resort Hotel Facilities (Permanent and Individual Rights of Construction), located in Antalya Province, Serik District	Atak Gayrimenkul Değerleme A.Ş.	29 December 2021-2021/0635	2,007,000,000	127,000,000
34 Portall	Real Estate Appraisal Report: 34 Portall Plaza, located in Istanbul Province, Başakşehir District	Atak Gayrimenkul Değerleme A.Ş.	27 December 12.2021-2021/0621	882,762,500	47,676,000
Bodrum Plot	Real Estate Appraisal Report: Plot 349 Parcel 10 in Muğla Province, Bodrum District, Akyarlar Town	Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.	29 November 2021-2021/1529	602,880,000	-
Bulvar 216	Real Estate Appraisal Report: Bulvar 216 (Building), located in Istanbul Province, Ataşehir District	Atak Gayrimenkul Değerleme A.Ş.	27 December 12.2021-2021/0624	552,600,000	32,112,000
İş İstanbul 34	Real Estate Appraisal Report: İş İstanbul 34 Plaza, located in Istanbul Province, Bağcılar District	Atak Gayrimenkul Değerleme A.Ş.	27 December 12.2021-2021/0634	405,078,300	23,895,500
Hayattepe	Real Estate Appraisal Report: Hayat Tepe (6 BB) & Metro Gross Market, located in Istanbul Province, Bayrampaşa District, Plot 524, Parcel 1	Atak Gayrimenkul Değerleme A.Ş.	27 December 12.2021-2021/0632	395,107,000	25,962,000
Özak REIC Head Office Building	Real Estate Appraisal Report: Block C within the Büyükyalı Project located in Istanbul Province, Zeytinburnu District	Atak Gayrimenkul Değerleme A.Ş.	29 December 2021-2021/0628	115,540,000	6,360,000
Göktürk 1	Real Estate Appraisal Report: Özak Göktürk Project being developed on Plot 203, Parcel 1 in Eyüp District of Istanbul Province	Atak Gayrimenkul Değerleme A.Ş.	29 December 2021-2021/0630	583,851,000	-
Göktürk 2	Real Estate Appraisal Report: Özak Göktürk Project being developed on Plot 197, Parcel 1 in Eyüp District of Istanbul Province	Atak Gayrimenkul Değerleme A.Ş.	24 December 2021-2021/0626	193,993,000	-
Göktürk 3	Real Estate Appraisal Report: Plot 201 Parcel 1, located in Istanbul Province, Eyüp District	Atak Gayrimenkul Değerleme A.Ş.	24 December 2021-2021/0631	208,101,000	-
Göktürk 198 Plot	Real Estate Appraisal Report: Plot 198 Parcel 6, located in Istanbul Province, Eyüp District	Atak Gayrimenkul Değerleme A.Ş.	24 December 2021-2021/0629	20,794,000	-
Balmumcu	Real Estate Appraisal Report: 5 Parcels, located in Istanbul Province, Beşiktaş District	Atak Gayrimenkul Değerleme A.Ş.	24 December 2021-2021/0623	307,243.00	-
Mahmutbey Plot	Real Estate Appraisal Report: 4 Parcels, located in Istanbul Province, Bağcılar District	Atak Gayrimenkul Değerleme A.Ş.	24 December 2021-2021/0622	110,913,000	-
Demre Land	Real Estate Appraisal Report: Hotel Project (Permanent and Individual Rights of Construction) to be developed in Antalya Province, Demre District, Zümrükaya Neighborhood, Uzguru Location	Atak Gayrimenkul Değerleme A.Ş.	24 December 2021-2021/0649	92,000,000	-
Aydın – Didim	Real Estate Appraisal Reports: Aydın Province Didim District Altinkum Town (Permanent and Individual Rights of Construction)	Atak Gayrimenkul Değerleme A.Ş.	24 December 2021-2021/0625	225,981,000	-

Human Resources

Özak REIC bases every stage of its HR processes on practices that will convert the expectations and potentials of employees into performance.

Özak REIC's human resources policy aims to employ qualified individuals with high potential and to establish a highly motivated organization that prioritizes individual initiative and teamwork to boost productivity.

Respecting the individual rights and freedoms of employees and supporting them, the Company guarantees employees' statutory rights and mobilizes all its resources to offer them a safe and healthy work environment. The responsibilities of the Özak REIC HR Department include the management of the relationships with employees in regard to their social rights and guarantees, performance, career management, as well as salary and career development.

Özak REIC's primary aim is to employ a well-qualified workforce and retain the workforce that it has trained within the Company, and the Company actively pursues HR processes to this end.

Every stage of the company's HR processes is based on applications that will convert the expectations and potentials of employees into performance. Maintaining and consolidating the company's position as a preferred employer is a strong point of focus for the HR Department.

Özak REIC believes that success is only possible through "happy employees" who have a strong sense of belonging. The Company regards employees as "internal customers," whose professional and personal development is encouraged. The Company takes steps to improve the organization through internal assessment processes. Training and development studies are carried out regularly within the organization, as well as by means of services provided externally to train and develop Company employees.

Özak REIC's primary aim is to employ a well-qualified workforce and retain the workforce that it has trained within the Company, and the Company actively pursues HR processes to this end.

The Company holds events to boost motivation and invests in process and technology transformation that will provide simplification of processes and optimize the workload to help employees deal with the stresses of work.

Human Resources

Özak REIC determines its employees' objectives on the very first day of their employment, reviews them regularly throughout the year, conducts overall assessments, and provides feedback at the end of the year.

The Company holds events to boost motivation and invests in process and technology transformation that will provide simplification of processes and optimize the workload to help employees deal with the stresses of work. These projects include giving key responsibilities and duties to talents within the company as well as supporting and developing employees in the fields of project and process management. Coaching practices aimed at all management levels help maintain balance in the face of any administrative tension.

Özak REIC determines its employees' objectives on the very first day of their employment, reviews them regularly throughout the year, conducts overall assessments, and provides feedback at the end of the year. The Company aims to pay its employees in line with the added value they provide for the organization as well as their responsibilities.

The duties and the responsibilities of all personnel employed in the Company are explained clearly during their job interviews. The job descriptions are then delivered in writing following the orientation training provided after recruitment.

As of the end of 2021, Özak REIC has 59 employees, Aktay Hotel Management has 347, and Özak-Yenigün-Ziylan Ordinary Partnership has 141.

Sustainability

Özak REIC undertakes environmentally-conscious projects to guarantee a sustainable future by employing design methods and materials, as well as energy-efficient technologies that do not harm the ecosystem.

The Communiqué amending Corporate Governance Communiqué No. II-17.1 of the Capital Markets Board was published in the Official Gazette number 31262 dated 2 October 2020. Sustainability Principles, with which compliance is voluntary, have been established as per the amendments to the Corporate Governance Communiqué (the “Communiqué”). Özak REIC pays utmost attention to compliance with Corporate Governance Principles and embraces the Sustainability Principles Compliance Framework on a voluntary basis.

Although it has no Environmental, Social, and Corporate Governance (ESG) policy or units dedicated to conducting such policies, the Company takes due care to act in compliance with Sustainability Principles in its activities aimed at corporate social responsibility.

Corporate Social Responsibility

Özak REIC supports various projects in different fields, particularly in the areas of education and health, in line with its corporate social responsibility approach. The goal of the Company is to include all stakeholders in social responsibility projects as much as possible as per sustainability principles. The We Are a Worthy Team has been established within Özak Global Holding with the purpose of supporting social responsibility projects, as well as organizing motivational events for employees.

The Company takes due care to act in compliance with Sustainability Principles in its activities aimed at corporate social responsibility.

Özak REIC believes that the Company's capacity can be carried further by investing in the skills, strengths, and potential of employees with the goal of making sustainable achievements.

Sustainability

Cooperating with Kızılay [Turkish Red Crescent] in previous years in line with this purpose, the We Are a Worthy Team has organized blood and stem cell donation events with the motto, "We donate blood; we save lives," and has supported the education of students at the Darüşşafaka Foundation school by running in the Istanbul marathon with the motto, "I run to help when it comes to education."

The We Are a Worthy Team has organized the "1 cap, 1 life" campaign, collecting plastic bottle caps all year round for the benefit of The Spinal Cord Paralytics Association of Turkey.

Additionally, the We Are a Worthy Team organizes training and events such as yoga programs, rhythm workshops, food contests, and football tournaments to motivate employees all year round.

Özak REIC believes that the Company's capacity can be carried further by investing in the skills, strengths, and potential of employees with the goal of making sustainable achievements. The Company implements in-house Leadership Development Programs to evaluate corporate culture and management approach so as to better understand strengths and areas of potential improvement and to transform differences into advantages.

Özak REIC aims to execute various projects in the period ahead by establishing close contacts with NGOs and industrial associations regarding corporate social responsibility efforts.

Environmental Practices

In addition to supporting social responsibility projects, Özak REIC conducts activities with the awareness of its responsibilities to the world and society. Accordingly, Özak REIC undertakes environmentally-conscious projects to guarantee a sustainable future by employing design methods and materials, as well as energy-efficient technologies that do not harm the ecosystem.

Özak REIC adds value to the economy and life in general through the prestigious real estate projects it develops. While offering solutions that facilitate life, the Company makes it a principle to create environmentally-sensitive, people-centered, high quality, and appropriate products.

Bulvar 216, Turkey's first food and refreshments destination, was granted Silver LEED (Leadership in Energy and Environmental Design) certification by the US Green Buildings Council, for its

architecture, which protects the environment and adds value to life. 34 Portall Plaza is designed as the smart building of the future. 34 Portall Plaza employs remarkable features that strongly contribute to environmental sustainability. These include a hydrophobic system that drains rainwater, renewable energy infrastructure, waste oil collection area, a purification system for production facilities, and exclusive illumination systems that adjust power usage according to daylight and employee density.

Predicated on the principles of safety, naturalness, and sustainability, Büyükyalı Project has been prepared with the New Urbanism concept that prioritizes the environment and humans. Inspired by historical city walls and carrying traditional aesthetic values such as stone and bricks to the next generations, Büyükyalı utilized gracefully aging natural materials that never harm the environment. The existing trees on the project sites were cultivated and diversified, and solar panels were installed on the roofs of buildings for energy efficiency.

Özak REIC also contributes to the environment by maintaining its tradition of planting trees for new recruits every year, striving to equip employees with environmental awareness.

Human-Centered Architecture

New Urbanism is a human-centered movement characterized by a thorough, compact, and holistic transformation to address communities' expectations. An advocate of this movement, Özak REIC takes the needs of future generations into account, while melding traces of history with the requirements of the modern world.

Özak REIC addresses changing customer expectations and the requirements of different lifestyles promptly, delivering outstanding quality. The Company redefines every detail, from material quality and design to social life and transport within living spaces to boost the comfort, safety, happiness, and satisfaction of residents. Launched

by Özak REIC, the Büyükyalı Project was designed on the pillars of people and human comfort, which are the indispensable elements of New Urbanism. A neighborhood life, the culture of neighborly relations, and the means of socializing with others have been redefined at Büyükyalı, which offers "all-inclusive" comfort at a location just steps away from day-to-day life.

Özak REIC develops its projects with the New Urbanism Movement, defined as a thorough, compact, and holistic transformation towards the expectations of societies.



Corporate Governance Principles Compliance Statement

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. takes utmost care to implement the “Corporate Governance Principles of the Capital Markets Board,” which were adopted and disclosed to the public in July 2003 by the Capital Markets Board with the latest version being published in the attachment of Corporate Governance Communiqué No. II-17.1 in 2014. The Company has initiated efforts to comply with the guidelines included in the referenced principles from the date on which it decided to go public. In addition, it places emphasis on compliance with Sustainability Principles and continues to develop its organization in this direction.

The Company has adopted the entirety of the principles that are obligated by the Corporate Governance Communiqué to be applied. Furthermore, the Company also complies with most of the voluntary principles that are not obligatory by adopting them to the maximum degree. Since the Company is included in the third group under Article 5 of the Corporate Governance Communiqué, it is not obliged to implement the third paragraph of Principle Number 4.3.7 and the second paragraph of Principle Number 4.3.8.

Independent Members of the Board of Directors serve on more than one committee. As part of compliance with these principles, the aim is to not have Board Members assume roles in more than one committee. In addition, the Company took another step toward compliance with voluntary principles in 2020. As such, two of the Board’s seven members are women. The Company is thus in compliance with voluntary principle number 4.3.9.

The Corporate Governance Committee continues its efforts to develop corporate governance practices within the Company. There has been no conflict of interest among the stakeholders to date stemming from the principles other than those being implemented already or the voluntary principles not fully complied with. Explanations regarding the voluntary principles not yet applied are additionally evaluated under the relevant sections.

The Company’s “Corporate Governance Compliance Report” and “Corporate Governance Information Form” for 2019 were disclosed to the public within the framework of Capital Markets Board’s decision Number 2/49 dated 10 January 2019 via the Public Disclosure Platform (www.kap.org.tr). Shareholders can access “The Corporate Governance Compliance Report” of 2021 via <https://www.kap.org.tr/tr/sirket-bilgileri/ozet/1575-ozak-gayrimenkul-yatirim-ortakligi-a-s> by clicking on the heading “Corporate Governance Principles Compliance Report” and the “Corporate Governance Information Form” for 2021 by clicking on the heading “Corporate Governance” on the same website. Apart from the aforesaid headings, the Corporate Governance Compliance Report and Corporate Governance Information Form can be accessed via <https://www.kap.org.tr/tr/sirket-bilgileri/ozet/1575-ozak-gayrimenkul-yatirim-ortakligi-a-s> by doing a “Notification Inquiry.”

Furthermore, the “Corporate Governance Compliance Report” and the “Corporate Governance Information Form” of 2021 are also presented for the information of shareholders and all stakeholders on the Company’s corporate website, in the “Investor Relations” section under the heading, “Corporate Governance.”

Key Developments after the Reporting Period

Designation of the Real Estate Appraisal Company

As per Article 35 of the Communiqué No. III-48.1 on Real Estate Investment Companies issued by the CMB and Resolution of the Board of Directors dated January 25, 2022,

- A decision was taken to procure valuation services from "Atak Gayrimenkul Değerleme A.Ş." in 2022 for each of the assets in the Company's portfolio,
- and to procure valuation services from "Atak Gayrimenkul Değerleme A.Ş." and "Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş." for the assets that may be included in the Company's portfolio in 2022 and that will require

valuation services.

Summary of Related Party Transactions Report

General Information

This report has been drawn up within the context of Article 10 of Corporate Governance Communiqué No. II-17.1 of the Capital Markets Board (CMB). Pursuant to the referenced article, in cases where it is estimated that the amount of the common and continuous transactions between the companies with shares traded on the stock exchange as well as the subsidiaries thereof and their affiliated parties within a single accounting period will reach a rate more than 10% of:

- a) the rate of this amount to the cost of sales determined in accordance with the last annual financial statements disclosed to the public for the purchase transactions or;
- b) the rate of this amount to the revenue amount determined in accordance with the last annual financial statements disclosed to the public for the sales transactions,

the Board of Directors of the relevant company must prepare a report on the terms of the transactions and the comparison thereof with the market conditions.

The purpose of this report is to reveal that the transactions of Özak Gayrimenkul Yatırım Ortaklığı A.Ş. (Özak REIC/the Company) carried out with its related parties as defined in International Accounting Standards Number 24 (IAS 24) within the scope of the CMB legislation do not lead to any outcome against our Company when the terms thereof are disclosed provided that they are not fall within the scope of trade secret and they are compared with the market conditions.

The detailed information regarding the transactions of Özak REIC and its subsidiaries carried out with their related parties during 2021 has been given in the footnote number 24 of the solo financial statements disclosed to the public in connection with our activities during 2022 and the conformity of only those transactions predicted to exceed the above-mentioned limit of 10% with the market conditions has been assessed in this Report.

During the provision of the said services from/to the related parties, it is intended to add value to the Company in addition to meeting the needs of the Company and such transactions are carried out at arm's length prices.

Conclusion:

Pursuant to Article 10 titled "Common and Continuous Transactions" of Communiqué No. II-17.1 on Corporate Governance of the Capital Markets Board (the CMB) published in the Official Gazette issue number 28871 dated 3 January 2014, the Company had no common or continuous transactions in 2021 with the affiliated parties that exceeded 10% of

- a) the rate of this amount to the cost of sales determined in accordance with the last annual financial statements disclosed to the public for the purchase transactions or;
- b) the rate of this amount to the revenue amount determined in accordance with the last annual financial statements disclosed to the public for the sales transactions.

- However, it is expected in 2022 that the following will exceed the 10% limit:

- The amount of service sales arising from the lease of Ela Excellence Resort Hotel, an asset within the Company's portfolio, between the Company and its subsidiary Aktay Otel İşletmeleri A.Ş.;
- The purchase amount of the contractor services for the housing project, the construction of which is ongoing in Göktürk between the Company and its related party İnt-Er Yapı İnşaat Turizm San. Ve Tic. A.Ş.

Therefore, this report does disclose the conditions under which transactions with relevant Companies were made and provides information on the conformity of these transactions with market conditions.

Common and continuous transactions performed with both companies are also expected to exceed the 10% limit in 2022.

Investor Relations

Committed to fulfilling all of its obligations related to the protection of shareholder rights with due care and diligence, the Company has an Investor Relations Department to reply to shareholder queries accurately, completely, and on a timely basis.

(Contact email address: yatirimci.iliskileri@ozakgyo.com)

The Investor Relations Department replies to all questions that are not trade secret in nature. When doing so, the Department takes into consideration the principles of equality, transparency, accountability, and responsibility while ensuring the continuous relations between the Company and the shareholders. The Department reports to the General Manager and prepares and submits regular reports to the Board of Directors concerning its ongoing activities.

Investor Relations Manager Orkun Ergüney (orkun.erguney@ozakgyo.com) takes charge in this department as well as Accounting Manager Yüksel Alpat, as per Capital Markets Board's Corporate Governance Communique No. II-17.1, Article 11/3.

The Investor Relations Department is responsible for providing shareholders and potential investors with information about the Company's activities and financial status regularly, avoiding asymmetrical information distribution, and excepting information of a confidential business and trade secret nature. The Department also manages communications between the shareholders and the Company's managers in coordination with other departments.

During the fiscal year, the Investor Relations Department performed the following:

- Introduced the Company to and increased awareness about the Company among existing and potential investment companies and intermediary institutions such as securities firms, portfolio management companies, and met the information requests from research analysts at these companies;
- Responded to shareholder requests within the time frame prescribed by the relevant laws and regulations for written and verbal information on the Company excluding information not disclosed to the public and classified as trade secrets;
- Ensured that the database and records related to the shareholders are kept in a sound, up-to-date, and regular manner;
- Ensured bidirectional information flow by serving as a bridge between the shareholders and the Company's senior management and the Board of Directors;
- Provided reports to relevant departments and senior management with respect to capital market developments and the stock performance;
- Fulfilled all the public disclosure obligations pursuant to relevant laws and regulations;
- Held annual Ordinary and Extraordinary General Assembly meetings electronically and physically without any problems;
- Updated all communication tools, such as the website, annual report, investor presentations, investor bulletins, and the like regularly to provide shareholders with accurate, quick, and complete information related to Özak REIC.

Investor Relations

All meetings concerning investor relations in 2021 were held online due to the ongoing pandemic conditions. Meetings were carried out during the year with portfolio managers, fund managers and research analysts. During these meetings, the Company's present and future projects were introduced in detail, and information was provided on financial figures.

All shareholder questions sent in via phone and email, regarding information other than trade secrets and confidential information that is not publicly disclosed, were answered during this period. As per the Capital Markets Board Legislation, 85 material disclosures, 32 of which were special conditions disclosures, were made in 2021.

Stock Performance and Market Value

Özak REIC stocks have been traded on Borsa Istanbul (BIST) under the ticker OZKGY since 16 February 2012. The issued capital of the Company amounts to TL 364,000,000 consisting of 364,000,000 shares each having a nominal value of TL 1.

Özak REIC's market value amounted to TL 2.4 billion as of 31 December 2021. The average trading volume of the Company's stock was TL 39 million in 2021.

Özak REIC's shares are traded on the Stars Market of Borsa Istanbul.

Özak REIC Comparative Share Performance in 2021

2021 — XU100 — XGMYO — OZKGY



Risk Management

Assessment of Risks by the Board of Directors

The Company aims to use the debt-equity balance in the most efficient manner, on the one hand, while trying to ensure continuity of its operations, on the other, by means of risk management. The Early Detection of Risk Committee carries out studies for the purpose of early detecting the risks which may jeopardize the existence, the development, and the continuity of the Company, taking the necessary measures for the detected risks and managing the risks. The principal risks exposed by our Company are monitored under four main groups namely investment risk, strategic and external environment risks, financial risks, and operational risks.

The Company intends to maintain a specific balance between tourism investments, rentable real estate, and development projects, thus allowing it to have a strong cash flow in addition to benefiting from high development profits and growth potential, which could be provided by the development projects. The principles of productivity and liquidity are constantly observed in the Company's portfolio. Measures intended to increase the proceeds of immovables in the portfolio that have suffered a drop in yield are taken, and sales are considered if necessary. The cash and the security portfolio is actively managed in a professional manner while liquidity strong at all times. The goal in investments is always to provide alternative means of investment and ensure that the return is greater than the outlay.

The Early Detection of Risk Committee convenes once every two months, evaluates the situation, and informs the Board of Directors of threats, if any, and their remedies. The Company's risk management systems are revised accordingly at least once a year. The committee held six meetings and submitted its meeting minutes to the Board of Directors. The Company's risk management systems were revised at meeting number 2021/06 dated 30 December 2021.

The recommendations submitted by the Committee against the risks identified in the report are already being practiced by the

Company. As also stated in the conclusion of the report, although the Company has no risk that may jeopardize the existence, development, and continuity of the Company, it nevertheless pursues a risk management policy in line with the Committee's proposals to counter any situations that may arise in the future.

Internal Audit Mechanism

The Audit Committee's duties include determining the methods and criteria to be applied when reviewing and concluding complaints communicated to the Company concerning the Company's accounting and internal control systems and independent audit processes, and when assessing Company employees' reports on matters relating to accounting, reporting, internal control, and independent audit within the principle of confidentiality. The internal control function at the Company is performed under the supervision of the Financial Affairs and Finance Department as well as being audited on a period basis by the Internal Audit Department of Özak Holding A.Ş., which reports its findings to the senior management and the Board of Directors.

The main goal of internal control is to ensure that the internal controller and the system established provide reasonable assurance for the management in achieving the Company's goals in three core areas when activities are being carried out.

The first core area intended for reasonable assurance is related to operations and covers guaranteeing effectiveness and efficiency of operations including operational and financial performance goals and protection of the assets against losses. The second one is related to reporting and covers the preparation of internal, external, financial, and non-financial reports in a reliable, transparent, and timely manner, as stipulated in the principles and rules of the regulatory authorities and standard-setting bodies or corporate policies. The third one is related to regulatory compliance and covers compliance with any and all laws, regulations, communicate, and other arrangements that the Company is subject to as well as internal policies and procedures.

Legislative Amendments

Legislative amendments that are thought to affect the activities of ÖZAK REIC within the period are detailed below.

- Capital Markets Board Decision (Decision Number: 66/18869) Regarding Real Estate Appraisal Minimum Price List and Real Estate Appraisal Minimum Price List Application Principles in 2022 as published in the Official Gazette number 31704 dated 29 December 2021.
- "The Regulation on Amendment to Car Park Management" as published in the Official Gazette number 31635 dated 21 October 2021.
- Republic of Turkey Ministry of Environment and Urbanization and Land Registry and Cadastre General Office Land Registry Directorate's "Circular on Floor Easement and Floor Ownership" number 2021/4 dated 1 September 2021 number 2021/4.
- Regulation on the Amendment to the Regulation on the Rules and Procedures of Trading Company General Assembly Meetings and Ministry Representatives That Will Attend These Meetings as published in the Official Gazette number 31495 dated 29 May 2021.

Major Service Providers

Independent Audit Firm

PWC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

Tax Consultant

MESA Yeminli Mali Müşavirlik Ltd. Şti.

Real Estate Valuation Firms Providing Services in 2021

Atak Gayrimenkul Değerleme A.Ş.
Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş.

Operating Firms Providing Services in 2021

Aktay Otel İşletmeleri A.Ş.
Akyön Tesis Yönetim Hizmetleri A.Ş.
İnt-Er Yapı İnşaat Turizm Sanayi ve Ticaret A.Ş

Statement on Conflicts of Interest between Service Providers and the Company:

The Company observes the applicable regulations of the capital markets and takes necessary measures to prevent potential conflicts of interest in designating its service providers. No conflict of interest between the Company and the aforementioned service providers has emerged during or after the provision of services.

Independent Auditor's Report on the Annual Report of the Board of Directors



CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the General Assembly of Özak Gayrimenkul Yatırım Ortaklığı A.Ş.

1. Opinion

We have audited the annual report of Özak Gayrimenkul Yatırım Ortaklığı A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") for the 1 January - 31 December 2021 accounting period.

In our opinion, the financial information and the analysis made by the Board of Directors using the information included in the audited consolidated financial statements regarding the Group's position in the Board of Directors' Annual Report are consistent, in all material respects, with the audited full set of consolidated financial statements and with the information obtained in the course of an independent audit and presented fairly.

2. Basis for Opinion

We conducted our independent audit in accordance with the Independent Auditing Standards (IAS) that are part of the Turkish Auditing Standards published by the Public Oversight, Accounting, and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Annual Report section of our report. We hereby declare that we are independent of the Group in accordance with the Code of Ethics for Independent Auditors (the "Code of Ethics") and the ethical requirements regarding independent audit in regulations issued by the POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Our Audit Opinion on the Full Set Consolidated Financial Statements

We expressed an unqualified opinion in the auditor's report dated 25 February 2022 on the full set of consolidated financial statements of the Group for the 1 January - 31 December 2021 accounting period.

4. Board of Director's Responsibility for the Annual Report

Group management's responsibilities related to the annual report as per Articles 514 and 516 of Turkish Commercial Code ("TCC") number 6102 and the provisions of the "Communique Regarding Financial Reporting in Capital Markets" number II-14.1 of the Capital Markets Board ("CMB") ("Communique") are as follows:

- a) to prepare the annual report within the first three months following the balance sheet date and present it to the General Assembly;
- b) to prepare the annual report to reflect the Group's operations in that year and the financial position in a true, complete, straightforward, fair, and proper manner in all respects. The financial position in this report is assessed in accordance with the financial statements. The report also covers the development of the Group and the potential risks to be encountered. The report also includes the Board of Directors evaluation.
- c) The annual report includes the following matters:
 - events of particular importance that occurred within the Group after the operating year,
 - the Company's research and development activities,
 - financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation, and representation expenses, financial aid and aid in kind, insurances, and similar guarantees.

When preparing the annual report, the Board of Directors considers secondary legislation regulations enacted by the Ministry of Trade and other relevant institutions.

5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and Communiqué provisions regarding whether or not the financial information and the analysis made by the Board of Directors using the information included in the audited financial statements in the annual report are consistent with the audited financial statements of Özak Gayrimenkul Yatırım Ortaklığı A.Ş. (ÖZAK REİC/the Company) and with the information we obtained in the course of the independent audit and presented fairly.

We conducted our independent audit in line with the SAS. These standards require that ethical requirements are complied with and that the independent audit is planned and conducted so as to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors using the information included in the audited consolidated financial statements in the annual report are consistent with the audited financial statements and with the information obtained in the course of an audit and presented fairly.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

Salim Alyanak, Certified Public Accountant
Auditor in Charge

Istanbul, 11 March 2022

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and It's Subsidiaries

Convenience Translation into English of
Consolidated Financial Statements for the
Year Ended 31 December 2021 Together
with Independent Auditor's Report
(Originally Issued in Turkish)



CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Özak Gayrimenkul Yatırım Ortaklığı A.Ş.

A. Audit of the consolidated financial statements

1. Our opinion

We have audited the accompanying consolidated financial statements of Özak Gayrimenkul Yatırım Ortaklığı A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate 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. Key audit matters were addressed in the context of our independent 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

Valuation work related to determining the fair value of investment properties

As of 31 December 2021, the Group's investment properties, which have a carrying value of TRY3,909,403,000 and represent a significant share of its total assets, consisted of land, office and commercial units.

The accounting policy Group management applies when recognising these investment properties is the "fair value method", as described in detail in Note 2 and Note 12. The fair value of these assets are determined by an independent valuation institution accredited by the Capital Markets Board and used as the basis for the carrying values in the balance sheet after being assessed by Group management. When determining the fair value of investment properties, methods such as benchmark comparison and reduced cash flow are used, and these methods include inputs based on important assumptions such as real discount and inflation, which may lead to changes when determining fair value. Fair value is directly affected by factors such as market conditions and the detailed features of each property. The impacts of rent losses arising from market conditions and restrictions caused by the COVID-19 pandemic are also taken into account when determining fair value.

The work carried out to determine the fair value of the investment properties was defined as a key audit matter because the book value of investment properties comprises a significant portion of the Group's aggregate assets and the valuations are subjective in nature and include material assumptions and reasoning.

How the key audit matter was addressed in the audit

During our audit, the following audit procedures were used to determine the fair value of investment properties:

The procedures used by Group management to determine the fair value of investment properties were evaluated.

- As for the expert institution carrying out the valuation work, we performed the following procedures:
 - The expert institution's property valuation accreditation and licence were checked.
 - The expert institution's competence, ability and neutrality were evaluated.
- We tested the investment properties' title deed records and ownership rates.
- We compared the consistency of the inputs that have significant impact on the property value determined and stated in the valuation reports, such as square meter details of areas that can be rented and unit sales value, against observable market prices, and then tested whether the appraised values fall within an acceptable range.
- We have also tested inputs such as rental income, duration of rental contracts, occupancy rates and expenses used in the valuation reports that have a significant impact on property value.
- We evaluated with our experts whether the assumptions used by the valuation experts in their valuations, the appraised values such as inflation and the real discount fall within an acceptable range.
- We checked whether the fair values in the valuation report complied with the notes and whether the note explanations are sufficient in terms of TFRS.



4. Responsibilities of management and those charged with governance for the consolidated financial statements

The Group 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

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements 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 independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in 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.
- Assess the 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 independent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards 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. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Özak Gayrimenkul Yatırım Ortaklığı A.Ş.'s bookkeeping activities concerning the period from 1 January to 31 December 2021 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 25 February 2022.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Salim Alyanak, SMMM
Partner

Istanbul, 25 February 2022

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

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Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Consolidated Statements of Financial Position at 31 December 2021 and 2020

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

ASSETS	Notes	Audited 31 December 2021	Audited 31 December 2020
Current assets		2,953,248,448	2,223,596,281
Cash and cash equivalents	4	832,355,013	555,210,888
Financial investments	11	448,213,014	171,172,146
Trade receivables		53,462,909	39,692,403
- Due from related parties	24	9,329,064	-
- Due from third parties	6	44,133,845	39,692,403
Other receivables		9,335,722	21,274,563
- Due from related parties	24	-	2,386,797
- Due from third parties	7	9,335,722	18,887,766
Inventories	8	1,379,102,740	1,321,556,972
Prepaid expenses		75,146,212	21,401,003
- Prepaid expenses to related parties	24	14,505,310	-
- Prepaid expenses to third parties	9	60,640,902	21,401,003
Current income tax assets	23	3,434,695	2,507,755
Derivative Instruments		3,953,442	-
- Derivative instruments for hedging	11	3,953,442	-
Other current assets	10	148,244,701	90,780,551
Non-current assets		6,109,777,511	3,651,761,939
Financial investments	11	420,735	420,735
Inventories	8	120,577,035	343,820,090
Investment properties	12	3,909,403,000	1,859,708,258
Tangible assets	13	1,994,591,263	1,314,130,995
Intangible assets		19,746,445	19,921,688
- Goodwill	14	5,390,427	10,076,570
- Other intangible assets		14,356,018	9,845,118
Prepaid expenses		993,908	66,325
- Prepaid expenses to third parties	9	993,908	66,325
Deferred tax assets	23	575,949	1,986,218
Other non-current assets	10	63,469,176	111,707,630
Total assets		9,063,025,959	5,875,358,220

The accompanying notes form an integral part of these consolidated financial statements

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Consolidated Statements of Financial Position at 31 December 2021 and 2020

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

LIABILITIES	Notes	Audited 31 December 2021	Audited 31 December 2020
Current liabilities		1,281,866,931	678,083,026
Short-term borrowings	5	-	10,316
Short-term portion of long-term financial borrowings	5	199,988,981	198,345,883
Trade payables		81,122,178	71,424,497
- Due to related parties	24	6,724,472	-
- Due to third parties	6	74,397,706	71,424,497
Payables for employee benefits	17	4,033,369	2,094,094
Other payables		291,611,869	281,518,573
- Due to related parties	24	255,353,601	243,706,693
- Due to third parties	7	36,258,268	37,811,880
Liabilities arising from customer contracts		700,436,088	122,197,269
- Contract liabilities arising from ongoing construction and contracting works	9	700,436,088	122,197,269
Current income tax		-	312,724
Short term provisions		4,674,446	2,179,670
- Short-term provision for employee benefits	17	1,424,663	1,300,911
- Other short term provisions	15	3,249,783	878,759
Non-current liabilities		1,056,068,760	1,702,807,924
Long-term borrowings	5	397,788,484	393,299,257
Trade payables		655,166,580	961,061,713
- Due to third parties	6	655,166,580	961,061,713
Other payables		2,616,773	813,606
- Due to third parties	7	2,616,773	813,606
Liabilities arising from customer contracts		154,811	343,896,037
- Contract liabilities arising from ongoing construction and contracting works	9	154,811	343,896,037
Long term provisions		342,112	3,737,311
- Long-term provision for employee benefits	17	342,112	3,737,311
Equity		6,725,090,268	3,494,467,270
Equity attributable to equity holders of the parent		6,725,636,425	3,494,095,528
Share capital	16	364,000,000	364,000,000
Share premium		146,712,969	146,712,969
Treasury shares		(3,364,272)	(3,364,272)
Other comprehensive income/expense not to be reclassified to profit or loss		1,957,326,339	1,249,680,142
- Revaluation gain from tangible assets	16	1,963,258,354	1,252,993,266
- Actuarial loss of employee benefits	16	(5,932,015)	(3,313,124)
Restricted reserves		41,243,984	41,243,984
Retained earnings		1,695,822,705	1,078,281,691
Net profit for the year		2,523,894,700	617,541,014
Non-controlling interests		(546,157)	371,742
Total liabilities		9,063,025,959	5,875,358,220

The accompanying notes form an integral part of these consolidated financial statements

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries
Consolidated Statements of Profit or Loss and Other
Comprehensive Income for the Year Ended 31 December 2021
(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	Audited 1 January -31 December 2021	Audited 1 January -31 December 2020
Profit and Loss			
Revenue	19	1,472,672,713	1,186,015,827
Cost of sales	19	(778,655,734)	(792,311,217)
Gross profit		694,016,979	393,704,610
Selling, marketing and distribution expenses (-)	20	(40,121,198)	(24,677,524)
General administrative expenses (-)	20	(32,005,685)	(14,820,880)
Other operating income	21	2,029,469,352	574,808,956
Other operating expenses (-)	21	(240,752,305)	(215,518,509)
Operating profit		2,410,607,143	713,496,653
Financial income	22	197,869,037	38,595,190
Financial expenses (-)	22	(84,728,491)	(130,699,737)
	11		
Profit before tax		2,523,747,689	621,392,106
Tax income/(expense)		(895,597)	(4,222,489)
- Current tax expense		-	(365,858)
- Deferred tax (expense)/income	23	(895,597)	(3,856,631)
Net income		2,522,852,092	617,169,617
Net income attributable to			
Equity holders of the parent		2,523,894,700	617,541,014
Non-controlling interest		(1,042,608)	(371,397)
Net income for the period		2,522,852,092	617,169,617
Earnings per share	18	6.934	1.696
Other comprehensive income/(expense):			
Items not to be reclassified to profit or loss in subsequent periods			
Revaluation gain from tangible assets	13	710,265,088	428,810,752
Actuarial loss of employee benefits		(3,273,614)	(1,310,898)
Items not to be reclassified to profit or loss in subsequent periods			
Deferred tax effect	23	654,723	218,483
Other comprehensive income		707,646,197	427,718,337
Total comprehensive income		3,230,498,289	1,044,887,954
Total comprehensive income attributable to			
Equity holders of the parent		3,231,416,188	1,045,312,811
Non-controlling interest		(917,899)	(424,857)
Total comprehensive income		3,230,498,289	1,044,887,954

The accompanying notes form an integral part of these consolidated financial statements

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Consolidated Statements of Changes In Equity for the Period Ended 31 December 2021

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Other comprehensive income/loss not to be reclassified to profit or loss							Equity holders of the parent	Non-controlling interest	Total equity	
	Share capital	Share premium	Treasury shares	Revaluation gain from tangible assets	Actuarial loss of employee benefits	Restricted reserves	Retained earnings				Net income/(loss) for the period
1 January 2020	364,000,000	146,712,969	(3,364,272)	824,182,514	(2,220,709)	29,488,673	778,688,684	311,378,318	2,448,836,177	796,599	2,449,632,776
Transfers	-	-	-	-	-	11,755,311	299,623,007	(311,378,318)	-	-	-
Net profit/(loss)	-	-	-	-	-	-	-	617,541,014	617,541,014	(371,397)	617,169,617
Other comprehensive income/(loss)	-	-	-	428,810,752	(1,092,415)	-	-	-	427,718,337	(53,460)	427,664,877
31 December 2020	364,000,000	146,712,969	(3,364,272)	1,252,993,266	(3,313,124)	41,243,984	1,078,281,691	617,541,014	3,494,095,528	371,742	3,494,467,270
1 January 2021	364,000,000	146,712,969	(3,364,272)	1,252,993,266	(3,313,124)	41,243,984	1,078,281,691	617,541,014	3,494,095,528	371,742	3,494,467,270
Transfers	-	-	-	-	-	-	617,541,014	(617,541,014)	-	-	-
Net profit/(loss)	-	-	-	-	-	-	-	-2,523,894,700	523,894,700	(1,042,608)	2,522,852,092
Other comprehensive income/(loss)	-	-	-	710,265,088	(2,618,891)	-	-	-	707,646,197	124,709	707,770,906
31 December 2021	364,000,000	146,712,969	(3,364,272)	1,963,258,354	(5,932,015)	41,243,984	1,695,822,705	2,523,894,700	6,725,636,425	(546,157)	6,725,090,268

The accompanying notes form an integral part of these consolidated financial statements

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Consolidated Statements of Cash Flows

for the Period Ended 31 December 2021

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	Audited 1 January -31 December 2021	Audited 1 January -31 December 2020
A. Cash flows from operating activities		671,333,382	340,830,572
Net profit		2,522,852,092	617,169,617
Adjustments to reconcile net income		(1,684,433,465)	(211,357,388)
Adjustments related with depreciation and amortization	19, 20	46,003,119	32,238,087
Adjustments related with provisions		(2,559,626)	(2,369,779)
Adjustments related with interest income and expense		32,701,995	52,744,205
Adjustments related with impairment (abort) in receivables	6	293,023	444,005
Adjustments related to fair value gains on derivative financial instruments	22	(167,507,994)	11,320,853
Adjustments related with unrealized foreign exchange differences	5	(21,674,288)	47,057,817
Adjustments related with gain/loss which is with changing in share	12	(1,577,473,382)	(357,180,414)
Adjustments related with tax expense		1,097,545	4,387,838
Other adjustments related to profit or loss reconciliation		4,686,143	-
Changes in working capital		(162,242,426)	(66,586,133)
Adjustments related to increase in trade receivables		(14,063,529)	(24,839,570)
Adjustments related to (increase) / decrease in inventories		62,050,287	(24,649,474)
Adjustments related to decrease in other receivables		(165,445,963)	(190,095,889)
Adjustments related to increase / (decrease) in trade payables		(296,197,452)	325,644,995
Adjustments related to increase / decrease in deferred income		237,578,493	(78,733,323)
Adjustments related to operating increase/decrease in other assets and liabilities			
Net cash generated by operating activities		13,835,738	(73,912,872)
Net cash generated by operating activities		676,176,201	339,226,096
Taxes paid		(926,940)	2,451,874
Employment termination benefits payment		(3,915,879)	(847,398)
B. Cash flows from investing activities		(362,093,267)	(36,946,832)
Interest received	22	27,190,292	13,018,947
Cash outflow from purchase of tangible and intangible assets		(20,836,578)	(37,052,577)
Cash inflow from the sales of tangible and intangible assets		127,379	-
Cash outflow purchases from investment property	12	(368,574,360)	(12,913,202)
C. Cash flows from financing activities		(32,095,990)	(233,060,840)
Proceeds from borrowings	5	160,000,000	680,286,326
Repayment of borrowings	5	(132,203,703)	(847,584,014)
Interest paid	22	(59,892,287)	(65,763,152)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		277,144,125	70,822,900
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		555,210,888	484,387,988
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)	4	832,355,013	555,210,888

The accompanying notes form an integral part of these consolidated financial statements

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

1. GROUP'S ORGANISATION AND NATURE OF OPERATIONS

The principal activity of Özak Gayrimenkul Yatırım Ortaklığı A.Ş. ("Company" or "Özak GYO") is to operate in the purpose and subjects written in the regulations of the Capital Market Board ("CMB" or "Board") with respect to the real estate investment trusts and in principal, to invest in real estates, capital market instruments as based on the real estates, real estate projects and rights based on real estates. The company was initially registered as Özak Yapı Sanayi ve Ticaret A.Ş. on 01 February 2008 and was announced on the 577th, 578th and 579th pages of Turkish Trade Registry Gazette no 6994 dated 07 February 2008. Afterwards, the Company's trade title was changed as Özak Gayrimenkul Yatırım Ortaklığı A.Ş. based on the extraordinary general assembly decision held on 1 June 2009 and the Company's trade title was registered on 3 June 2009 and announced on the 250th - 254th pages of Turkish Trade Registry Gazette no 7327 dated at 8 June 2009.

The details of the number of personnel of Özak Gayrimenkul Yatırım Ortaklığı A.Ş., its subsidiaries and joint ventures ("Group") are as follows: the number of personnel of Özak Gayrimenkul Yatırım Ortaklığı A.Ş. as of 31 December 2021 is 59 (31 December 2020: 52), the number of personnel of Aktay Otel İşletmeleri A.Ş. is 347 (31 December 2020: 481), the number of personnel of Özak-Yenigün-Ziylan Adi Ortaklığı İşletmesi is 141 (31 December 2020: 271).

The address of the Company and the main operation center is at Kazlıçeşme Mah. Kennedy Cad. No:52C D:1 Zeytinburnu İstanbul/Turkey.

The shares of the Company are being traded at BIST as of 15 February 2012. The main shareholder of the Group and the controlling party is Ahmet Akbalık and Urfi Akbalık.

Subsidiaries:

The details of the subsidiaries of the Company are given below:

	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting right held by the Group (%)	
			31 December 2021	31 December 2020
Aktay Otel İşletmeleri A.Ş. (*)	Hotel management	İstanbul	95.00	95.00
Büyükyalı Otel İşletmeciliği (**)	Hotel management	İstanbul	60.00	60.00
Büyükyalı Tesis Yönetimi (***)	Facility management	İstanbul	63.00	63.00

(*) Aktay Otel İşletmeleri A.Ş., is established in order to lease, build, purchase, repair, operate or have operated all the touristic facilities such as touristic hotels, motels, holiday villages and it leases from Aktay Turizm Yatırımları ve İşletmeleri A.Ş. and operates "Ela Quality Resort Otel" which is the Group's hotel in Antalya/Turkey.

(**) Büyükyalı Otel İşletmeciliği A.Ş. (Büyükyalı) is established in order to lease, build, purchase, repair, operate all the touristic facilities in the touristic area and the center for all kinds of internal and external tourism services, such as hotels, motels, campsites, resorts, recreation and accommodation facilities, entertainment venues, marinas on 21 October 2015.

(***) Büyükyalı Facility Management Inc. ("Büyükyalı Tesis") was established on 27 May 2019 in order to provide management of the housing sites formed in the Büyükyalı Project.

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

1. GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

Joint operations:

The details of the joint operations of the Company are given below:

	Principal activity	Place of incorporation and operation	Proportion of ownership held by the Group (%)	
			31 December 2021	31 December 2020
Özak-Yenigün-Ziylan Adi Ortaklığı	Construction contracting	İstanbul	%60	%60

A joint initiative agreement was signed on 2 April 2014 for the establishment of the Özak GYO-Yenigün-Delta-Ziylan Adi Ortaklığı regarding the "Revenue Sharing In Return for the Sale of Zeytinburnu Kazlıçeşme Land" the tender of which was made by Emlak Konut GYO A.Ş. and the Company has 54% share in this joint arrangement. The name of the joint arrangement changed into Özak GYO-Yenigün-Ziylan Adi Ortaklığı after the 1% share held by Delta Proje İnşaat ve Turizm Sanayi Ticaret A.Ş. was acquired by the Group on 28 April 2014. The procedures regarding the "Revenue Sharing In Return for the Sale of Zeytinburnu Kazlıçeşme Land" have been completed and an agreement was signed between Emlak Konut GYO A.Ş. and Özak GYO-Yenigün-Delta-Ziylan Adi Ortaklığı on 9 April 2014. The Company has considered its share in this ordinary partnership within the scope of TFRS 11 "Joint Arrangements" and concluded that this ordinary partnership is a joint operation.

Approval of financial statements:

Board of Directors approved and gave permission to publish the consolidated financial statements on 25 February 2022. General shareholders' assembly has the authority to amend the consolidated financial statements.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

Statement of compliance per Turkish Accounting Standards (TAS)

The Company, its associates, joint ventures and joint operations maintain their legal books of account and prepares their statutory financial statements in accordance with the Turkish Commercial Code (the "TCC"), tax legislation.

The consolidated financial statements have been prepared in accordance with Turkish Accounting Standards / Turkish Financial Reporting Standards ("TAS/TFRS") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") that are set out in the 5th article of the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board ("CMB") on 13 June 2013 and published in Official Gazette numbered 28676. The accompanying financial statements and notes are also presented in accordance with the format described by the CMB with the announcement dated 7 June 2013.

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

Consolidated financial statements have been presented in accordance with the formats announced by the CMB on 15 April 2019 ("TAS Taxonomy Announcement") and in the Financial Statement Samples and Usage Guidelines issued by the CMB.

Functional currency

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Turkish Lira ("TRY"), which is the functional currency of the Group, and the reporting currency for the consolidated financial statements.

Restatement of financial statements in hyperinflationary economies

In accordance with CMB's decision dated 17 March 2005, decision no 11/367, for the companies applying TAS in the financial statements, beginning from 1 January 2005, are not subject to inflation accounting application. Accordingly, effective from 1 January 2005, No. 29 "Financial Reporting in Hyperinflationary Economies" standard ("TAS 29") has not been applied.

Procedure Law and the Corporate Tax Law was enacted on January 20, 2022, It has been enacted with the number 7352 and it has been decided that the financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods, including the temporary accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for the inflation adjustment within the scope of the repeated Article 298 are met.

POA made a declaration on the Implementation of Financial Reporting in High Inflation Economies under TFRS on January 20, 2022, and it was stated that there was no need to make any adjustments within the scope of TAS 29 Financial Reporting in Hyperinflationary Economies in the consolidated financial statements for 2021.

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

Basis of consolidation

As of 31 December 2021, the details of the subsidiaries of the Company are stated below:

Subsidiaries	Principal activity	Place of incorporation and operation	Proportion of ownership (%)
Aktay Otel	Hotel management	İstanbul	95
Büyükyalı	Hotel management	İstanbul	60
Büyükyalı Tesis	Facility management	İstanbul	63

Joint Operations	Principal activity	Place of incorporation and operation	Proportion of Ownership (%)
Özak-Yenigün- Ziyilan Adi Ortaklığı	Construction contracting	İstanbul	60

The consolidated financial statements incorporate the financial statements of the Company and entities controlled its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and,
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

If necessary, accounting policies have been adjusted in the financial statements of the subsidiaries in order to match the accounting policies followed by the Group.

All intragroup assets and liabilities, equity, income and expenses, and cash flows from transactions between Group companies are eliminated on consolidation.

Recognition of joint operations

As a party to the joint operation, the Group recognizes the following regarding its share in the joint operation:

- Its assets including its share of jointly held assets,
- Its liabilities including its share of jointly incurred liabilities,
- Its revenue arising from the sale of its share of the output arising from the joint operation,
- Its share of the revenue arising from the sale of the output arising from the joint operation, and
- Its expenses including its share of jointly incurred expenses.

The assets and liabilities between the joint operation and group companies, equity, income and expenses and cash flows regarding the transactions among these companies are eliminated by consolidation.

2.2 Changes in accounting policies

Material changes in the accounting policies are corrected retrospectively by restating the prior period consolidated financial statements. The Group does not have any significant changes in accounting policies in the current period.

2.3 Changes and errors in the accounting estimates

The effect of changes in the accounting estimates affecting the current period is recognized in the current period; the effect of changes in accounting estimates affecting current and future periods is recognized in the current and future periods. The Group does not have any significant changes in accounting estimates in the current period.

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of 31 December 2021 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and IFRIC interpretations effective as of 1 January 2021. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

a. The new standards in force as of 31 December 2021 and the amendments and interpretations to the existing previous standards:

- **Changes in TFRS 7, TFRS 4 and TFRS 16 - Benchmark interest rate reform Phase 2;** Effective for annual reporting periods beginning on or after 1 January 2021. This Phase 2 amendment addresses issues arising from the implementation of reforms, including replacing a benchmark interest rate with an alternative.
- **Amendments to TFRS 17 and TFRS 4 "Insurance Contracts", postponing the implementation of TFRS 9;** Valid for annual reporting periods starting on or after 1 January 2021. These changes postpone the application date of TFRS 17 to 1 January 2023 for two years and the fixed date of the temporary exemption in TFRS 4 for the application date of TFRS 9 Financial Instruments standard has been postponed to 1 January 2023.

These changes did not have a significant impact on the financial position or performance of the Group.

b. Standards, amendments and interpretations that are issued but not effective as at 31 December 2021:

- **Amendments to the extension of TFRS 16 'Leases - COVID 19 Lease Concessions' facilitating practice;** As of March 2021, this change has been extended until June 2022 and is effective from 1 April 2021. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the TASB published an amendment to TFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs..

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 The new standards, amendments and interpretations (Continued)

- **IFRS 17, 'Insurance contracts'**; effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features
- **Amendments to IAS 1, Presentation of financial statements' on classification of liabilities**; effective from 1 January 2022. These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.
- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16**; effective from Annual periods beginning on or after 1 January 2022.
 - **Amendments to IFRS 3, 'Business combinations'** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
 - **Amendments to IAS 16, 'Property, plant and equipment'** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
 - **Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets'** specify which costs a company includes when assessing whether a contract will be loss-making.

The annual improvements make minor changes to the illustrative examples of IFRS 1, 'First time application of International Financial Reporting Standards', IFRS 9 'Financial Instruments', IAS 41 'Agricultural Activities' and IFRS 16.

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 The new standards, amendments and interpretations (Continued)

- **Narrow changes in TAS 1, Application Statement 2 and TAS 8**, Effective for annual reporting periods beginning on or after 1 January 2023. These changes are intended to improve accounting policy disclosures and help financial statement users distinguish between changes in accounting estimates and changes in accounting policies.
- **TAS 12, Amendment to deferred tax on assets and liabilities arising from a single transaction**; Effective for annual reporting periods beginning on or after 1 January 2023. These amendments require deferred tax recognition on transactions that cause equal amounts of taxable and deductible temporary differences when first recognized by companies.

The Group will evaluate the effects of the above changes on its operations and implement the necessary ones.

2.5 Summary of significant accounting policies

Revenue

In accordance with TFRS 15 "Revenue Standard from Customer Contracts I, effective from 1 January 2018, the Group recognizes revenue in the financial statements as per the five-stage model below.

- Identification of contracts with customers,
- Identification of performance obligations in contracts,
- Determining the transaction price in contracts,
- Distribution of transaction fee to performance obligations,
- Revenue recognition.

The Company evaluates the goods or services that it has committed in each contract with the customers and determines each commitment to transfer the said goods or services as a separate performance obligation.

For each performance obligation, it is determined at the beginning of the contract that the performance of the performance obligation will be fulfilled in time or at a certain time. If the company transfers the control of a good or service over time and thus fulfills the performance obligations related to the sales in time, it measures the progress of the fulfillment of the performance obligations in full and takes the proceeds to the financial statements.

The Company, as it fulfills or fulfills its performance obligation by transferring a committed product or service to its customer, records the transaction price corresponding to this performance obligation as revenue in its financial statements. The goods or services are transferred when the goods or services are checked (or passed) by the customers.

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(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

The Company evaluates and considers the transfer of control of the goods or services sold to the customer;

- a) The ownership of the Company's right to collect goods or services,
- b) The customer's possession of the legal property of the goods or services,
- c) Transfer of the possession of the goods or services,
- d) The ownership of significant risks and rewards arising from the ownership of the goods or services by the customer,
- e) The terms of the customer's acceptance of the goods or services.

At the beginning of the contract, the Company does not correct the effect of an important financing component at the commitment price if the customer foresees that the period between the date of transfer of the goods or services to which the customer commits is one year or less. On the other hand, in the event that there is an important financing element within the proceeds, the revenue value is determined by discounting the future collections with the interest rate within the financing element. The difference is recognized as other income from operating activities on an accrual basis.

Rental income from sales of real estate or leases:

The revenue arisen from sales of real estate, in case all risks and benefits are transferred to the buyer has been recognized in the consolidated comprehensive income statement.

Rental income arising from operating real estate leases is accounted for on a straight line basis over the lease terms is included in revenue in the statement of profit or loss due to its operating nature. Income is accrued if the economic benefits flowing to the Group is probable and if the amount of the income can be measured reliably.

The revenue from the rooms leased to the agencies or sold through early reservation in the tourism (hotel management) revenues, are recognized in the statement of financial position as the revenues not earned until the date on which the service is rendered.

The revenue from room rentals, revenue from the sale of food and beverages, revenue from the stores leased within the hotel and revenue from the other services given to the customers in the hotel are qualified as revenues. These are recognized when the rooms are reserved and services given to the rooms are provided.

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(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

Interest income:

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Inventories

The inventories are measured at the lower of cost or net realizable value. The costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in the statement of profit or loss in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of the changing economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the initial impairment.

The real estate residential and commercial projects under development and construction comprise the direct and indirect costs attributable to the projects, raw material costs and eligible borrowing costs.

Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, at the end of each year when there is an indication of impairment, investment properties are stated at fair value which reflects the market conditions. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognized.

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(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Property, plant and equipment

Land and buildings held for use in the supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such land and building recognized in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in consolidated profit or loss, in which case the increase is credited to consolidated profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and building is recognized in consolidated profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to consolidated profit or loss. On the subsequent sale or retirement of a revalued property, attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Buildings consist of properties in which tourism and hotel management activities are performed. Machinery and equipment's are carried at cost less accumulated depreciation and any accumulated impairment losses.

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(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

Depreciation is recognized so as to write off the cost or valuation of assets, other than freehold land and properties under construction, less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

The gain or loss resulting from the disposal of tangible fixed assets or decommissioning a tangible fixed asset is determined as the difference between the sales revenue and the asset's book value and is included in the consolidated statement of profit or loss.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, one that takes a substantial period of time to get ready for use or sale, are capitalized as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale.

The Group capitalizes borrowing costs for investment properties incurred until properties are ready for their intended use. All other borrowing costs are recorded in the profit or loss in the period in which they are incurred.

Finance leases

The leased assets acquired under finance leases are measured at the lower of the fair value of the leased property at the inception of the lease or the present value of the minimum lease payments. The obligation due to lessor under finance lease is recognized as finance lease liability in the statement of financial position.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in consolidated profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

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(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

Intangible assets

Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, and any changes in the estimate are accounted for on a prospective basis.

Goodwill

Excess part which is over real value of net definable asset is recorded as a goodwill. When amounts in question is lower than acquired real value of net defined assets, difference is directly recorded to income statement as a negation share. In case of deferred reconciliation of cash payments' any part. Amount to be paid in the aftertime, Value of modified date degraded to present value. Used discount rate is incremental borrowing rate of asset which is from independence financier similar debt rate under similar terms and conditions. Conditional price is classified as of equity and financial debt. Amounts which is classified as a financial debt, afterwards, changes in real value is remeasured with real value on the purpose of accounted in gain/loss. Equity share in business which is holded before mergers and acquisitions incrementally is remeasured with real value in mergers date and as a result, if it is gain/loss, it accounted as of gain/loss.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial Instruments

Financial Assets

The Group classifies its financial assets as follows: trade receivables and cash and cash equivalents. The classification depends on the purpose for purchasing the financial assets. Management determines the classification of its financial assets at the date of purchase.

Trade Receivables

Trade receivables are measured at amortized cost using the effective interest method, less any impairment.

Provision for doubtful receivables is recognized as an expense in profit or loss. Provision is provided when there is objective evidence that the Group will not be able to collect the debts. The allowance is an estimated amount that management believes to be adequate to absorb possible future losses on existing receivables that may become uncollectible due to current economic conditions and inherent risks in the receivables. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are three-months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

Impairment of Financial Assets

Financial assets or groups of financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. The Group follows its receivable separately and there is no cumulative provision record.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Changes in the carrying amount of the allowance account are recognized in consolidated profit or loss. For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Financial liabilities are measured at fair value at the initial recognition and financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

Loans

All borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, borrowings are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Trade payables

Trade and other payables are carried at amortized cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

Derecognition of financial assets and liabilities

Sales and purchase transactions of financial assets in normal course of business accounts at transaction date which is the same date when the Company ensure to complete the transaction. These purchases and sales are the transactions that require to be delivered within the time frame specified by the general practices and regulations in the market.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired;
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the assets.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

The Group derecognizes a financial liability when a liability is extinguished that is when the obligation specified in the contract is discharged, cancelled and expired.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

Business combinations

From 1 January 2010 the Group has applied revised TFRS 3 "Business Combinations" standard.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquirer. The consideration transferred is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, the liabilities incurred by the Group to former owners of the entity and the equity interests issued by the Group.

When the agreement with the seller includes a clause that the consideration transferred could be adjusted for future events, the acquisition-date fair value of this contingent consideration is included in the cost of the acquisition. All transaction costs incurred by the Group have been recognized in general administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Acquisition method requires allocation of the acquisition cost to the assets acquired and liabilities assumed at their fair values on the date of acquisition. Acquired assets and liabilities and contingent liabilities assumed according to TFRS 3 are recognized at fair values on the date of the acquisition. Acquired company is consolidated starting from the date of acquisition.

If the fair values of the acquired identifiable assets, liabilities and contingent liabilities or cost of the acquisition are based on provisional assessment as at the balance sheet date, the Group made provisional accounting. Temporarily determined business combination accounting has to be completed within twelve months following the combination date and adjustment entries have to be made beginning from the combination date.

Foreign currency transactions

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TRY, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

In preparing the financial statements of the individual entities, transactions in currencies other than TRY (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Earnings per Share

Earnings per share are calculated by dividing net profit by weighted average number of shares outstanding in the relevant period.

In Turkey, companies are allowed to increase their capital by distributing "free shares" to shareholders from accumulated profits. In calculation of earnings per share, such free shares are considered as issued shares. Therefore, weighted average number of shares in the calculation of earnings per share is found by applying distribution of free shares retrospectively.

Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in share premium. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them. Share options exercised during the reporting period are satisfied with treasury shares.

Events after balance sheet date

An explanation for any event between the balance sheet date and the publication date of the balance sheet, which has positive or negative effects on the Group (should any evidence come about events that were prior to the balance sheet date or should new events come about) they will be explained in the relevant footnote.

If such an event were to arise, the Group restates its financial statements accordingly.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of the related cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

Contingent liabilities are not recognized in the consolidated financial statements, and disclosed only, unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is mostly probable.

Onerous contracts

Present obligations arising under onerous contracts are recognized and measured as a provision. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Taxation

Tax expense (income) is the aggregate amount included in the determination of net profit or loss for the period in respect of current and deferred tax.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax can be directly related to equity accounts if it's related to the transactions in connection with the share capital in the same or different period.

Government grants allowing reduced corporate tax payment are evaluated within the scope of TAS 12 Income Taxes standard and are recognized as deferred tax asset by the qualified tax advantage amount, to the extent it is highly probable that future taxable profits will be available against which the unused investment tax credits can be utilized.

Provisions for employee benefits

a) Employment termination benefits

In accordance with existing social legislation, the Group is required to make lump sum termination indemnities to each employee who has completed one year of service with the Group and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

In the balance sheet, employee termination benefits are reflected under non-current liabilities as a separate line. In accordance with Turkish Accounting Standard No.19 "Employee Benefits", the Group uses actuarial estimations (net discount rate, retirement probability, and employee's turnover rates) while calculating employment termination benefit provision. All actuarial gains and losses calculated have been reflected on the statement of other comprehensive income.

b) Defined contribution plan

The Group pays contributions to the Social Security Institution of Turkey on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

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(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

c) Unused vacation

Unused vacation rights accrued in the consolidated financial statements represents estimated total provision for potential liabilities related to employees' unused vacation days as of the balance sheet date.

Statement of cash flows

Cash flows during the period are classified and reported as operating, investing and financing activities in the consolidated statement of cash flows.

Cash flows arising from operating activities represent the cash flows that are used in or provided by the Group's rent and hotel activities.

Cash flows arising from investment activities represent the cash flows that are used in or provided by the investing activities (direct investments and financial investments) of the Group.

Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

Related parties

a) A person or a close member of that person's family is related to a reporting entity if that person:

For related person,

- (i) Has control or joint control over the reporting entity;
- (ii) Has significant influence over the reporting entity; or,
- (iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

- (b) An entity is related to a reporting entity if any of the following conditions applies:
- i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

For the consolidated financial statements, shareholders, top management and members of Board of Directors, and their families and the companies or subsidiaries and joint ventures controlled by them are referred to as related parties. The Group may have business relationships with the related parties in course of ordinary business. Receivables and payables arising from the transactions with related parties other than its commercial activities are accounted for as other payables or receivables from related parties.

2.6 Compliance with the portfolio limitations

Presented information as of 31 December 2021, control of compliance with the portfolio limitations are the information which comprised of Serial: II, No: 14.1 "Financial Reporting in Capital Markets" Amendment No: 16 and prepared in accordance with Capital Markets Board's Communiqué Serial: III, No: 48.1 "Real Estate Investment Company" published in the Official Gazette dated 28 May 2013 numbered 28660 Capital Markets Board's Communiqué Serial: III, No: 48.1 a "Amendment on Real Estate Investment Company" published in the Official Gazette dated 23 January 2014 numbered 28891.

The information given in this note is obtained from standalone data and they may not reconcile with the information contained in the consolidated financial statements.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.7 Significant accounting judgments, estimates and assumptions

Investment property and fair value of buildings

The fair value of the Group's investment property and buildings has been arrived at on the basis of a valuation carried out by an independent real estate appraisal firm. The fair value which is performed according to the International Valuation Standards was determined based on the market comparable approach that reflects recent transaction prices for similar properties and income capitalization method. In determining the fair value of the properties, certain estimations and assumptions have been used such as discount rate, market values etc. The changes in these estimates and assumptions may have a significant effect on Group's consolidated financial statements.

Deferred Tax

Group is accounted for deferred tax assets and liabilities for temporary timing differences which is originated from differences of prepared financial statements accord to TFRS and tax bases of legal financial statements which is rate able to subsidiary. Group subsidiaries have 'unused financial loss which is reducible from profits to be in the future and deferred tax assets come from the other reducible temporary difference. Deferred tax assets are partially or totally predicted to recoverable amount. In terms of consideration is considered to tax planning strategies which are used in a pinch and other tax assets 'dates that are expired and present term loss 'unused loss. In the light of obtained datas, if group 'profit which will earn, doesn't reimbursement totally to deferred tax assets. It makes a provision to the absolute of deferred tax asset or a part of deferred tax assets. Group take the record to deferred tax assets because of being possible to benefit from deferred tax assets by means of obtained to taxable profit.

Litigation provisions

Litigation provisions are recognized when the Group has a present legal constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made

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Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.8 Comparative information and restatement of prior period financial statements

Borrowing costs

In order to ensure the financing of group projects, beside TRY, company has USD and Euro currency financial borrowings. To determine borrowing costs of foreign currency loans that directly related to acquisition of qualifying assets, a set of assumptions should be held. Within this scope, borrowing costs of foreign currency loans that directly related to acquisition of qualifying assets are comparing with TRYloan interests and determined borrowing costs are capitalized cumulatively.

2.9 Going concern

The Group's financial statements are prepared under the going concern assumption. Group's current assets exceeds its financial liabilities with TRY1,671,381,519 as of 31 December 2021 continuing projects, existing stock sales, inventory property revenues from rent agreements contribution and new financial liabilities are managed cash flow.

Consolidated financial statements are prepared in comparison with the previous period in order to determine the financial status, performance and trends in cash flow of the Group. When the presentation or classification of the items of the financial statements changes, in order to ensure comparability, the previous period financial statements are also reclassified accordingly and an explanation is made regarding these issues.

The consolidated financial statements prepared as of 31 December 2021 are presented in comparison with the previous period.

3. SEGMENT REPORTING

The Group started applying TFRS 8 as of 1 January 2009 and the operating segments are determined based on the internal reports regularly reviewed by the chief operating decision maker unit of the Group with respect to the operations of the Group.

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3. SEGMENT REPORTING (Continued)

The chief operating decision maker unit of the Group reviews results and operations on different business lines according to the provisions of Tax Procedures Code in order to monitor performance and to allocate resources. The operating segments of the Group on the basis of different business lines are as follows: Tourism - hotel management and real estate investment. Information on the Group's operating segments are as follow:

	31 December 2021				Total
	Real estate Investment Trusts	Tourism hotel management	Inter-segments income	Consolidation and TFRS adjustments	
Profit or loss					
Revenue	1,379,491,361	173,008,343	-	(79,826,991)	1,472,672,713
Cost of sales (-)	(636,846,710)	(171,478,418)	-	29,669,394	(778,655,734)
Gross profit	742,644,651	1,529,925	-	(50,157,597)	694,016,979
Marketing expenses (-)	(32,839,836)	(7,281,362)	-	-	(40,121,198)
General administrative expenses (-)	(26,232,185)	(5,773,500)	-	-	(32,005,685)
Other operating income	2,677,329,949	72,716,073	-	(720,576,670)	2,029,469,352
Other operating expenses (-)	(185,026,792)	(55,725,513)	-	-	(240,752,305)
Operating profit	3,175,875,787	5,465,623		(770,734,267)	2,410,607,143
Profit before finance expense	3,175,875,787	5,465,623		(770,734,267)	2,410,607,143
Financial expense (net)	133,541,672	(20,401,126)	-	-	113,140,546
(Loss)/profit before tax from continued operations	3,309,417,459	(14,935,503)		(770,734,267)	2,523,747,689
Tax expense					
Deferred tax income / (expense)	-	(1,410,269)	-	514,672	(895,597)
Net (loss)/income for the period	3,309,417,459	(16,345,772)		(770,219,595)	2,522,852,092

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3. SEGMENT REPORTING (Continued)

	31 December 2020				
	Real estate Investment Trusts	Tourism hotel management	Inter-segments income	Consolidation and TFRS adjustments	Total
Profit or loss					
Revenue	1,131,311,124	91,823,668	(34,337,171)	(2,781,794)	1,186,015,827
Cost of sales (-)	(720,554,025)	(83,143,842)	34,337,171	(22,950,521)	(792,311,217)
Gross profit	410,757,099	8,679,826	-	(25,732,315)	393,704,610
Marketing expenses (-)	(18,157,861)	(6,519,663)	-	-	(24,677,524)
General administrative expenses (-)	(10,957,125)	(3,863,755)	-	-	(14,820,880)
Other operating income	966,378,931	30,063,669	-	(421,633,644)	574,808,956
Other operating expenses (-)	(177,260,119)	(31,081,282)	-	(7,177,108)	(215,518,509)
Operating profit	1,170,760,925	(2,721,205)	-	(454,543,067)	713,496,653
Profit before finance expense	1,170,760,925	(2,721,205)	-	(454,543,067)	713,496,653
Financial expense	(92,504,485)	399,938	-	-	(92,104,547)
(Loss)/profit before tax from continued operations	1,078,256,440	(2,321,267)	-	(454,543,067)	621,392,106
Tax expense	-	(365,858)	-	-	(365,858)
Deferred tax expense	-	(4,075,114)	-	218,483	(3,856,631)
Net (loss)/income for the period	1,078,256,440	(6,762,239)	-	(454,324,584)	617,169,617

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3. SEGMENT REPORTING (Continued)

	31 December 2021			
	Real estate investment trusts	Tourism-hotel management	Consolidation and TFRS adjustments	Total
Assets				
Current assets	2,785,661,895	202,141,481	(34,554,928)	2,953,248,448
Non-current assets	6,410,632,885	45,732,232	(346,587,606)	6,109,777,511
Total assets	9,196,294,780	247,873,713	(381,142,534)	9,063,025,959

	31 December 2021			
	Real estate investment trusts	Tourism-hotel management	Consolidation and TFRS adjustments	Total
Liabilities				
Short-term liabilities	1,130,462,729	159,302,496	(7,898,294)	1,281,866,931
Long-term liabilities	949,815,575	106,253,182	3	1,056,068,760
Equity	7,116,016,476	(17,681,965)	(373,244,243)	6,725,090,268
Total liabilities	9,196,294,780	247,873,713	(381,142,534)	9,063,025,959

	31 December 2020			
	Real estate investment trusts	Tourism-hotel management	Consolidation and TFRS adjustments	Total
Assets				
Current assets	2,164,089,855	133,131,944	(73,625,518)	2,223,596,281
Non-current assets	3,858,733,617	14,697,100	(221,668,778)	3,651,761,939
Total assets	6,022,823,472	147,829,044	(295,294,296)	5,875,358,220

	31 December 2020			
	Real estate investment trusts	Tourism-hotel management	Consolidation and TFRS adjustments	Total
Liabilities				
Short-term liabilities	651,498,283	78,629,822	(52,045,079)	678,083,026
Long-term liabilities	1,639,189,576	63,618,348	-	1,702,807,924
Equity	3,732,135,613	5,580,874	(243,249,217)	3,494,467,270
Total liabilities	6,022,823,472	147,829,044	(295,294,296)	5,875,358,220

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Notes to the Consolidated Financial Statements

for the Period Ended 31 December 2021

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4. CASH AND CASH EQUIVALENTS

	31 December 2021	31 December 2020
Cash	101,965	54,266
Cash in banks	831,279,429	554,316,132
- Time deposits with 3-months maturity	802,351,651	503,414,633
- Demand deposits	28,927,778	50,901,499
Other	973,619	840,490
Total cash and cash equivalents included in the statement of financial position	832,355,013	555,210,888

Blocked Deposit	-	-
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Total cash and cash equivalents included in the cash flow statement	832,355,013	555,210,888
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Currency details and nominal interest rates of time deposits are as follows:

Currency	Interest rate (%)	31 December 2021
EUR	0.10-1.00	611,714,181
TRY	6.50-18.00	11,933,960
GBP	0.50	140,288,267
USD	0.30-0.90	38,415,243

802,351,651

Currency	Interest rate (%)	31 December 2020
EURO	0.75-2.00	326,477,913
TRY	6.50-19.00	112,800,400
USD	0.20-3.00	64,136,320

503,414,633

Interest rate for time deposits are fixed as of 31 December 2021 and maturity of time deposits has changed from 3 days to 35 days (31 December 2020: 2 days to 36 days).

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5. FINANCIAL LIABILITIES

	31 December 2021	31 December 2020
Short-term liabilities	-	10,316
Short-term portion of long-term liabilities	199,988,981	198,345,883
Long-term liabilities	397,788,484	393,299,257
	597,777,465	591,655,456

The breakdown of financial liabilities as of 31 December 2021 and 31 December 2020 are as follows:

Financial liabilities	31 December 2021	31 December 2020
Bank loans	597,777,465	591,645,140
Obligations under finance leases	-	10,316
	597,777,465	591,655,456

The details of bank loans as of 31 December 2021 and 31 December 2020 are as follows:

	31 December 2021	31 December 2020
Up to 1 year	199,988,981	198,345,883
1 - 2 years	144,090,613	134,578,324
2 - 5 years	253,697,871	258,720,933
	597,777,465	591,645,140

Currency details and nominal interest rates of bank loans are as follows:

Currency	31 December 2021		
	Interest rate	Short-term	Long-term
TRY	7.50-18.50	199,529,760	361,401,578
EUR	2.50	459,221	36,386,906
		199,988,981	397,788,484
Currency	31 December 2020		
	Interest rate	Short-term	Long-term
TRY	7.50-11.00	152,734,377	371,199,795
EUR	2.50	45,611,506	22,099,462
		198,345,883	393,299,257

There is no mortgage and pledged in favors of financial institutions for the bank loans used as of 31 December 2021 (31 December 2020: There is no mortgage and pledged.)

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(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

5. FINANCIAL LIABILITIES (Continued)

	31 December 2021	31 December 2020
1 January	591,655,456	711,895,327
Proceeds from borrowings	160,000,000	680,286,326
Repayment of borrowings	(132,203,703)	(847,584,014)
Foreign exchange differences	(21,674,288)	47,057,817
31 December	597,777,465	591,655,456

6. TRADE RECEIVABLES AND PAYABLES

a) Trade receivables from third parties:

Short-term trade receivables

	31 December 2021	31 December 2020
Trade receivables	36,780,076	25,822,775
Checks received	10,277,604	7,926,952
Short term notes receivables	2,068,954	10,642,442
Provision for doubtful receivables (-)	(4,992,789)	(4,699,766)
	44,133,845	39,692,403

The average maturity of trade receivables arisen from tourism operations is 30 days (31 December 2020: 22 days).

Movements in the provision of doubtful receivables	1 January - 31 December 2021	1 January - 31 December 2020
Opening balance	(4,699,766)	(4,255,761)
Increase in provisions during the period	(293,023)	(444,005)
Closing Balance	(4,992,789)	(4,699,766)

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6. TRADE RECEIVABLES AND PAYABLES (Continued)

b) Other payables to third parties

Short-term payables

	31 December 2021	31 December 2020
Trade payables (*)	70,662,752	69,235,609
Expense accruals	3,610,360	134,775
Notes payables	273,794	2,727,027
Rediscount on payables (-)	(149,200)	(672,914)
	74,397,706	71,424,497

(*) Consists of the Group's debts to subcontractors related to the Büyükyalı Project.

Group's average maturity day for trade receivables is 30 - 45 days (31 December 2020: 30-45 days).

Long-term trade payables:

	31 December 2021	31 December 2020
Trade payables (*)	655,166,580	961,895,943
Rediscount payables (-)	-	(834,230)
	655,166,580	961,061,713

(*) TRY435.36,965 of the trade payables consists of the minimum company share in return for the sale of land after the partial temporary acceptance of the Büyükyalı Project.

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7. OTHER RECEIVABLES AND PAYABLES

a) Other receivables to third parties:

Short-term receivables	31 December 2021	31 December 2020
Receivables from the tax office (*)	6,296,913	15,995,480
Deposits and guarantees given	909,638	845,273
Other	2,129,171	2,047,013
	9,335,722	18,887,766

(*) Consists of VAT refund receivables arising from the delivery of the residences of Özak-Yenigün-Ziylan Adi Ortaklığı.

b) Other receivables to third parties:

Short-term receivables	31 December 2021	31 December 2020
Deposits and guarantees received (**)	28,978,316	35,595,759
Taxes payable (***)	6,564,196	1,994,129
Other	715,756	221,992
	36,258,268	37,811,880

(**) Consists of deposits taken from the subcontractors as guarantee before payments.

(***) Tax payable mainly consists of income tax liability accruals of the employees to the Social Insurance Institution.

Other long-term payables	31 December 2021	31 December 2020
Deposits and guarantees received	2,616,773	813,606
	2,616,773	813,606

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8. INVENTORIES

	31 December 2021	31 December 2020
Short term inventory	1,379,102,740	1,321,556,972
On-going project stocks (*)	1,372,861,243	1,312,570,975
- Büyükyalı Project	1,070,352,505	1,312,570,975
- Göktürk Project	302,508,738	-
Completed project stocks (**)	4,085,251	6,759,285
Stocks related with tourism activities	2,156,246	2,226,712

Short term inventory	1,379,102,740	1,321,556,972
Long-term stocks under construction (*)	120,577,035	343,820,090

Long term inventory	120,577,035	343,820,090
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(*) Consist of the independent parts of the Büyükyalı Project in the portfolio of the Group and the project costs under construction.

(**) Completed project stocks consist of residential units are not sold yet in Bayrampaşa-Hayatetepe Project and Hayatetepe residence.

9. PREPAID EXPENSES AND DEFERRED REVENUE

Short-term prepaid expenses	31 December 2021	31 December 2020
Advances given to subcontractors	45,200,789	19,423,724
Advances given (*)	12,927,833	411,104
Prepaid expenses	2,512,280	1,566,175
	60,640,902	21,401,003

Long-term prepaid expenses	31 December 2021	31 December 2020
Prepaid expenses to next years	993,908	15,130
Deposits and guarantees given	-	51,195

993,908 **66,325**

(*) Order advances given as of 31 December 2021 consist of order advances given by the Group to suppliers for ongoing projects.

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Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

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9. PREPAID EXPENSES AND DEFERRED REVENUE (Continued)

Contractual obligations arising from short-term on going construction and contracting works	31 December 2021	31 December 2020
Advances received (**)	626,981,509	61,773,929
Deferred revenue (***)	73,454,579	60,423,340
	700,436,088	122,197,269

(**) Order advances received mainly consist of advances received from tourism agencies and advances received for Büyükyalı İstanbul Project as of 31 December 2021.

(***) Consists of the prepaid rental invoices of the investment properties in the portfolio of the Group and the sales prices of the Büyükyalı Project and Göktürk Project, which have been invoiced but have not yet turned into revenue.

Contractual obligations arising from long-term ongoing construction and contracting works	31 December 2021	31 December 2020
Deferred revenue (****)	154,811	29,286,865
Advances received (****)	-	314,609,172
	154,811	343,896,037

(****) Most of the long-term order advances received belong to the Göktürk project, the pre-sales of which have already started

(*****) Consist of the amounts invoiced but not yet delivered since the Project is under construction in Göktürk Project.

10. OTHER ASSETS

Other current assets	31 December 2021	31 December 2020
Deferred VAT	148,212,582	90,771,305
Personnel advances	32,119	8,114
Other	-	1,132
	148,244,701	90,780,551

Other non-current assets	31 December 2021	31 December 2020
Deferred VAT	63,469,176	111,707,630
	63,469,176	111,707,630

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11. FINANCIAL ASSETS

Subsidiaries	Share Rate (%)	31 December 2021	Share Rate (%)	31 December 2020
Detuyap A.Ş.	22.22	12,497	22.22	12,497
Betuyab A.Ş.	2.04	408,238	2.04	408,238
		420,735		420,735

The details of the company's lease certificates and investment funds dated 31 December 2021 are as follows:

Financial Investment	Fair value	Cost	Registered Value	31 December 2021
Investment funds	174,271,759	99,462,845	273,734,604	273,734,604
Lease certificates	174,478,410	-	174,478,411	174,478,410
				448,213,014

Financial Investment	Fair value	Cost	Registered Value	31 December 2020
Lease certificates	74,811,382	(3,140,545)	71,670,837	71,670,837
Investment funds	107,681,617	(8,180,308)	99,501,309	99,501,309
				171,172,146

12. INVESTMENT PROPERTIES

	Land	Buildings	Total
1 January 2021	257,283,500	1,602,424,758	1,859,708,258
Gain on changes in fair value (Note 21)	838,307,340	739,166,042	1,577,473,382
Transfer (*)	103,647,000	-	103,647,000
Additions	368,574,360	-	368,574,360
31 December 2021	1,567,812,200	2,341,590,800	3,909,403,000

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12. INVESTMENT PROPERTIES (Continued)

	Land	Buildings	Total
1 January 2020	538,027,000	1,212,432,000	1,750,459,000
Gain on changes in fair value (Note 21)	34,878,500	322,301,914	357,180,414
Transfer	(315,622,000)	54,777,642	(260,844,358)
Additions	-	12,913,202	12,913,202
31 December 2020	257,283,500	1,602,424,758	1,859,708,258

(*) Göktürk land value, which was previously followed under inventories, has been transferred to investment properties as a result of the change in use (Note 8).

As of 31 December 2021, the fair values of the Group's investment properties determined by appraiser work carried out by real estate valuation companies that are independent with the Group. Atak Real Estate Appraisal Inc. and Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş. are appraiser companies authorized by the Capital Markets Board. In the appraiser report in accordance with the International Valuation Standards, peer comparison and discounted cash flow methods were considered. There is no level change in the valuation reports of investment properties.

Fair value details of investment properties of the Group and fair value levels are presented below and there has been no change between levels in the current period.

The fair value of the investment properties of the Group are as follows:

	Method	Level	31 December 2021	31 December 2020
İkitelli Building (34 Portall Plaza)	Market value approach	2	882,762,500	573,800,000
Bodrum Land	Market value approach	2	602,880,000	-
Ataşehir Building (Bulvar 216 AVM)	Income capitalization method	3	552,600,000	408,924,000
Güneşli Building (İş İstanbul 34 Plaza)	Market value approach	2	405,078,300	281,225,000
Bayrampaşa Building	Market value approach	3	385,610,000	255,466,758
Balmumcu Land	Market value approach	2	307,243,200	186,182,700
Aydın Didim Land	Market value approach	2	225,981,000	-
Göktürk-201 Ada 1 Parcel	Market value approach	2	208,101,000	-
Büyükyalı Office	Market value approach	2	115,540,000	83,009,000
Bağcılar Land	Market value approach	2	110,913,000	71,100,800
Antalya Demre Land	Market value approach	2	91,900,000	-
Göktürk-198 Island 1 Parcel	Market value approach	2	20,794,000	-
			3,909,403,000	1,859,708,258

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12. INVESTMENT PROPERTIES (Continued)

The Group has a rental income of TRY 62,241,099 (31 December 2020: TRY48,847,186) from the investment properties under the operating lease, Total direct operational expenses related to the investment properties within the period amount to TRY 17,943,659(31 December 2020: TRY12,320,916).

There is no mortgage on property, plant and equipment as of 31 December 2021(31 December 2020: there is no mortgage).

İkitelli Building (34 Portall Plaza)

Properties consist of 7 independent sections at Istanbul -Başakşehir and İkitelli Organized Industrial Zone and are located at 588 squares 1 parcel. According to the valuation report dated 27 December 2021, the value of immovable was determined according to the comparative method, while the sale workshop and rental workshop / warehouse counterparts were investigated. It is in the range of TRY9,029-15,417 of the unit sales prices of the workshops similar to the immovable used in the peer comparison method. The unit sale value of the building was accepted as TRY 10,000/m², and as a result, the value of the building as a whole was calculated as approximately TRY882,762,500.

The location and physical condition of the properties and all other features that may affect their value were taken into account, and detailed market research was conducted in the area. Considering the recent economic conditions in the country, Atak Gayrimenkul Değerleme A.Ş. in order to determine the final value of the immovables, the precedent value has been accepted.

Güneşli Building (İş İstanbul 34 Plaza)

Property is located in İstanbul Bağcılar district, İş İstanbul 34 project and it consists of 26 independent sections. Market value approach and income capitalization methods are used in valuation report by Atak Gayrimenkul Değerleme A.Ş. dated 27 December 2021.

In accordance with the market value approach which is in scope of valuation report, unit sales price for offices and for buildings changes between TRY 16,875 - 24,742 /m² and TRY 26,750 - 39,375 /m² respectively.

While calculating the final value of the building, the unit sales value (TRY/ m²) was accepted as TRY30,000 for shops and 18,000 TRYfor offices, and the total value of the building was determined as TRY 405,078,300 with this method.

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(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

12. INVESTMENT PROPERTIES (Continued)

İş İstanbul 34 project which is about valuation Subject, is close to Basın Express Street. Major Part of immovable valuation subject is in usage of lessee as of the valuation date. Rent rate is approximately 85%. It is advantage that all building which is registered real tenant. With new technological structure and smart office structure equipment. Unit sale and rent amount is to determine less than new building. Immovable unit values changes according to its aspect.

Balmumcu Land

Property is located in İstanbul, Beşiktaş and consist of 5 lands and it is a qualified real estate. Market value approach and income capitalization methods are taken into account in the valuation report date 24 December 2021.

The unit sales value is determined to be TRY 36,800 when considering the face measurement and building rights in terms of qualified project feasibility and the total value of the building is determined as TRY307,243,200. There is no precedent for building a residence with similar properties as those not immovable in the area where the immovable is located. Cases offered for sale in the region; it has been determined that the average m² unit market values of the whole area are within the range of TRY29,038-45,454 /m² for the immovable not subject to valuation, within the criteria such as location, zoning status, physical characteristics, size and bargaining share.

Bağcılar Land

Property is located in İstanbul, Bağcılar and it is consist of 4 lands. In accordance with the appraiser report prepared by Atak Gayrimenkul Değerleme A.Ş. as of 24 December 2021, the fair value of the immovables was determined by using the peer comparison approach in the appraiser work.

Peer comparison method is used to find the final value of the real estate. As a result of harmonization of building contracts, the average unit sales value of the building was accepted as TRY 16,599/m² and the total value of the building related to this method was determined as TRY 110,913,000. The prices of the peers in different square meters used in the peer comparison method are within the range of TRY14,318-21,149.

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12. INVESTMENT PROPERTIES (Continued)

Ataşehir Building (Bulvar 216 AVM)

Ataşehir District Küçükbakkalköy Neighborhood Bulvar 216 Shopping Mall in Bulvar 216, located on the parcel of 3394 Ada 1, has 43 independent units including 38 shops, 3 mezzanine shops and 2 private car parks. For the section Atak Gayrimenkul Değerleme A.Ş. The reduction method in the appraisal report made on 27 December 2021. The discount is TRY 552,600,000 according to the custom. Since long-term lease agreements related to the independent sections have been made and the shopping mall has already been opened, it has been decided to use the value obtained as a result of the Income Discounting Approach Method as the fair value. During the determination of the value, it was foreseen that the rental income to be obtained from the immovables will increase by 15% annually and the cash flows to be obtained in 10 years period were calculated and the calculated amount was discounted with a discount rate of 17.00% before tax. In the current situation, in line with the site visit determinations and market research, it is thought that the occupancy rate of the shopping center will be 63% for 2020 and 70% as of 2021 and will remain stable at this level. It is assumed that the management and operating expenses expected to occur will be 2%, which is the average rate in a shopping mall in similar examples.

Bayrampaşa Building (Hayattepe)

The immovable properties are Metro Gross Market located in Istanbul, Bayrampaşa District, Esenler Mahallesi. Atak Gayrimenkul Değerleme ve Danışmanlık A.Ş. for the departments made a valuation report on 27 December 2021. Market value approach has been used and the value of the said immovable has been determined as TRY385,610,000.

Surveys around the real estate; independent sections; location, construction quality, architectural feature, size and bargaining shares. It has been determined that residential units with similar qualities and status of residential units with sales value of TRY10,350-11,562/ m² and stores with unit sales value of TRY25,000 m² can be realized.

Büyükyalı C Block

Real Estate consists of 8 independent sections in Büyükyalı Project located in Zeytinburnu, Istanbul. For departments, Atak Gayrimenkul Değerleme A.Ş. According to the valuation report made on 29 December 2021, the value was determined by using the precedent comparison method. The value of the real estate in question has been determined as TRY115,540,000. The entire real estate subject to the appraisal is under tenant use as of the appraisal date.

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12. INVESTMENT PROPERTIES (Continued)

Bodrum Land

The real estate subject to the appraisal located in the parcel no. 10, block 349, located on Muğla Province, Bodrum - Akyarlar District, Karaincir Locality, Barış Manço Street. In accordance with the appraiser report prepared by Lotus Gayrimenkul Değerleme ve Danışmanlık A.Ş. as of 24 December 2021, the fair value of the immovables was determined by using the peer comparison approach in the appraiser work.

The peer comparison method was used to determine the final value of the real estate. As a result of the harmonization of the building counterparts, the average unit sales value of the land was accepted as TRY 1,745 /m², and the total value of the land related to this method was determined as TRY602,880,000. The m² prices of the comparables in different square meters used in the peer comparison method are in the range of TRY 1,137-2,150.

Aydın Didim Land

The real estate subject to the appraisal report; located in Aydın Province, Didim District, Altinkum Neighborhood, block 2567, parcel number 2, and land quality. In accordance with the appraiser report prepared by Atak Gayrimenkul Değerleme A.Ş. as of 24 December 2021, the fair value of the immovables was determined by using the peer comparison approach in the appraiser work.

The peer comparison method was used to determine the final value of the real estate. As a result of the harmonization of the building counterparts, the average unit sales value of the land was accepted as TRY 1,380 /m², and the total value of the land related to this method was determined as TRY225,981,000. The m² prices of the comparables in different square meters used in the peer comparison method are in the range of TRY 1,110-1,566.

Göktürk Land (201)

Immovable located Istanbul Province, Eyüp District, Göktürk Central District, Köprübaşı Street, located at parcel of 201 Ada 1. The parcel is empty. The transportation of the immovable can be provided via the Hasdal-Kemberburgaz Yassıören road. The immovable is located within the boundaries of Eyüp Municipality and has completed infrastructure. The area subject to appraisal is 11,891.49 m². As a result of the harmonization of the land precedents, the average unit sales value of the land has been accepted as 17,500 TRY/ m², and the total value of the related land has been determined as TRY 208,101,000. The square meter prices of the precedents in different square meters used in the peer comparison method are in the range of TRY 17,317-17,916.

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12. INVESTMENT PROPERTIES (Continued)

Göktürk Land (198)

Immovable; It is located in the parcel no. 198, 6, located on Köprübaşı Street in Göktürk Merkez Mahallesi, Eyüp District, İstanbul. The parcel is empty. The real estate can be reached on the Hasdal-Kemerburgaz Yassiören road. The real estate is located within the borders of Eyüp Municipality and has completed infrastructure. While the surface area of the parcel subject to the appraisal is 6,969.41 m², Özak GYO's share in the land is 2,700.55 m². As a result of the harmonization of the land peers, the average unit sales value of the land was accepted as 7,700 TRY/ m² and the total value of the land related to this method was determined as TRY 20,794,000. The square meter prices of the peers used in the different comparison methods used in the peer comparison method are in the range of TRY 6,235-9,290.

Antalya Demre Land

Land of 70,698.89 m² located in Antalya Province, Demre District, Zümrütkaya District, Uzguru Locality, Block 194, parcel 338. In accordance with the appraiser report prepared by Atak Gayrimenkul Değerleme A.Ş. as of 24 December 2021, peer comparison method was applied while determining the fair value of the regarding land. Considering the fact that the said immovables are in a very good location in terms of location and surface area in terms of qualified project feasibility, the unit sales value was determined as TRY1,300, and with this method, the value of the land as a whole was determined as TRY91,900,000. In the region where the land is located, there is no precedent for sale with a similar legend to the immovables. Precedents offered for sale in the region; For the immovables subject to appraisal, they were compared within the criteria such as location, zoning status, physical characteristics, size and bargaining share, and it was determined that the average m² unit market values as a whole were in the range of 1,717-2,900 TL/m².

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13. TANGIBLE ASSETS

	Land improvements	Buildings	Machinery installation and equipment	Vehicles	Furniture and fixture	Construction in progress	Total
Cost							
1 January 2021	204,964	1,379,482,978	10,573,455	1,920,211	41,232,969	31,628,638	1,465,043,215
Additions	-	-	-	87,351	4,891,065	11,347,262	16,325,678
Fair value gain in property plant and equipment	-	710,265,088	-	-	-	-	710,265,088
Transfers (*)	-	10,311,581	-	-	-	(10,311,581)	-
Disposals	-	-	(5,379)	(122,000)	-	-	(127,379)
31 December 2021	204,964	2,100,059,647	10,568,076	1,885,562	46,124,034	32,664,319	2,191,506,602
Accumulated Depreciation							
1 January 2021	(82,810)	(107,809,216)	(8,900,313)	(1,131,149)	(32,988,732)	-	(150,912,220)
Current year depreciation	(2,674)	(43,172,510)	(452,846)	(199,683)	(2,297,406)	-	(46,125,119)
Disposals	-	-	-	122,000	-	-	122,000
31 December 2021	(85,484)	(150,981,726)	(9,353,159)	(1,208,832)	(35,286,138)	-	(196,915,339)
31 December 2021	119,480	1,949,077,921	1,214,917	676,730	10,837,896	32,664,319	1,994,591,263

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13. TANGIBLE ASSETS (Continued)

	Land improvements	Buildings	Machinery installation and equipment	Vehicles	Furniture and fixture	Construction in progress	Total
Cost							
1 January 2020	204,964	922,431,361	9,952,219	1,911,949	33,050,755	86,406,280	1,053,957,528
Additions	-	28,240,865	621,236	8,262	8,182,214	-	37,052,577
Fair value gain in property plant and equipment	-	428,810,752	-	-	-	-	428,810,752
Transfers (*)	-	-	-	-	-	(54,777,642)	(54,777,642)
31 December 2020	204,964	1,379,482,978	10,573,455	1,920,211	41,232,969	31,628,638	1,465,043,215
Accumulated Depreciation							
1 January 2020	(72,115)	(81,842,213)	(8,054,328)	(886,594)	(29,823,787)	-	(120,679,037)
Current year depreciation	(10,695)	(25,967,003)	(845,985)	(244,555)	(3,164,945)	-	(30,233,183)
31 December 2020	(82,810)	(107,809,216)	(8,900,313)	(1,131,149)	(32,988,732)	-	(150,912,220)
31 December 2020	122,154	1,271,673,762	1,673,142	789,062	8,244,237	31,628,638	1,314,130,995

There is no mortgage on Group's tangible assets as of 31 December 2021 (31 December 2020: No mortgage).

Market value approach (Level 2) is applied in the valuation of investment property as of 31 December 2020. Fair value work of the hotel building has been performed by Atak Gayrimenkul Değerleme A.Ş. The details of the fair value assessments of the building is as follows;

Serik Ela Hotel

The value of the property is used as a 5 star tourist facility. Terra Gayrimenkul Değerleme A.Ş. according to the valuation report made on 29 December 2021, the market value of the immovable was determined by using the cash flow approach which is the revenue reduction approach method in the valuation study. As a result of the report; since the immovable is an income generating real estate, the value of the immovable calculated by the cash flow method has been evaluated as TRY2,007,192,421 as the final value.

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13. TANGIBLE ASSETS (Continued)

Depreciation periods for property, plant and equipment are as follows:

	Useful Life
Machinery, installation and equipment	5-40 year
Vehicles	4-5 year
Furniture and fixture	5-50 year
Land improvements	15-22 year

Buildings are amortized during the term of agreements..

14. GOODWILL

Regarding the Özak-Yenigün-Ziylan Adi Ortaklığı, which was established within the scope of Büyükyalı İstanbul (Zeytinburnu Kazlıçeşme Land Sales Equivalent Income Sharing Project) and Özak GYO has a 55% share, Yenigün İnşaat San. and Tic. Shares of Özak GYO, which is equivalent to 5% of the shareholding it has, has been transferred to Özak TRY37,093,792.

The values of the net assets of the financial statements prepared as of the date of the change in the share percentage of Özak GYO and the effect of the fair value of the Joint Venture are as follows:

	31 December 2021	31 December 2020
Ownership ratio of Özak GYO	60%	60%
Share of the fair value of the project partnership belongs to Özak GYO	18,660,000	18,660,000
Cash to be paid	37,093,792	37,093,792
Goodwill arising from acquisition accounting (*)	18,433,792	18,433,792
Transfer (*)	(13,043,365)	(8,357,222)
Net goodwill amount	5,390,427	10,076,570

(*) The amount of goodwill transferred to the cost of sales since the project is almost complete.

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15. PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

a. As of 31 December 2021 and 31 December 2020, the Group's guarantee/mortgage/pledge statements are as follows:

	31 December 2021	31 December 2020
A. Total CPM given for the company's own legal entity	86,595,495	94,150,666
B. Total CPM given in favour of subsidiaries consolidated on line-by-line basis	-	-
C. Total CPM given in favour of other 3rd parties for ordinary trading operations	-	-
D. Other CPM given	-	-
i. Total CPM given in favour of parent entity	-	-
ii. Total CPM given in favour of other Group companies out of scope of clause B and C	-	-
iii. Total CPM given in favour of other 3rd parties out of scope of clause C	-	-
Total	86,595,495	94,150,666

The details of guarantees, pledges and mortgages given on behalf of a legal entity are as follows.

	31 December 2021			31 December 2020		
	Currency Amount	Currency Amount	Total	Currency Amount	Currency Amount	Total
	USD	EUR		USD	EUR	
Letters of guarantee	-	- 86,595,495		-	1,821,037	94,150,666
	-	- 86,595,495		-	1,821,037	94,150,666

b. There are a total of 191 cases filed against and against the Group and already in progress. These cases; reimbursement to work, disputes with subcontractors and tenants. As of 31 December 2021, the court cases against the Group amounting to TRY 3,368,320 and TRY 3,249,783 (31 December 2020: TRY3,325,624 and provision amounting to TRY878,759). Group management anticipates that cases outside the provision will result in favor.

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15. PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

	1 January - 31 December 2021	1 January - 31 December 2020
Opening Balance	878,759	3,325,624
Addition	2,371,024	-
Reversals, net	-	(2,446,865)
Closing Balance	3,249,783	878,759

16. EQUITY

As of 31 December 2021 and 31 December 2020 the share capital paid is as follow:

	(%)	31 December 2021	(%)	31 December 2020
Ahmet Akbalık	47.22	171,876,078	47.22	171,876,078
Ürfi Akbalık	25.97	94,527,039	25.97	94,527,039
Traded on BIST	25.00	91,000,000	25.00	91,000,000
Other	1.81	6,596,883	1.81	6,596,883
Nominal	100.00	364,000,000	100.00	364,000,000

In the Ordinary General Meeting held on 20 May 2015, the Company decided to add TRY93,000,000 (equivalent to 59.24% of the issued capital) of its 2014 profits to the company capital, and to distribute equivalent amount of shares to the shareholders at no cost.

In accordance with the decision taken at the General Assembly Meeting, the issued capital of the Company was increased from TRY 157,000,000 to TRY 250,000,000, with an increase of TRY93,000,000 within the registered capital ceiling of TRY300,000,000, to be fully covered from the profit for the year 2014. The issuance documents for the shares, which nominally worth TRY93 million and are distributed due capital increase by bonus issue, were approved by the Capital Markets Board with a decision dated 23 June 2015 and numbered 16/809, and the Company has started to distribute the shares on 8 July 2015.

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16. EQUITY (Continued)

At the Ordinary General Assembly Meeting held on 2 May 2019, it was decided to add TRY114,000,000 to the capital, which corresponds to 45.6% of the issued capital of the Company, to the share capital and distribute the bonus shares to the shareholders.

As a result of the decision taken at the General Assembly Meeting, the Company's issued capital was raised from TRY250,000,000 to TRY364,000,000, with an increase of TRY114,000,000, within the ceiling of registered capital of TRY1,000,000,000. The certificate of issuance regarding the shares with a nominal value of TRY114,000,000 to be issued due to the bonus share increase has been approved by the Capital Markets Board's decision dated 4 July 2019 and numbered 39/880, and the distribution of the bonus shares was completed on 17 July 2019. The new capital of the Company was registered on 22 July 2019.

The details of the company's shares traded on BIST as of 31 December 2021 and 31 December 2020 are as follows:

	(%) 31 December 2021		(%) 31 December 2020	
Ahmet Akbalık	1.84	6,709,004	1.84	6,709,004
Repurchased shares	0,6	2,185,057	0,6	2,185,057
Other	22.56	82,105,939	22.56	82,105,939
Traded BIST	25.00	91,000,000	25.00	91,000,000

Registered Capital Ceiling

With the decision of the board of directors dated 21 November 2017, the registered capital of the Company amounting to TRY300,000,000 will expire at the end of 2017, the Capital Markets Board's Communiqué on Registered Capital System numbered II-18.1, According to the agreement; the amount of registered capital ceiling is increased to TRY1,000,000,000 and the registered capital ceiling is amended to be valid for a period of 5 years and the Articles of Association of the Capital Markets Board and the MinisTRYof Customs and Trade under the amendment of Article 8 titled "Capital and Shares" it has been decided that the necessary approvals and conformity views should be taken and submitted to the approval of the shareholders at the first General Meeting of the amendments after the said approvals have been obtained.

The ceiling increase in line with the decision, the extension of the period and amendment of the articles of association within this scope has been taken by the Capital Markets Board dated 18 December 2017 and dated 4 January 2018 by the MinisTRYof Customs and Commerce. The amendment of the article "Capital and Shares" of the main contract in the direction of permits has been approved in the Ordinary General Assembly Meeting dated 17 May 2018; The Company's registered capital ceiling is TRY1,000,000,000 and the registered capital ceiling is registered as 2018-2022.

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16. EQUITY (Continued)

Paid Capital

The company's capital existed in 364 million number of shares as of 31 December 2021 (2020: 364 million number of shares). Nominal price of shares is 1 TRY(2020: 1TRY).

Within the frame of the Capital Market Legislation, the Company was established with the ceiling of TRY300,000,000 of registered capital. Group A shares (TRY2,318,471) representing the issued capital belongs to the leading shareholder Ahmet Akbalik. Group A shares have the privilege of nominating in the election of the members of the board of directors. 4 of the members (total is 6) of the board of directors are elected by the general assembly from the candidates to be nominated by the majority of the Group A shareholders. The portion of TRY361,681,529 constituting all of the Group B shares of the issued capital is bearer shares. 2 members of the board of directors and elected by the general assembly from the candidates to be nominated by the majority of the Group B shareholders, on condition to comply with the principles related to the independency as anticipated by the capital market legislation.

Premium on the shares:

In 2010, Ozak Tekstil Konfeksiyon Sanayi ve Ticaret A.Ş. contributed capital in kind as a building with cost value of TRY16,208,687 and fair value of TRY56,650,000 and a building with cost value of TRY38,950,705 and fair value of TRY122,900,000 (through partial spin off). Since the mentioned buildings are made by becoming indebted to the company partner Ahmet Akbalik, the remaining sum as TRY12,428,417 and TRY8,356,350 respectively are contributed as capital in kind after deduction of the payables to the partners. The difference of TRY124,390,608 between the cost values and the fair values of these buildings, are recognized under equities as "Capital Reserves". In addition, in premium on the shares, there is the amount of TRY22,322,361 issuance of bonus shares.

Profit distribution:

Listed companies distribute dividend in accordance with the Communiqué No, II-19.1 issued by the CMB which is effective from 1 February 2014.

Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and also in conformity with relevant legislations. In compliance with the law, on the Ordinary General Meeting of 20 May 2014, the minimum dividend rate is constituted as 10%. Companies distribute dividend in accordance with the method defined in their dividend policy or articles of incorporation. In addition, dividend can be distributed by fixed or variable installments and advance dividend can be paid in accordance with profit on financial statements of the Company.

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16. EQUITY (Continued)

In accordance with the Turkish Commercial Code, unless the required reserves and the dividend for shareholders as determined in the Articles of Association or in the dividend distribution policy of the company are set aside; no decision may be taken to set up other reserves, to transfer profits to the subsequent year or to distribute dividends to the holders of usufruct shares, to the members of the board of directors or to the employees; and no dividend can be distributed to these people unless the determined dividend for shareholders is paid in cash.

Treasury Shares

At the Board of Directors meeting dated 15 January 2019; Pursuant to the Capital Markets Board's Press Releases dated 21 July 2016 and 25 July 2016, considering that the share price does not reflect the real performance of the Company's operations, Özak REIT shares are used to protect the interests of all stakeholders, especially small stakeholders, and contribute to the formation of healthy prices. It has decided to repurchase 2,500,000 shares when deemed necessary and to allocate resources up to TRY5,500,000 for this purpose. In this context, a total of 1,500,726 shares corresponding to 0.6% of the capital from the price range of TRY2.20-2.32 were repurchased on 11-12 March 2019, and the total amount of the transactions was TRY3,364,272.20. The company has decided to add TRY114,000,000, corresponding to 45.6% of its issued capital, from its 2018 profit to the capital, and to distribute the bonus shares equal to the added amount to the shareholders. The nominal amount of shares bought back on 17 July 2019 within the scope of the free capital increase increased by 45.6% to 2,185,057. The repurchased shares have not been sold yet.

Other Comprehensive Income/Expense

Accumulated other comprehensive income or expense details as of 31 December 2021 and 31 December 2020 are as follows:

	31 December 2021	31 December 2020
Gain on revaluation of buildings	1,963,258,354	1,252,993,266
Actuarial loss	(5,932,015)	(3,313,124)
	1,957,326,339	1,249,680,142

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17. EMPLOYEE BENEFIT OBLIGATIONS

a. Payables for employee benefits

	31 December 2021	31 December 2020
Due to personnel	2,553,311	1,229,088
Social security premiums payable	1,480,058	865,006
	4,033,369	2,094,094

b. The short term provisions related to employee benefits

	31 December 2021	31 December 2020
Unused vacation	1,424,663	1,300,911
	1,424,663	1,300,911

c. The long term provisions related to employee benefits

	31 December 2021	31 December 2020
Employee termination benefits	342,112	3,737,311
	342,112	3,737,311

Under Turkish Labor Law, the Company is required to pay employment termination benefits to each entitled employee. Also, employees are entitled to be paid their retirement pay provisions who retired by gaining right to receive retirement pay provisions according to of the prevailing 506 numbered Social Insurance Law's Article 60, as amended by 6 March 1981 dated, 2422 numbered and 25 August 1999 dated, 4447 numbered laws. Some transitional provisions related to the pre-retirement service term were excluded from the law since the related law was changed as of 23 May 2002.

Severance pay to be paid is subject to a monthly ceiling of TRY 10,848.59 as of 31 December 2021 (2020: TRY 7,638.96).

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17. EMPLOYEE BENEFIT OBLIGATIONS (Continued)

The liability is not funded, as there is no funding requirement. Provision is calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. Revised TAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the Company's obligation under the defined benefit plans. Accordingly, the following actuarial assumptions are used in the calculation of the total liability:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as of 31 December 2021, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated by assuming an annual inflation rate of 16% and discount rate of 21%, real discount rate of 4.31% (31 December 2020: 3.74%). The maximum liability ceiling is revised every six months. TRY10,848.59 effective from 31 December 2021 has been taken into consideration in the calculation of provision for employee termination benefits.

18. EARNINGS PER SHARE

Companies in Turkey can increase their capitals through distribution of bonus shares to their current partners from retained earnings and revaluation funds. Such bonus share distributions are evaluated as issued stock in earnings per share calculations.

Earnings per share calculations are made through division of issued stocks of distributable net profit of the year belonging to main partner share to weighted average number during the year.

	1 January - 31 December 2021	1 January - 31 December 2020
Weighted average number of shares (full value)	364,000,000	364,000,000
Profit for the period attributable to the equity holders of the Company	2,523,894,700	617,541,014
Earnings per share	6.934	1.697

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19. REVENUE

a) Sales

	1 January - 31 December 2021	1 January - 31 December 2020
Residential sales (*)	1,232,973,929	1,046,598,898
Hotel revenue	156,089,828	90,482,362
Rent income	62,241,099	48,847,186
Sales discount (-)	(4,842,439)	(7,623,569)
Büyükyalı Fişekhane facility revenue	14,660,293	-
Other income	11,550,003	7,710,950
	1,472,672,713	1,186,015,827

b) Cost of Sales

	1 January - 31 December 2021	1 January - 31 December 2020
Cost of inventory sold	625,706,711	708,233,109
Depreciation and amortization expenses	45,350,686	31,571,311
Personnel expenses	43,763,772	17,450,999
Food and beverage expenses	23,417,738	11,086,332
Büyükyalı facility costs	7,563,969	-
Taxes, duties and charges	5,644,937	5,258,571
Energy expenses	6,826,135	4,891,162
Maintenance and repair expenses	5,370,436	3,965,630
Operating equipment expenses	4,568,088	3,557,119
Consulting expenses	4,079,082	1,421,406
Insurance expenses	1,409,696	1,010,501
Other	4,954,484	3,865,077
	778,655,734	792,311,217

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20. MARKETING, SALES AND DISTRIBUTION EXPENSES

	1 January - 31 December 2021	1 January - 31 December 2020
Marketing, sales and distribution expense (-)	40,121,198	24,677,524
General administrative expense (-)	32,005,685	14,820,880
	72,126,883	39,498,404

Marketing, sales and distribution expenses

Marketing, sales and distribution expenses	1 January - 31 December 2021	1 January - 31 December 2020
Advertisement expenses	25,034,490	16,678,968
Personnel expenses	4,647,677	2,881,914
Stock flat subscription expenses	4,457,815	-
Taxes, duties and charges	458,665	572,109
Consulting expenses	386,543	1,576,278
Amortization expenses	260,474	335,816
Travel expenses	260,192	107,253
Office expense	61,957	83,169
Communication expenses	5,648	122,109
Other	4,547,737	2,319,908
	40,121,198	24,677,524

General administrative expense

	1 January - 31 December 2021	1 January - 31 December 2020
Taxes, duties and charges (*)	12,013,134	1,858,885
Outsourced services	8,427,035	4,154,531
Personnel expenses	7,480,383	5,148,446
Office expense	750,843	1,081,482
Travel expense	555,576	415,321
Amortization expenses	391,959	330,960
Law and consulting expenses	-	134,505
Other	2,386,755	1,696,750
	32,005,685	14,820,880

(*) Consists of the title deed fee payments for the lands purchased during the period.

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20. MARKETING, SALES AND DISTRIBUTION EXPENSES (Continued)

Fees for Services Obtained from Independent Auditor/Independent Audit Firm

The Group's explanation regarding the fees for the services rendered by the independent audit firms, which is based on the KGG's letter dated 19 August 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on 30 March 2021, are as follows:

Independent audit fee for the reporting period	1 January - 31 December 2021	1 January - 31 December 2020
Independent audit fee for the reporting period	280,000	240,000
	280,000	240,000

21. INCOME / EXPENSE FROM OPERATING ACTIVITIES

As of 31 December 2021 and 31 December 2020 income and expense from operating activities as follow:

	1 January - 31 December 2021	1 January - 31 December 2020
Increases in the fair value of investment properties (Note 12)	1,577,473,382	357,180,414
Foreign exchange gains (*)	446,182,134	206,738,949
Provisions no longer required	1,656,313	3,325,624
Other	4,157,523	7,563,969
	2,029,469,352	574,808,956

As of 31 December 2021 and 31 December 2020 expense from operating activities as follow:

	1 January - 31 December 2021	1 January - 31 December 2020
Foreign exchange losses (*)	233,077,575	201,347,289
Provision expenses	2,371,024	3,305,732
Interest expenses on discount notes	1,840,170	9,230,715
Other	3,463,536	1,634,773
	240,752,305	215,518,509

(*) Consist of foreign exchange losses arisen from operating activities.

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22. FINANCIAL INCOME/EXPENSES

Financial income

	1 January - 31 December 2021	1 January - 31 December 2020
Fair value gain of financial investments (Note 11)	167,507,994	-
Interest income	27,190,292	13,018,947
Foreign exchange income	3,170,751	25,576,243
	197,869,037	38,595,190

Financial expense

Interest expense	59,892,287	65,763,152
Foreign exchange expense	24,836,204	53,615,732
Fair value losses / (gains) of financial investments (Note 11)	-	11,320,853
	84,728,491	130,699,737

23. TAX ASSETS AND LIABILITIES

Current period tax liabilities / (assets), net	1 January - 31 December 2021	1 January - 31 December 2020
Current period corporate tax provision	-	312,724
Less: Prepaid taxes and funds	(3,434,695)	(2,820,479)
	(3,434,695)	(2,507,755)

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23. TAX ASSETS AND LIABILITIES (Continued)

Deferred tax expenses are follows;

	1 January - 31 December 2021	1 January - 31 December 2020
Deferred tax expense recognized in the income statement	(895,597)	(4,222,489)
Subtotal: recognized in the profit and loss statement	(895,597)	(4,222,489)
Deferred tax expense recognized in other comprehensive income;		
- Actuarial loss of employee benefits	654,723	218,483
Total recognized deferred tax in comprehensive income	(240,874)	(4,004,006)

The income of the main partner Company which is in the status of a Real Estate Investment Trust, from the real estate investment trust operations is exempted from the corporate tax according to Article 5/ (1) (d) (4) of Corporate Tax Code (CTC) no 5520, 15% tax deduction is applied over the mentioned income which is exempted from the corporate tax in compliance with Article 15(3) of CTC. Council of Ministers is authorized to reduce the tax deduction rates stated in the 15th article, down to zero as separately for each payment and income, to increase such rates up to the corporate tax rate, and to differentiate such according to the fund or partnership types for the income indicated in the third paragraph, within the same limitations or according to the qualities and distribution of the assets in their portfolios. 0% tax withholding is applied over the portfolio management income of the Real Estate Investment Trust which is exempted from the corporate tax, in compliance with the Council of the Ministers Decision no 2009/14594. The income subjected to tax deduction within this scope is not subject to dividend withholding in compliance with article 15(2) of CTC.

Corporate tax

The subsidiaries of the Company are subject Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses and by deducting dividends received from resident companies, other exempt income and investment incentives utilized. The effective tax rate in 2021 is 25% (2020: 22%).

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23. TAX ASSETS AND LIABILITIES (Continued)

In Turkey, advance tax returns are filed on a quarterly basis. Advance corporate income tax rate applied in 2021 is 25% (2020: 22%). Losses can be carried forward for offset against future taxable income for up to 5 years. However, losses cannot be carried back for offset against profits from previous periods.

Furthermore, there is no procedure for a final and definitive agreement on tax assessments in Turkey. Companies file their tax returns between April 1 and April 25 following the close of the accounting year to which they relate. Tax declarations may be revised by tax officers within five years upon examination.

Deferred tax

The Group recognizes deferred tax assets or liabilities for temporary differences arising from differences between the statutory financial statements and statements prepared in accordance with TFRS. These differences usually arise from the difference of the periods between financial statements prepared in accordance with TFRS and its statutory financial statements.

Within the scope of the "Law on Amendments to Certain Tax Laws and Some Other Laws" numbered 7316, which was published in the Official Gazette dated 22 April 2021, the corporate tax rate has been determined as 25% for the calendar year 2021 and 23% for the calendar year 2022. Within the scope of the said law, deferred in the consolidated financial statements of 31 December 2021, tax assets and liabilities are calculated with a 25% tax rate for the part of the temporary differences that will have a tax effect in 2021, 23% for the part of the temporary differences that will have a tax effect in 2022, and 20% for the part that will have a tax effect in the following periods.

Deferred tax (assets) / liabilities:

	31 December 2021	31 December 2020
Depreciation of tangible assets / amortization of intangible assets	688,409	(828,768)
Period profit tax liability	11,689	-
Current tax-related assets	(11,689)	-
Retirement pay liabilities	(42,916)	(644,892)
Provision for doubtful receivables	(165,035)	(145,455)
Unused vacation	(203,922)	(216,695)
Litigation provisions	(272,558)	(47,448)
Short-term borrowings	(565,517)	-
Other	(14,410)	(102,960)
Deferred tax assets, net	(575,949)	(1,986,218)

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23. TAX ASSETS AND LIABILITIES (Continued)

Because of deferred tax effect, which are calculated on revaluation differences which is relating with tangible assets, it is made recognition on profit and loss statements instead of other comprehensive income statements.

Reconciliation of tax expense and profit for the period is as follows:

Reconciliation of tax provision	1 January - 31 December 2021	1 January - 31 December 2020
Profit before tax	2,523,747,689	621,392,106
Corporate tax ratio 25% (2020: %22)	(630,936,922)	(136,706,263)
Tax effect:		
Non-taxable income (*)	636,165,839	137,346,716
Previous period losses for which deferred tax assets are not calculated	(4,283,952)	4,244,430
Non-deductible expenses	(49,368)	(662,394)
Tax provision expense in the income statement	895,597	4,222,489

(*) The Group's investment properties are registered under the Özak Gayrimenkul Yatırım Ortaklığı which is not subjected to corporate tax.

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24. RELATED PARTY DISCLOSURES

Related party balances	31 December 2021					
	Receivables			Liabilities		
	Short term Trade	Other Receivables	Prepaid Expenses	Short term Trade	Non Trade ^(*)	Long term Trade Non Trade
Payables to shareholders ^(*)	-	-	-	-	255,353,601	-
Companies controlled by the main shareholder						
Int-er Yapı İnşaat Turizm San. Tic. A.Ş.	2,091,400	-	14,505,310	-	-	-
Özak Kültür Sanat Eğitim Vakfı	3,850,048	-	-	-	-	-
Akyön Tesis Yönetim Hizmetleri A.Ş.	1,675,600	-	-	-	-	-
Büyükalı İstanbul Toplu Yapı Site Yönetimi	1,342,715	-	-	-	-	-
Akyön Tesis Yönetim Hizmetleri A.Ş.	333,735	-	-	-	-	-
Yeditepe Emlak Yatırımları A.Ş.	10,489	-	-	-	-	-
Zyl Gayrimenkul Yatırımları San. Ve Tic.A.Ş.	8,329	-	-	-	-	-
Özak Tekstil Konf.San.Ve Tic.A.Ş.	6,261	-	-	-	-	-
Kamer İnşaat Ticaret ve Sanayi A.Ş.	5,189	-	-	-	-	-
Akyön Özel Güvenlik Ve Koruma Hiz.A.Ş.	2,829	-	-	-	-	-
Kübrateks Tekstil San. Ve Dış Tic. A.Ş.	2,244	-	-	-	-	-
Özak Global Holding A.Ş.	225	-	-	-	-	-
Other	-	-	-	-	-	-
	9,329,064	-	14,505,310	-	255,353,601	-

^(*) Consists of the borrowings used by the Group to use in the investments during the period.

^(**) Receivables and payables of the Group arising from the transactions with the related parties other than their commercial activities are accounted for as non-trade payables or receivables from related parties.

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24. RELATED PARTY DISCLOSURES (Continued)

Related party balances	31 December 2020					
	Receivables			Liabilities		
	Short term	Other	Short term	Short term	Trade	Non Trade
	Trade	Receivables	Other	Trade	Non Trade	
Payables to shareholders (*)	-	-	-	-	243,706,693	-
Companies controlled by the main shareholder						
Int-er Yapı İnşaat Turizm San. Tic. A.Ş.	-	2,202,310	-	-	-	-
Other	-	184,487	-	-	-	-
	-	2,386,797	-	-	243,706,693	-

(*) Consists of the borrowings used by the Group to use in the investments during the period..

(**) Receivables and payables of the Group arising from the transactions with the related parties other than their commercial activities are accounted for as non-trade payables or receivables from related parties.

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24. RELATED PARTY DISCLOSURES (Continued)

Transactions with related parties	1 January - 31 December 2021							
	Purchases	Sales	Interest Income	Interest expenses	Rent income	Purchases of tangible items	Sales of tangible items	Other
Companies controlled by the equity holders of the parent								
Int-er Yapı İnşaat Turizm San. Tic. A.Ş.	80,060,565	-	-	-	564,100	-	-	-
Akyön Tesis Yönetim Hizmetleri A.Ş.	4,685,074	-	-	-	2,045,227	-	-	-
Aktay Otel İşletmeleri A.Ş.	164,898	-	-	-	71,987,225	-	-	-
Özak Tekst. Konf. San. ve Tic. A.Ş.	-	-	-	-	12,426,421	-	-	-
Özak Global Holding A.Ş.	-	-	-	-	1,552,205	-	-	-
Kamer İnşaat Ticaret ve Sanayi A.Ş.	-	-	-	-	19,398	-	-	-
Özak-Yeniğün-Ziylan Adı Ortaklığı	-	11,390,623	-	-	12,398	-	-	-
Elif Emlak Yatırımları San. ve Tic. A.Ş.	-	-	-	-	12,398	-	-	-
Büyükyalı Tesis Yönetim A.Ş.	-	-	-	-	12,398	-	-	-
ZYL Gayrimenkul Yatırımları San. ve Tic. A.Ş.	-	-	-	-	12,398	-	-	-
Akyön Özel Güvenlik ve Koruma Hiz. A.Ş.	-	-	-	-	12,398	-	-	-
Yeditepe Emlak Yatırımları A.Ş.	-	-	-	-	12,398	-	-	-
Özak Enerji San. ve Tic. A.Ş.	-	-	-	-	12,398	-	-	-
Büyükyalı İstanbul Toplu Yapı Site Yönetimi	-	-	-	-	12,398	-	-	-
Büyükyalı Otel İşletmeciliği A.Ş.	-	-	-	-	12,398	-	-	-
Akyön Özel Güvenlik ve Koruma Hiz. A.Ş.	-	-	-	-	12,398	-	-	-
Kübrateks Tekstil San. ve Tic. A.Ş.	-	-	-	-	11,412	-	-	-
Other	-	-	-	-	-	-	-	-
	84,745,639	11,390,623	-	-	88,729,968	-	-	-

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24. RELATED PARTY DISCLOSURES (Continued)

Transactions with related parties	1 January - 31 December 2020							
	Purchases	Sales	Interest Income	Interest expenses	Rent income	Purchases of tangible items	Sales of tangible items	Other
Payables to shareholders	-	-	-	-	-	-	-	-
Companies controlled by the equity holders of the parent								
Int-er Yapı İnşaat Turizm San. Tic. A.Ş.	33,380,311	183,205	-	-	433,550	-	-	-
Özak Global Holding A.Ş.	9,854,792	-	-	1,343,402	1,191,190	-	-	-
Akyön Tesis Yönetim Hizmetleri A.Ş.	4,024,356	-	-	-	570,236	-	-	-
Akyön Özel Güvenlik ve Koruma Hiz. A.Ş.	1,754,007	-	-	-	14,090	-	-	-
Özak Tekst. Konf. San. ve Tic. A.Ş.	8,387	-	-	7,961,154	10,706,857	-	-	-
Other	-	-	-	-	98,421	-	-	-
	49,021,853	183,205	-	9,304,556	13,014,344	-	-	-

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24. RELATED PARTY DISCLOSURES (Continued)

Key management compensation:

Details of total compensation provided to key management personnel in current period are as follows;

	1 January - 31 December 2021	1 January - 31 December 2020
Fees and other short-term benefits	1,397,997	712,803
	1,397,997	712,803

25. THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

a) Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 6, cash and cash equivalent and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

The Group's risk management committee reviews the capital structure of the Group collectively on a semi-annual basis. As a part of this review, the committee considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the committee, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

b) Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

b.1) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

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25. THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

	Receivables				
	Trade receivables		Other receivables		
31 December 2021	Related parties	Other parties	Related parties	Other parties	Deposits in bank
Maximum exposure to credit risk as of reporting date ^(*)	9,329,064	44,133,845	-	9,335,722	831,279,429
- Secured part of the maximum credit risk exposures via collateral etc.	-	-	-	-	-
A. Net book value of financial assets those are neither overdue nor impaired	9,329,064	44,133,845	-	9,335,722	831,279,429
B. Net book value of financial assets that is overdue but not impaired	-	-	-	-	-
- Secured part via collateral etc.	-	-	-	-	-
C. Net book value of impaired financial assets	-	-	-	-	-
- Overdue (Gross carrying amount)	-	4,992,789	-	-	-
- Impairment (-)	-	(4,992,789)	-	-	-

^(*) Components of credibility such as guarantees taken are not considered in determining the amount.

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25. THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2020	Related parties		Trade receivables		Receivables	
	Other parties	Related parties	Other parties	Related parties	Other parties	Deposits in bank
Maximum exposure to credit risk as of reporting date (*)	-	-	39,692,403	2,386,797	18,887,766	555,156,622
- Secured part of the maximum credit risk exposures via collateral etc.	-	-	-	-	-	-
A. Net book value of financial assets those are neither overdue nor impaired	-	-	39,692,403	2,386,797	18,887,766	555,156,622
B. Net book value of financial assets that is overdue but not impaired	-	-	-	-	-	-
- Secured part via collateral etc.	-	-	-	-	-	-
C. Net book value of impaired financial assets	-	-	-	-	-	-
- Overdue (Gross carrying amount)	-	-	4,699,766	-	-	-
- Impairment (-)	-	-	(4,699,766)	-	-	-

(*) Components of creditability such as guarantees taken are not considered in determining the amount.

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25. THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

b.2) Liquidity risk management

Ultimate responsible for liquidity risk management rests with the Board of Directors. The Board of Directors has constituted a convenient liquidity risk management for short, medium and long term funding and liquidity requirements. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows regularly and maintaining adequate reserves, banking facilities and borrowing by matching the maturity profiles of financial assets and liabilities.

The following table shows maturity details of derivative and non-derivative financial liabilities. Non-derivative financial liabilities are prepared based on the undiscounted and earliest date to be paid. Interest to be paid on such liabilities is included in the table below.

Liquidity risk table:

31 December 2021

Maturity dates in accordance with contract	Net book value	Cash outflow in accordance with contract (I+II+III)	Less than 3 Months (I)	3-12 Months (II)	1-5 Years (III)
Bank Loans	597,777,465	739,637,269	129,479,084	157,273,492	452,884,693
Trade payables	736,288,758	736,288,758	32,448,871	48,673,307	655,166,580
Other Payables	294,228,642	294,228,642	116,644,748	174,967,121	2,616,773
Total liabilities	1,628,294,865	1,770,154,669	278,572,703	380,913,920	1,110,668,046

31 December 2020

Maturity dates in accordance with contract	Net book value	Cash outflow in accordance with contract (I+II+III)	Less than 3 Months (I)	3-12 Months (II)	1-5 Years (III)
Bank Loans	591,645,140	680,318,118	80,375,240	147,648,734	452,294,144
Financial leases	10,316	10,316	10,316	-	-
Trade payables	1,032,486,210	1,032,486,210	71,424,497	-	961,061,713
Other Payables	282,332,179	282,332,179	37,811,880	243,706,693	813,606
Total liabilities	1,906,473,845	1,995,146,823	189,621,933	391,355,427	1,414,169,463

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25. THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

b.3) Market risk management

b.3.1) Currency risk management

Transactions denominated in foreign currencies give rise to exchange rate risk. Exchange rate risk is managed with foreign currency purchase/sale contracts, based on the approved policies.

Transactions denominated in foreign currencies give rise to exchange rate risk. Exchange rate risk is managed with foreign currency purchase/sale contracts, based on the approved policies..

The amounts of foreign currency of monetary and non-monetary assets, monetary and non-monetary liabilities of the Group at the balance sheet date are as follows:

	31 December 2021				
	TRY equivalent (functional currency)	GBP	CHF	USD	EUR
1- Monetary financial assets	1,091,288,392	3,793,750	1,057	25,423,259	47,344,771
2- Total assets	1,091,288,392	3,793,750	1,057	25,423,259	47,344,771
3- Other payables	(205,522,468)	-	-	-	(13,997,975)
4- Financial liabilities	(459,221)	-	-	-	(31,277)
5- Short term liabilities	(205,981,687)	-	-	-	(14,029,252)
6- Financial liabilities	(36,386,909)	-	-	-	(2,478,284)
7- Long term liabilities	(36,386,909)	-	-	-	(2,478,284)
8- Total liabilities	(242,368,596)	-	-	-	(16,507,536)
9- Net foreign currency asset/ liability position	848,919,796	3,793,750	1,057	25,423,259	30,837,235

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Notes to the Consolidated Financial Statements

for the Period Ended 31 December 2021

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

25. THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

	31 December 2020			
	TRYequivalent (functional currency)	GBP	USD	EUR
1- Monetary financial assets	579,384,455	309,687	29,825,869	39,673,439
2- Total assets	579,384,455	309,687	29,825,869	39,673,439
3- Financial liabilities	(45,605,313)	-	-	(5,062,813)
4- Short term liabilities	(45,605,313)	-	-	(5,062,813)
5- Financial liabilities	(22,099,459)	-	-	(2,453,342)
6- Long term liabilities	(22,099,459)	-	-	(2,453,342)
7- Total liabilities	(67,704,772)	-	-	(7,516,155)
8- Net foreign currency asset/liability position	511,679,683	309,687	29,825,869	32,157,284

Foreign exchange risk sensitivity

The Group is exposed to foreign exchange risk arising primarily from the USD and the EUR.

The table below shows the Group's US dollar and the sensitivity to a 10% increase and decrease in foreign currencies. 20% is the rate used by management when reporting foreign currency risk internally. The sensitivity analysis includes only outstanding foreign currency denominated assets and liabilities at the end of the year and shows the effects of the 20% change at year-end balances. This analysis includes foreign currency denominated loans, as well as non-functional currency loans of borrowers and borrowers used for foreign operations within the Group. A positive value represents an increase in profit/loss and other equity items.

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Notes to the Consolidated Financial Statements

for the Period Ended 31 December 2021

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

25. THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

	31 December 2021	
	Appreciation of foreign currency	Depreciation of foreign currency
In case 20% appreciation of US Dollar against TRY		
1- USD net asset/liability	65,986,068	(65,986,068)
2- The portion protected from USD risk (-)	-	-
3- USD net effect (1+2)	65,986,068	(65,986,068)
In case 20% appreciation of EUR against TRY		
4- Euro net asset/liability	90,552,308	(90,552,308)
5- The portion protected from Euro risk (-)	-	-
6- EUR net effect (4+5)	90,552,308	(90,552,308)
In case 20% appreciation of GBP against TRY		
7- Other foreign currency net asset/liability	13,245,583	(13,245,583)
8- The portion protected from other exchange rate risk (-)	-	-
9- Other exchange asset net effect (7+8)	30,114,607	(30,114,607)
Total (3+6+9)	169,783,959	(169,783,959)
	31 December 2020	
	Appreciation of foreign currency	Depreciation of foreign currency
In case 20% appreciation of USD against TRY		
1- USD net asset/liability	45,786,968	(45,786,968)
2- The portion protected from USD risk (-)	-	-
3- USD net effect (1+2)	45,786,968	(45,786,968)
In case 20% appreciation of EUR against TRY		
4- Euro net asset/liability	58,474,394	(58,474,394)
5- The portion protected from Euro risk (-)	-	-
6- EUR net effect (4+5)	58,474,394	(58,474,394)
In case of 20% appreciation of other exchange rates against TRY		
7- Other foreign currency net asset/liability	611,579	(611,579)
8- The portion protected from from other exchange rate risk (-)	-	-
9- Other exchange asset net effect (7+8)	611,579	(611,579)
Total (3+6+9)	104,872,942	(104,872,942)

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Notes to the Consolidated Financial Statements

for the Period Ended 31 December 2021

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

25. THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

b.3.2) Interest rate sensitivity management

Interest rate sensitivity

The allocation of the Group's interest rate sensitive financial instruments is as follows:

	31 December 2021	31 December 2020
Instruments with fixed interest		
Financial liabilities	597,777,465	591,655,456
	597,777,465	591,655,456

The Group is not exposed to change in interest rate risk since all the financial liabilities are instruments with fixed interest rate as of 31 December 2021 (31 December 2020: TRY591,655,456).

Remarks Regarding Fair Value

Fair value is identified as the price which shall be obtained sourcing from the sales of an asset or which shall be paid in novation in an ordinary transaction on measurement date between market participants.

Financial Instruments

The estimated fair values of Group's financial instruments are determined through current market information appropriate valuation methods. Additionally, interpretation and judgement is required to estimate fair values through evaluating market information. As a result, estimates presented here cannot be the indicator of amount which can be obtained by the Group in a current market transaction.

The following methods and assumptions are used to estimate the fair values of financial instruments whose fair values are possible to be determined in practice:

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

25. THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Financial Assets

It is assumed that registered values of cash and cash equivalent reflect fair value since they are short-term trade receivables.

It is anticipated that their registered values reflect fair value since they are short-term trade receivables.

It is anticipated that the fair value of balances in foreign currency, which are converted with exchange rates at the end of the period, are close to their registered values.

Financial Liabilities

It is considered that fair value of trade payables and other financial liabilities is close to their carrying value since they are short-termed.

Bank loans are stated with discounted cost and transaction costs are added to initial costs of bank loans. It is considered that carrying values of floating rate loans of the Group states the fair value as well since they are repriced recently.

It assumed that the fair value of the borrowings are close to the carrying value as of 31 December 2021.

Non-Financial Assets

Property valuation reports, prepared by the property valuation company authorized by the Capital Markets Board of Turkey, are taken as basis for the determination of fair values of tangible assets and investment properties which are measured by their fair values in consolidated financial statements.

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

25. THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Sensitivity analysis of investment properties, whose fair value is calculated through discounted cash flow method, is as follows:

31 December 2020	Sensitivity analysis	Increase	Decrease
		Income/Loss Effect on fair value (TRY)	Income/Loss Effect on fair value (TRY)
Bulvar 216 AVM Ataşehir			
Discount rate	0,5%	9,614,361	(9,614,361)

31 December 2020	Sensitivity analysis	Increase	Decrease
		Income/Loss Effect on fair value (TRY)	Income/Loss Effect on fair value (TRY)
Bulvar 216 AVM Ataşehir			
Discount rate	1%	(14,038,981)	14,664,674

Sensitivity analysis of investment properties, whose fair value is calculated through market value approach, is as follows;

31 December 2021	Similar Rent/m ² land cost	Sensitivity analysis	Increase	Decrease
			Income/Loss Effect on fair value (TRY)	Income/Loss Effect on fair value (TRY)
İkitelli Building	10,000	10%	88,276,250	(88,276,250)
Bodrum Akyarlar	1,745	10%	60,288,000	(60,288,000)
Güneşli Building	23,381	10%	40,507,830	(40,507,830)
Bayrampaşa Building	16,150	10%	38,561,000	(38,561,000)
Balmumcu Land	36,800	10%	30,724,320	(30,724,320)
Aydın Didim Land	1,380	10%	22,598,100	(22,598,100)
Göktürk 201	11,891	10%	20,810,100	(20,810,100)
Büyükyalı Office	25,750	10%	11,554,000	(11,554,000)
Bağcılar Land	16,599	10%	11,091,300	(11,091,300)
Antalya Demre Land	1,300	10%	9,190,000	(9,190,000)
Göktürk -198	11,891	10%	2,079,400	(2,079,400)

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

25. THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

	Similar Rent/m ² land cost	Sensitivity analysis	Increase	Decrease
			Income/Loss Effect on fair value (TRY)	Income/Loss Effect on fair value (TRY)
31 December 2020				
İkitelli Building	6,500	10%	57,380,000	(57,380,000)
Güneşli Building	16,230	10%	28,122,500	(28,122,500)
Bayrampaşa Building	13,250	10%	25,546,676	(25,546,676)
Balmumcu Land	22,300	10%	18,618,270	(18,618,270)
Büyükyalı Office	18,500	10%	8,300,900	(8,300,900)
Bağcılar Land	11,000	10%	7,110,080	(7,110,080)

Sensitivity analysis of tangible assets, whose fair value is calculated through market value approach, is as follows:

	Similar Rent/m ² land cost	Sensitivity analysis	Increase	Decrease
			Income/Loss Effect on fair value (TRY)	Income/Loss Effect on fair value (TRY)
31 December 2021				
Ela Quality Resort Otel	18.00%	1%	99,682,763	99,682,763

	Similar Rent/m ² land cost	Sensitivity analysis	Increase	Decrease
			Income/Loss Effect on fair value (TRY)	Income/Loss Effect on fair value (TRY)
31 December 2020				
Ela Quality Resort Otel	17.00%	1%	(68,196,188)	75,180,754

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

25. THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Capital Management

The Group tries to manage its capital by minimizing investment risk through portfolio diversification. The purpose of the Group; to ensure its continuity as an income generating business. To observe the benefits of shareholders and corporate partners, and to ensure the continuity of the efficient capital structure by reducing the cost of capital and maintaining the net liability / equity ratio at market averages.

While managing the capital, the Group's objectives are to maintain the Group's continuity of activity in order to maintain the most appropriate capital structure in order to provide return to its partners and benefit other stakeholders and to reduce the cost of capital.

In order to maintain or rearrange the capital structure, the Group can determine the amount of dividends to be paid to shareholders, issue new shares and sell assets to reduce borrowing.

As of 31 December 2021 and 31 December 2020, the net liability / invested capital ratio is as follows:

	31 December 2021	31 December 2020
Total liabilities	2,337,935,691	2,380,890,950
Liquid assets	(1,280,568,027)	(726,383,034)
Net liabilities	1,057,367,664	1,654,507,916
Equity	6,725,090,268	3,494,467,270
Total resources	7,782,457,932	5,148,975,186
Net liabilities / Resource ratios	13.59%	32.13%

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

25. THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Remarks and definitions

It includes remarks and definitions related to valuation techniques used to determine fair value of investment property and fundamental and important unobservable inputs which are taken into consideration in valuation:

Discounted cash flows (DCF)

Fair value of an asset is estimated using net assumptions on benefits and liabilities belonging to property which is over the life of the asset including outflow and scrap value. This estimation included estimating of a range of cash flow and a discount rate based on market to form current value of the income flow accordingly.

The duration of cash flow and specific timing of cash inflow and outflow, reviewing of rents, renewal of rental agreements and related rental periods are determined through events such as re-renting, redevelopment and renovation.

Commensurable costs and construction expenses in the process of asset's development, development costs and anticipated sales revenue are estimated to reach a range of cash flow deducted over additional development and marketing expenses anticipated during the rental agreement. Specific development risks such as planning, licenses, construction permit should be evaluated separately.

Estimated rental:

It is the rental of the field rented with market conditions which is valid in valuation day.

Rental Increase rate:

It is the estimated rental increase depending upon indexing bound up with market estimations and agreement.

Discount Rate:

It is the rate to reduce the net cash flows obtained from rental activities during the analysis period (estimated up to 10 years).

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

25. THE NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Level 3 sensitivity analyses of significant changes related to unobservable inputs/inflows which are used in fair value calculations.

Significant unobservable inputs/inflows which are used in valuation study and evaluated as Level 3 with respect to measurement principles in determination of fair values related to completed investment properties of the Group are as follows:

- Rental (m²)
- Discount rate
- Rental increase rate (annual)
- Long term vacancy rate (Mall)
- Compactness rate (annual)

26. SUBSEQUENT EVENTS

None.

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

ADDITIONAL NOTE: COMPLIANCE WITH PORTFOLIO LIMITATIONS

Non-consolidated (standalone) financial information	Respective Regulations	31 December 2021	2 31 December 020
A1. Financial instrument held for the 3 years payment of investment properties	Art. 24 / (b)	-	-
A2. Time/demand TRY/foreign currency	Art. 24 / (b)	720,882,382	485,438,055
A3. Foreign financial instruments	Art. 24 / (d)	273,734,605	126,168,296
B1. Foreign investment properties, projects on properties, rights on investment properties	Art. 24 / (d)	-	-
B2. Idle land	Art. 24 / (c)	418,156,200	71,100,800
C1. Foreign investments	Art. 24 / (d)	-	-
C2. Investment in the operating company	Art. 28 / 1(a)	242,831,530	168,368,126
J. Non-cash loans	Art. 31	81,564,809	77,880,832
K. Mortgages on land which a project to be developed and the ownership is not hold by the Company	Art. 22 / e	-	-
L. Aggregation of money and capital market instrument investments in one company	Art. 22 / (1)	286,633,455	113,855,441

Portfolio limitations	Respective Regulations	31 December 2021	31 December 2020	Minimum /Max. Rate
1. Mortgages on land which a project to be developed and the ownership is not hold by the Company	Art. 22 / (e)	0%	0%	10% maximum
2. Investment properties, projects on investment properties, rights on investment properties	Art. 24 / (a), (b)	81%	80%	51% minimum
3. Money, capital market instruments and investments	Art. 24 / (b)	15%	14%	49% maximum
4. Foreign investment properties, projects on investment properties rights on investment properties, investments, financial instruments	Art. 24 / (d)	3%	2%	49% maximum
5. Idle land	Art. 24 / (c)	5%	1%	20% maximum
6. Investment in the operating company	Art. 28 / 1(a)	3%	3%	10% maximum
7. Borrowing limits	Art. 31	10%	24%	500% maximum
8. Time/demand TRY/foreign currency Special current-participation account and time deposits in TRY Participation Account	Art. 24 / (b)	8%	8%	10% maximum
9. Money and capital market instruments in a single company of total investments	Art. 22 / (1)	3%	2%	10% maximum
10. Mortgages on land which a project to be developed and the ownership is not hold by the Company	Art. 22 / (e)	0%	0%	10% maximum

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Notes to the Consolidated Financial Statements for the Period Ended 31 December 2021

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

ADDITIONAL NOTE: COMPLIANCE WITH PORTFOLIO LIMITATIONS (Continued)

Portfolio limitations	Respective Regulations	31 December 2021	31 December 2020	Minimum /Max. Rate
11. Investment properties, projects on investment properties, rights on investment properties	Art. 24 / (a), (b)	81%	80%	51% minimum
12. Money, capital market instruments and investments	Art. 24 / (b)	15%	14%	49% maximum
13. Foreign investment properties, projects on investment properties rights on investment properties, investments, financial instruments	Art. 24 / (d)	3%	2%	49% maximum
14. Idle land	Art. 24 / (c)	1%	1%	20% maximum
15. Investment in the operating company	Art. 28 / 1(a)	3%	3%	10% maximum
16. Borrowing limits	Art. 31	10%	24%	500% maximum
17. Time/demand TRY/foreign currency Special current-participation account and time deposits in TRY Participation Account	Art. 24 / (b)	8%	8%	10% maximum
18. Money and capital market instruments in a single company of total investments	Art. 22 / (1)	3%	2%	10% maximum

Consequent to the enTRYinto force of the Communiqué Serial: VI, No: 29 amending the Communiqué on "Principles Regarding Real Estate Investment Trusts" on 28 July 2011, effective for financial statements prepared as of 30 September, 2011, the preparation of portfolio statements by real estate investment trusts was abolished and pursuant to the Decree of the Capital Market Board Function dated 14 October 2011 and numbered 34/972 dated, all information related to the portfolio shall be disclosed in the table of "Monitoring Compliance with Portfolio Restrictions".

Pursuant to Article 16 of the "Communiqué Serial: II, No: 14.1 on the Principles of Financial Reporting in Capital Markets, the information disclosed in the table of "Monitoring Compliance with Portfolio Restrictions" constitute information derived from financial statements and has been prepared in accordance with the provisions of the CMB's Communiqué Serial: III, no: 48.1 on Principles Regarding Real Estate Investment Trusts on monitoring of compliance with portfolio restrictions.

The information given in this note are obtained from standalone data and they may not reconcile with the information contained in the consolidated financial statements.

Özak Gayrimenkul Yatırım Ortaklığı A.Ş.

Non-Consolidated Financial Statements
Together with Independent Auditor's Report for
the Year Ended 31 December 2021
(Originally Issued in Turkish)

Özak Gayrimenkul Yatırım Ortaklığı A.Ş.
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for the Period 1 January - 31 December 2021

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Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Non-Consolidated Statements of Financial Position at 31 December 2021 and 2020

(All amounts are expressed in Turkish Lira (TRY).)

ASSETS	Notes	Audited 31 December 2021	Audited 31 December 2020
Current assets		2,785,661,895	2,164,089,855
Cash and cash equivalents	4	722,936,178	486,639,009
Financial investments	11	448,213,015	171,172,146
Trade receivables		40,141,164	35,362,601
- Due from related parties	24	14,635,935	1,327,310
- Due from third parties	6	25,505,229	34,035,291
Other receivables		6,587,379	18,635,907
- Due from third parties	7	6,587,379	18,635,907
Inventories	8	1,382,537,358	1,319,330,260
Prepaid expenses		46,831,131	45,237,558
- Prepaid expenses to related parties	24	15,193,337	6,952,871
- Prepaid expenses to third parties	9	31,637,794	38,284,687
Current income tax assets		3,573,883	2,809,667
Derivative Instruments		3,953,442	-
- Derivative instruments for hedging	11	3,953,442	-
Other current assets	10	130,888,345	84,902,707
Non-current assets		6,410,632,885	3,858,733,617
Financial investments	11	242,831,530	168,368,126
Inventories	8	120,577,035	343,820,090
Investment properties	12	5,916,595,421	3,146,324,010
Tangible assets	13	48,780,529	68,885,615
Intangible assets		17,385,286	19,561,823
- Goodwill	14	5,390,427	10,076,570
- Other intangible assets		11,994,859	9,485,253
Prepaid expenses		993,910	66,325
- Prepaid expenses to third parties	9	993,910	66,325
Other non-current assets	10	63,469,174	111,707,628
Total assets		9,196,294,780	6,022,823,472

The accompanying notes form an integral part of these financial statements.

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Non-Consolidated Statements of Financial Position at 31 December 2021 and 2020

(All amounts are expressed in Turkish Lira (TRY).)

LIABILITIES	Notes	Audited 31 December 2021	Audited 31 December 2020
Short-term liabilities		1,130,462,729	651,498,283
Short-term portion of long-term financial borrowings	5	154,284,550	176,523,715
Trade payables		48,018,717	62,859,757
- Due to related parties	24	7,206,394	-
- Due to third parties	6	48,018,717	62,859,757
Payables for employee benefits	17	1,729,580	1,463,156
Other payables		238,582,312	291,328,568
- Due to related parties	24	205,522,449	253,940,721
- Due to third parties	7	33,059,863	37,387,847
Liabilities arising from customer contracts		685,338,939	118,344,072
- Contract liabilities arising from ongoing construction and contracting works	9	685,338,939	118,344,072
Short term provisions		2,508,631	979,015
- Short-term provision for employee benefits	17	497,747	315,932
- Other short-term provisions	15	2,010,884	663,083
Long-term liabilities		949,815,575	1,639,189,576
Long-term borrowings	5	291,766,372	332,739,837
Trade payables		655,166,580	961,061,713
- Due to third parties	6	655,166,580	961,061,713
Other payables		2,616,773	738,006
- Due to third parties	7	2,616,773	738,006
Liabilities arising from customer contracts		118,812	343,844,037
- Contract liabilities arising from ongoing construction and contracting works	9	118,812	343,844,037
Long term provisions		147,038	805,983
- Long-term provision for employee benefits	17	147,038	805,983
Equity		7,116,016,476	3,732,135,613
Share capital	16	364,000,000	364,000,000
Share premium		146,712,969	146,712,969
Shares withdrawn		(3,364,272)	(3,364,272)
The effect of mergers involving undertakings or businesses subject to Joint Control		(119,842,284)	(119,842,284)
Other comprehensive income will to be reclassified to profit or loss			
Defined benefit plans re-measurement gains		245,365,479	245,365,479
- Tangible fixed asset revaluation increases	16	245,365,479	245,365,479
Other accumulated comprehensive income to be reclassified to profit or loss			
Revaluation and classification earnings		233,830,795	159,367,391
Revaluation earnings of financial assets available for sale	16	233,830,795	159,367,391
Restricted reserves allocated from profit		38,223,330	38,223,330
- Legal reserves		38,223,330	38,223,330
Retained earnings		2,901,673,000	1,823,416,561
Net profit for the year		3,309,417,459	1,078,256,439
Total liabilities		9,196,294,780	6,022,823,472

The accompanying notes form an integral part of these financial statements.

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries
Non-Consolidated Statements of Profit or Loss and Other
Comprehensive Income for the Year Ended 31 December 2021
(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	Audited 31 December 2021	Audited 31 December 2020
Profit and Loss			
Revenue	19	1,379,491,361	1,131,311,124
Cost of sales	19	(636,846,710)	(720,554,025)
Gross profit		742,644,651	410,757,099
General administrative expenses (-)	20	(26,232,185)	(10,957,125)
Marketing expenses (-)	20	(32,839,836)	(18,157,861)
Other operating income	21	2,677,329,949	966,378,931
Other operating expenses (-)	21	(185,026,792)	(177,260,119)
Operating profit		3,175,875,787	1,170,760,925
Financial income	22	192,195,887	12,579,749
Financial expenses (-)	22	(58,654,215)	(105,084,235)
Profit before tax		3,309,417,459	1,078,256,439
<i>Tax income/(expense)</i>		-	-
- Taxes on income		-	-
- Deferred tax income		-	-
Net income		3,309,417,459	1,078,256,439
Net income for the period		3,309,417,459	1,078,256,439
Net income attributable to			
- Equity holders of the parent			1,078,256,439
Earnings per share	18	9.0918	2.962
Items to be reclassified to profit or loss			
- Revaluation earnings of financial assets available for sale		-	-
Other comprehensive income		-	-
Total comprehensive income		3,309,417,459	1,078,256,439

The accompanying notes form an integral part of these financial statements.

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Non-Consolidated Statements of Changes In Equity

for the Period Ended 31 December 2021

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Share Capital	Share premium	The effect of mergers involving undertakings or businesses subject to Joint Control	Shares withdrawn	Revaluation gain from tangible assets	Revaluation gain from tangible assets	Other comprehensive income/loss not to be reclassified to profit or loss	Other comprehensive income/loss to be reclassified to profit or loss	Restricted reserves	Retained earnings	Net Profit	Total Equity
1 January 2020	364,000,000	146,712,969	(119,842,284)	(3,364,272)	159,367,391	245,365,479	-	-	26,468,019	1,246,854,797	588,317,075	2,653,879,774
Transfers	-	-	-	-	-	-	-	-	11,755,311	576,561,764	(588,317,075)	-
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	-	-	1,078,256,439	1,078,256,439
31 December 2020	364,000,000	146,712,969	(119,842,284)	(3,364,272)	159,367,391	245,365,479	-	-	38,223,330	1,823,416,561	1,078,256,439	3,732,135,613
1 January 2021	364,000,000	146,712,969	-119,842,284	-3,364,272	159,367,391	245,365,479	-	-	38,223,330	1,823,416,561	1,078,256,439	3,732,135,613
Transfers	-	-	-	-	-	-	-	-	-	1,078,256,439	(1,078,256,439)	-
Other comprehensive income/(loss)	-	-	-	-	-	-	-	74,463,404	-	-	3,309,417,459	3,383,880,863
31 December 2021	364,000,000	146,712,969	-119,842,284	-3,364,272	233,830,795	245,365,479	-	-	38,223,330	2,901,673,000	3,309,417,459	7,116,016,476

The accompanying notes form an integral part of these financial statements.

Özak Gayrimenkul Yatırım Ortaklığı A.Ş. and Its Subsidiaries

Non-Consolidated Statements of Cash Flows

for the Period Ended 31 December 2021

(Amounts are expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	Audited 1 January - 31 December 2021	Audited 1 January - 31 December 2020
A. Cash flows from operating activities		773,241,784	292,809,061
Net profit		3,309,417,459	1,078,256,439
Adjustments to reconcile net income/(loss)		(2,105,906,028)	(683,053,714)
Adjustments related with depreciation and amortization	19,20	2,095,038	4,324,846
Adjustments related with provisions		930,831	(1,067,181)
Adjustments related with interest income and expense	22	26,746,211	49,394,527
Adjustments related with unrealized foreign exchange differences		(9,028,420)	38,941,510
Adjustments for fair value losses (gains) of financial assets	22	167,607,994	11,320,853
Adjustments for fair value gains of investment properties	12	(2,298,050,051)	(785,991,165)
Adjustments for impairment of receivables	6	(893,774)	22,896
Other		4,686,143	-
Changes in working capital		(428,820,406)	(100,841,693)
Adjustments related to increase in trade receivables		(3,884,789)	(23,274,106)
Adjustments related to increase / (decrease) in inventories		160,035,957	(22,271,412)
Adjustments for decrease in other receivables related to operations		(432,768,677)	(220,451,319)
Adjustments related to increase / (decrease) in trade payables		(320,736,173)	323,701,778
Adjustments for increase / (decrease) in other operating payables		(54,736,366)	(38,524,054)
Adjustment related to liabilities arising from customer contracts		223,269,642	(120,022,580)
Net cash generated by operating activities		774,691,025	294,361,032
Taxes paid		(764,216)	(959,444)
Employment termination benefits payment		(685,025)	(592,527)
B. Cash flows from investing activities		(431,382,807)	(36,429,302)
Cash outflow from investment property purchases	12	(452,501,415)	(12,913,203)
Interest received	22	24,631,387	12,579,749
Cash inflow from the sales of tangible and intangible assets		122,000	-
Cash outflow from purchase of tangible and intangible assets		(3,634,779)	(36,095,848)
C. Cash flows from financing activities		(105,561,808)	(228,760,373)
Cash inflow from borrowings	5	90,000,000	604,704,555
Cash outflow from borrowings	5	(144,184,210)	(771,490,652)
Interest paid		(51,377,598)	(61,974,276)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		236,297,169	27,619,386
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	486,639,009	459,019,623
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	722,936,178	486,639,009

The accompanying notes form an integral part of these financial statements.

Forward-Looking Statements

Some sentences contained herein may be construed as “forward-looking” statements. Such expressions more often than not are denoted via words such as “expect,” “predict,” “believe,” “potential” “plan,” “aim,” “may,” “will” or any other term implying uncertainty and ambiguity of future events. The forward-looking statements are based on our current expectations, estimates, and assumptions, and are inherently vulnerable to specific risks and improbabilities. Although Özak REIC believes that the expectations reflected on the forward-looking statements are deemed reasonable at this time, the actual results could differ materially from those originally projected or assumed. Therefore, Özak REIC assumes no obligation to update or revise its forward-looking statements.

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