

MHR GAYRİMENKUL YATIRIM ORTAKLIĞI AŞ
AT THE 28 JUNE 2024 ORDINARY GENERAL ASSEMBLY MEETING
RELATED TO THE QUESTIONS ASKED BY SHAREHOLDERS AND THE ANSWERS GIVEN,
DISCLOSURE PURSUANT TO ARTICLE 1.3.5 OF THE CORPORATE GOVERNANCE
COMMUNIQUE

On June 28, 2024, at the Ordinary General Assembly Meeting held at our Company's headquarters, the questions asked by our Company's Shareholders who attended the meeting physically and electronically were answered by Mr. Volkan Yıldız, Member of the Board of Directors of our Company, Mr. Müşfik Cantekinler, Independent Member of the Board of Directors, and Mr. Şualp Nurkan Kaçmaz, General Manager of our Company, and the questions received and their answers are given below.

Question1- Mr. Nurullah Sancaktar asked “How does the Company plan to utilize its cash? When will the public offering of Quick Sigorta AŞ, the main shareholder of the company, be realized? I expect the Company's financials to be explained to investors in the form of summary information, the loss on the Company's balance sheet to be disclosed, and the distribution of bonus dividends as the Company grows in the coming period. I would like to receive the Company's views on the tax regulations on the agenda.”

Information provided by Mr. Şualp Nurkan Kaçmaz, General Manager of our Company, at the General Assembly Meeting:

Although the public offering of MHR GYO has not yet completed one year, our activities continue intensively. We have a strategy that moves towards targets that will grow both our Company and the savings of our investors. We have not yet started to use our IPO proceeds. We have just started our projects and our work continues. One of them is the Ataşehir Project, in this urban transformation project, the contracts with the floor owners have been completed by 75%. We will continue to disclose developments on KAP as they occur. Another project we are developing is a project on land owned by QC Construction AŞ. Disclosures will be made on PDP as developments occur. The proceeds from the public offering are utilized in a way to protect the interests of our investors and will be spent for the construction of these projects as our projects progress. We will also have new projects in the following periods.

Regarding your question about loss, MHR REIT has no loss. We declared a profit in IFRS, and although there was a profit in VUK, no profit was distributed due to previous year losses. MHR REIT is not a company with a loan debt. Therefore, there is no debt or loss situation. In the coming periods, we want to increase our investments, increase our total assets and increase our balance sheet. Bonus dividend and dividend distribution will be evaluated according to the conditions in the coming years. Our Company aims to become a large REIT and to have a good position in the sector. We are the only REIT in the sector with an insurance subsidiary. We have the power of the Maher Group, the insurance group and the finance group behind us. We are the first company of the group to be offered to the public. We have taken the lead in this regard. The public offering of Quick Sigorta AŞ, which will follow us, is also in progress. We endeavor to carry out our work in the best way possible with our investors in mind. There are many rumors regarding the tax draft on the agenda. It would be appropriate to evaluate this package after the bill is submitted to parliament.

Question 2- Mr. Erdal Peker asked “What is building completion insurance? What will be done about the owners who do not want to sign in Ataşehir Project? Why did the YAG Valuation total fall to 3,459 million in 2022 and 3,367 TL in 2023? Why did the profit decrease in 2024 compared to the profit of previous years?”

Information provided by Mr. Volkan YILDIZ, Member of the Board of Directors, Mr. Müşfik CANTEKİNLER, Independent Member of the Board of Directors and Mr. Şualp Nurkan KAÇMAZ, General Manager at the General Assembly Meeting:

Building completion insurance ensures that if the contractor experiences a problem during the construction process, the insurance company steps in to fulfill the terms of the contract and the construction is completed and delivered.

In our Ataşehir urban transformation project, the law finds it sufficient to reach an agreement with 51% of the condominium owners, but our goal is to reach agreement with all owners. At this point, 75% of the signatures have been completed. The signing process will continue and our Company will start construction works in this process.

The effect of inflation accounting is that real estate value increases are not reflected on the balance sheet and profitability decreases. Real estate value increases are eroded by the effect of inflation accounting. The same is true for profitability; realized profits are adjusted for inflation. Although this situation decreases profitability and value increases, it enables equity to grow. Our company's shareholders' equity continues to grow.

Question 3- Mr. Okan Deniz asked electronically “At what stage is the Ataşehir urban transformation project? Are you waiting to reach an agreement with all the condominium owners in the area for the construction to start? Or has the construction started on the parcels you have agreed on? At what stage is the Tuzla villas project?”

Information given by Mr. Şualp Nurkan KAÇMAZ, General Manager, at the General Assembly Meeting:

There was no positive development in the Tuzla Project. In the Ataşehir Project, contracts with condominium owners have been completed by 75%.