

Akfen Gayrimenkul Yatırım Ortaklığı A.S.

Real Estate Appraisal Report

Novotel Istanbul Bosphorus Hotel

Beyoglu/Istanbul

05.01.2018 / 2017REV768

Akfen Gayrimenkul Yatırım Ortaklığı A.S.

Buyukdere Avenue., No: 201, C Block, Floor: 8, Levent – Besiktas/Istanbul.

Dear Hüseyin YILMAZ,

In line with your request; 2017REV768 numbered valuation study was prepared for total market value of “Novotel İstanbul Bosphorus Hotel” located in Beyoğlu. Valuation issue is immovable, is located on the total area of 3.074,58 sqm on a section of land which has total gross construction area of 20.926,10 sqm. The market value of the immovables have been appreciated as follows. The appreciated value, has been evaluated with negative factors, assumptions and limitations of valuation.

NOVOTEL ISTANBUL BOSPHORUS HOTEL IN TOTAL AMOUNT OF CASH RENTAL INCOME VALUE (EXCEPT VAT) *

Report Date	05.01.2018	
Value Date	29.12.2017	
Exchange Rate	Buying: 1 USD = 3,8104 TL Buying: 1 EURO = 4,5478 TL	Selling: 1 USD = 3,8173 TL Selling: 1 EURO = 4,6560 TL
Market Value	180.355.000-TL	Onehundredeightymillionthreehundredfiftyfivethousand -TL
	39.655.000-EURO	Thirtyninemillionhundredsixhundredfiftyfivethousand - EURO

***It has been estimated pursuant to the “Transfer Contract” that was signed on the same date with the approval for the “Construction Lease Agreement” dated 01.02.2009, obtained from T.R Prime Ministry the General Directorate of Foundations on 22.06.2011 and the lease contract dated 04.01.2013.**

Calculations, informations and explanations which have been made in order to aim market value determination, are in the report content. Analysis and calculations that made for assessment of market value, have been prepared compatibly by RICS within the scope of the Valuation Standards defined in the “Redbook” and the International Valuation Standard (IVS).

Valuation Purpose and informations of client have been specified at the report which has been prepared referring to contract by 2911 numbered and 13.10.2017 dated. It is not possible to use with any exception of the purpose valuation or by another client.

We are pleased to cooperate with you in this study. If you have any question related to the report, you can contact us.

Best Regards,

TSKB Gayrimenkul Değerleme A.S.

Kenan EMİK Appraiser Licence No: 406080	Doğuşcan İĞDIR Appraiser Licence No: 404244	Simge SEVİN, MRICS Appraiser/Manager Licence No: 401772	Ozan KOLCUOĞLU, MRICS Appraiser in Charge Licence No 402293
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We hereby state the following matters regarding the appraisal report;

- ✓ The findings provided in the following report are true to the knowledge of the Appraisal Expert;
- ✓ The analyses and the results are only limited to the specified assumptions and conditions;
- ✓ The appraiser has no interest whatsoever related to the property which is subject to the valuation;
- ✓ The appraiser's remuneration does not depend on any section of the report;
- ✓ The appraiser was realized in accordance with the ethic rules and the performance standards;
- ✓ The appraiser possesses the professional education requirements;
- ✓ There is not any conflict of interest between us and the customer,
- ✓ The appraiser has previous experience in the subject of the location and type of the property which is being valued;
- ✓ The Appraiser has personally inspected the property;
- ✓ No one, other than those specified in this report, has provided any professional help in the preparation of this report.
- ✓ This valuation report has been prepared by RICS within the scope of the Valuation Standards defined in the "Redbook",
- ✓ The subject report has not been prepared in order to be used in transactions for collateral purposes; it has been prepared within the scope of the International Valuation Standard (IVS),
- ✓ The soil investigations and soil contamination studies in real properties remain within the professional scope of the "Environment Geophysics" discipline. Our company does not have any specialty in this field and a detailed investigation has not been made on this subject. However, during the on-site observations, any negative impacts of the real property on the environment have not been observed. Therefore, the valuation study has been carried out assuming that there is no negative environmental impact.
- ✓ There are no tacit and / or legal problems with valuation assets; That even if such a problem exists, it is assumed that these problems will be solved
- ✓ This report has not been prepared further to the related provisions of the Capital Markets Regulation.

The ISO 9001:2008 Quality Management System for the production activities of TSKB Real Estate Appraisal Company has been certified by BSI."

Certificate No: FS 509685

Executive Summary

OPEN ADDRESS OF PROPERTY	Kemankes Kara Mustafa Pasa neighborhood, Kemankes street., No: 57 ve No: 59, Beyoğlu – Istanbul.	
USE OF PROPERTY	Hotels and commercial units operated by the valuation date.	
TITLE DEED INFORMATION	İstanbul province, Beyoğlu district, Kemankes Neighbourhood, 77 section, 64 parcel, 1, 2, 3, 4, 5 and 6 no’lu independent sections.	
ZONING STATUS	While the parcel where the real properties subject to valuation had remained in the legend of “Tourism + Service + Trade (TST) within the scope of “Urban Protected Area Implementary Development Plan for the purpose of Preservation” with a scale of 1/1.000, dated 21.12.2010, it was cancelled by the decision of Istanbul 10th Administrative Court dated 12.04.2017. The parcel where the real properties subject to valuation remains in the unplanned area as of the date of valuation.	
SPECIAL ASSUMPTIONS	There are no special assumptions under the valuation study	
LIMITATIONS	Within the framework of the valuation study, there are no restrictions on the direction of customer demand.	
VALUATION PURPOSE	This valuation report, the Parties, the immovable was prepared as an immovable property to be offered to the public under the Real Estate Investment Trust. The report has not been prepared for use in collateralized transactions and has been prepared in accordance with International Valuation Standarts.	
THE HIGHEST AND THE BEST USE	It is considered that the most efficient and productive use of the immovable property under appraisal would be for “Hotel and commercial” purposes in line with its zoning status and current use.	
REPORT DATE	05.01.2018	
VALUE DATE	29.12.2018	
EXCHANGE RATE INFORMATION	1 USD Buying = 3,8104 TL	1 USD Selling = 3,8173 TL
	1 USD Buying = 4,5478 TL	1 USD Selling = 4,6560 TL
MARKET VALUE (EXCEPT VAT)	180.355.000 TL Onehundredeigtymillionthreehundredfiftyfivethousand -TL	39.655.000-EURO Thirtyninemillionhundredsixhundredfiftyfivet thousand -EURO

This page is an integral part of this appraisal report and can not be used independently with the detailed information in the report.

SECTION 1

REPORT, COMPANY AND CUSTOMER INFORMATION

Section 1

Report, Company And Customer Information

1.1 Report Date and Number

This report was issued by our company on 05.01.2018 and number 2017REV768 and made by the firm, titled as Akfen GYO A.S.

1.2 Report Type and Valuation Purpose

This report is the real property valuation report prepared in order to determine the total present value in Turkish Lira of the other revenues of the 6 real properties that are located in Istanbul province, Beyoglu district, Kemankes Neighborhood, section 77, parcel no. 64, arising from the operating contract of definite duration and/or from the building's rental contract, as of 05.01.2018.

It has been estimated pursuant to the "Transfer Contract" that was signed on the same date with the approval for the "Construction Lease Agreement" dated 01.02.2009, obtained from T.R Prime Ministry the General Directorate of Foundations on 22.06.2011 and the lease contract dated 04.01.2013.

The report has not been prepared for use in collateralized transactions and has been prepared in accordance with International Valuation Standarts.

This valuation report, the Parties, the immovable was prepared as an immovable property to be offered to the public under the Real Estate Investment Trust.

1.3 Persons Issuing the Report

This appraisal report has been prepared through using the information obtained from the people – organizations – institutions as a result of the inspection at the place of the property. This report has been prepared by Kenan EMİK (Licence No: 406080) under the control of Doğuşcan İĞDIR (Licence No: 404244), Simge SEVİN AKSAN (Licence No: 401772) and Ozan KOLCUOĞLU (Licence No:402293).

1.4 Appraisal Date

For this valuation report, the appraisers of our company have started their studies on the 27.10.2017 and have prepared the report as of the valuation date of 05.01.2018. Not only examinations conducted at real estate location, municipality and land registry but also office work is done during appraisal study.

1.5 Base Contract and No

This appraisal report was issued in accordance with the provisions of the base contract that was executed by and between Akfen GYO A.S. and our Company on 13.10.2017 an numbered 2977-11 and has determined the rights and obligations of the contractual parties.

1.6 Factors Affecting the Appraisal Process Negatively

There are not any negative factors that affect or limit the appraisal process in general aspect.

1.7 The Scope of the Client Demands and Delimitation

This report is the real property valuation report prepared in order to determine the total present value in Turkish Lira of the other revenues of the 6 real properties that are located in Istanbul province, Beyoğlu district, Kemankes Neighborhood, section 77, parcel no. 64, arising from the operating contract of definite duration and/or from the building's rental contract, as of 05.01.2018.

*It has been estimated pursuant to the "Transfer Contract" that was signed on the same date with the approval for the "Construction Lease Agreement" dated 01.02.2009, obtained from T.R Prime Ministry the General Directorate of Foundations on 22.06.2011 and the lease contract dated 04.01.2013.

No limitations have been introduced by the customer during the appraisal.

1.8 Company's Information

TSKB Real Estate Appraisal Corp. operates at Meclisi Mebusan Caddesi, Molla Bayırı Sokak, No:1, Fındıklı-Beyoğlu, Istanbul address, and has been established in order to perform the activities and services defined as Expertise and Valuation as per the Company Main Charter published in the Trade Registry Gazette dated 13.11.2002 and numbered 5676, with a capital of 300,000 Turkish Liras.

Our Company is taken on the lists of companies, which will offer appraisal services, within the framework of the Capital Market Board (SPK) legislation by the letter of SPK dated February 03, 2003 and no. KYD-66/001347, of Capital Market Board of the Prime Ministry.

Moreover, our company has authorization to provide services of "Valuation of rights and benefits related to real estate, real estate project or a real estate" with the decision no 34469 dated 17.12.2009 of the Banking Regulation and Supervision Agency.

As of 17.03.2011, our company has been awarded the "regulated by RICS" status by RICS (Royal Institution of Chartered Surveyors), which is an international professional organization.

Our company holds the ISO 9001:2008 Quality Certificate issued by BSI (BSI Eurasia Management Systems Certification Ltd. Co.)

Company Web Adress: www.tskbgd.com.tr

1.9 Client Information

This appraisal report has been prepared for Akfen GYO A.S. located at the address of Büyükdere Avenue, No: 201, C Block, Floor: 8, Levent- Besiktas/ISTANBUL.

SECTION 2

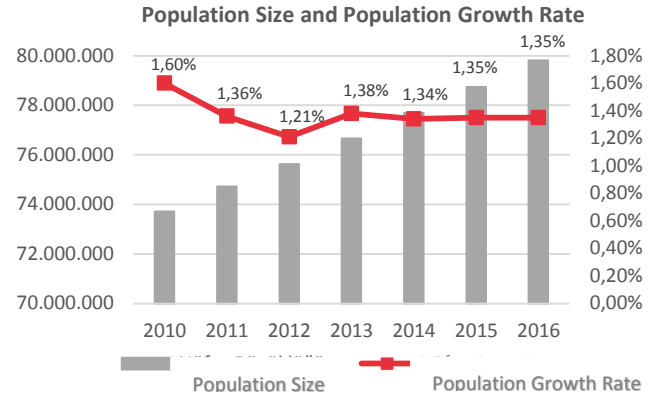
DEMOGRAPHIC AND ECONOMIC DATAS

Section 2

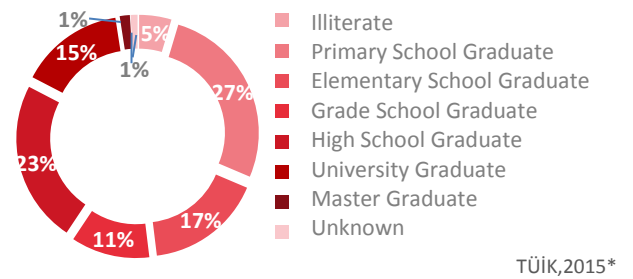
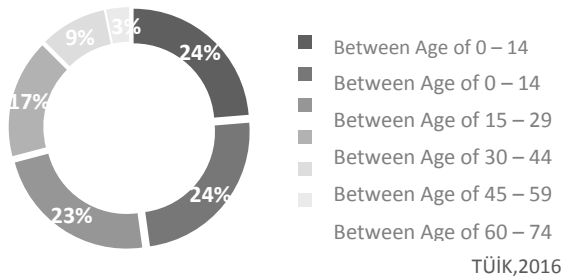
Demographic and Economic Datas

2.1 Demographic Data

According to the Address Based Population Registration System data, the population of Turkey as of December 31, 2016 is 79.814.871 (% 1,35 of rate) persons. In 2016, the population residing in Turkey has increased by 1.073.818 persons. From this population, 50.2% (40.043.650 persons) are males, and 49.8% (39.771.221 persons) are females. The average household size is 3,58 on average in the last five year.

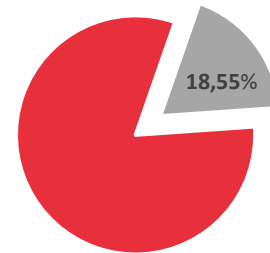


In the tables and graphs below, according to the data of Address Registration System 2015 and 2016, population distribution and educational status according to age group for Turkey are shown.

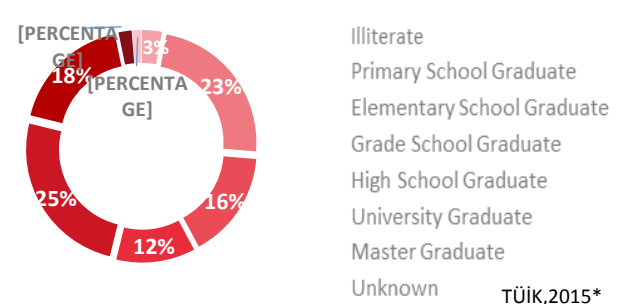
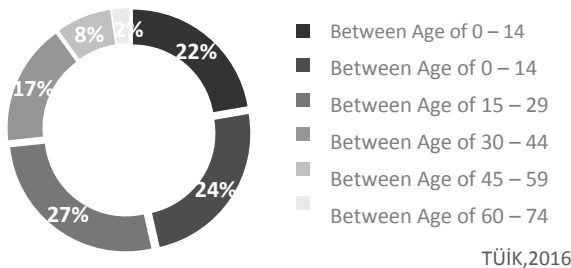


Istanbul

Istanbul, where 18.5% of Turkey's population resides in 2016, is the province with the highest population with 14.804.116 people. The population of Istanbul has increased by 19.3 per cent in 2016, at a level close to the average population growth rate of the last five years. The average household size is 3.52 in the last five years.



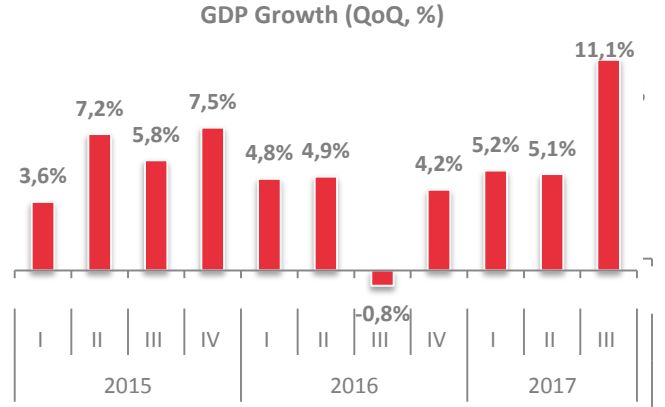
In the tables and graphs below, according to the data of ADNKS 2015 and 2016, population distribution and educational status according to age group for İstanbul are shown.



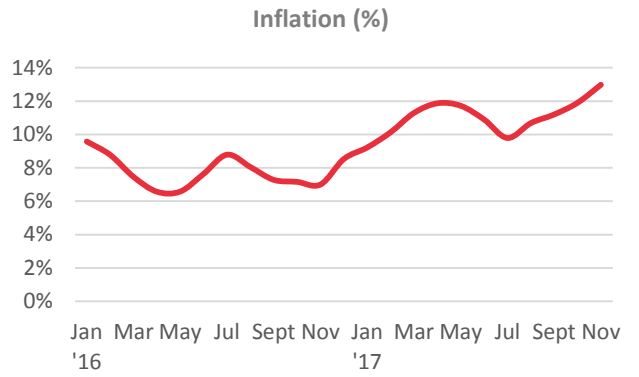
2.2 Economic Data¹

Turkish economy posted an 11,1% YoY growth in the third quarter of 2017. From the expenditure side, 11,7% growth in household consumption was the driving force behind the strong topline growth. In this period, gross fixed capital formation, supported by the 12% growth in construction and 15,3% growth in machinery, recorded 12,4% growth. From the production side, a general boost was observed throughout all of the sectors except finance. In the third quarter of 2017, seasonally adjusted figure pointed to 1,2% growth compared to the previous quarter. As of September 2017-end Turkish economy sized TL 2,9 trillion (US\$844bn).

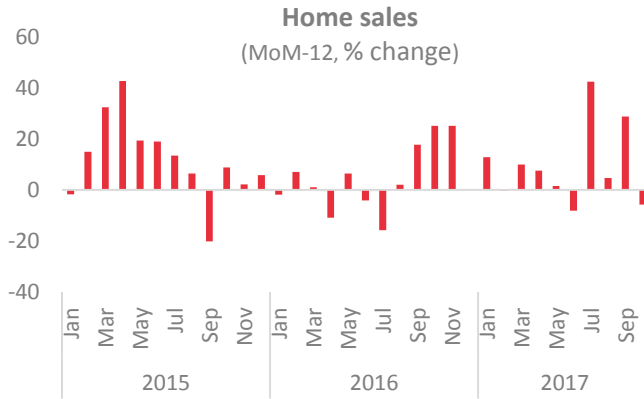
In November, annual inflation rose from 11,90 to 12,98, after CPI increased 1,49% on a monthly basis removing 0,52% rise in the same month of last year out of the series. The respective 2,11% and 3,77% rises in food and clothing prices and 2% rise in transportation led by the the recovery in crude prices and TL's depreciation were the drivers of the boosting inflation. Core inflation that is calculated excluding energy and food reached a 13-year high of 12,08, indicating that upside risks in inflation



Source: Turkstat

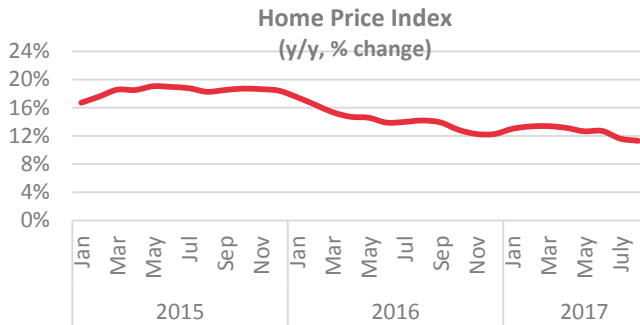


Source: Turkstat
were still high.



Source: Turkstat

Home sales declined 5,7% in October on the same month of last year. After the impressive rise in September due to the demand pulled earlier as the tax deduction in the purchasing of houses would expire at the end of the month, there had been an expectation of a slow-down in October. However, such a big 19,8% decline in mortgage home sales might be an adverse reflection of rising interest rates. Ten-month home sales increased by 8,2% reaching 1.153.610.



Source: CBRT

In September, annual rise of the housing price index slowed down from 11,3% to 11,1%. The accelerated yearly housing price increase during 2017 has been the lowest growth rate since 2013 with 11,1 %. With the housing price increase in September, the price increase rate for the first 9 months was 8,90% at the beginning of the year. On the other hand, the housing loan volume, continuing similar growth since June, reached TL 188,28 billion and increased by 0,85% in October.

¹ TSKB A.S.

SECTION 3

TITLE DEED AND ZONING INFORMATION OF THE REAL ESTATES

Section 3

Title Deed And Zoning Information Of The Real Estates

3.1 Title Deed Information of the Real Estates

Province	Istanbul			
District	Beyoglu			
Quarter	Kemankes			
Village	-			
Street	-			
Location	77			
Section No.	64			
Parcel No.	3.074,58			
Land Area	9 Storey Hotel & Business			
Independent Section No.	Floor	Land Share / Denominator	Quality of the Independent Section	Owner / Share
1	3. Basement + 2 + 1 basement Basement + Ground + 2 + 3 + 4 + 5 + 1. + Winter Garden	919/1000	Hotel	Multiple beneficiaries*
2	Ground	38/1000	Warehouse Shop	Multiple beneficiaries*
3	Ground	2/1000	Store	Multiple beneficiaries*
4	Ground	28/1000	Warehouse Shop	Multiple beneficiaries*
5	Ground	5/1000	Store	Multiple beneficiaries*
6	Ground	8/1000	Store	Multiple beneficiaries*

***All property subject to appraisal is in the property of the same owners. All of the owners of immovables are foundations.**

There is the right of "Construction Conditional Lease" to the benefit of Akfen Karaköy Gayrimenkul Yatırımları ve İnşaat A.Ş, that is valid between 01.09.2009 – 01.09.2058, that there is 69,99 % share of Akfen GYO A.Ş on each share of the real properties subject to valuation.

3.2 Title Deed Examination of the Real Estates

The examination of the appraisal expert on the title deed records of the concerned immovable was performed for the purpose of the determination of the rights in rem that constitute the ownership of the concerned property and the limitations imposed on the said rights.

According to the title deed registry records obtained through the Title Deed Registry Directorate Online system on 31.10.2017, at 08:59 and 09:00, the encumbrances on the real properties are as follows;

On All Independent Departments and All Owners' Interests

In easement;

- “Other Easement Rights: Turkey Electricity Distribution Company in favor of the General Directorate of 46.54 square meters substation location of the easement for 49 years.” (17.09.2015 date ve 9714 with a diary number)

Annotations;

- “264.141 TL bedel karşılığında kira sözleşmesi vardır. Akfen Karaköy Gayrimenkul Yatırımları ve İnşaat Anonim Şirketi’ne 49 yıl süre ile kira şerhi.” (04.10.2012 date ve 8861 with a diary number)
- “There is a lease agreement for a price of TL 264.141. Akfen Karaköy Gayrimenkul Yatırımları ve İnşaat Anonim Şirketi for a period of 49 years.” (04.10.2012 date ve 8861 with a diary number)

Encumbrances documents are presented in the appendix.

3.3 Property Status and Legal Documents

The zoning regulations introduce arrangements regulating land utilization and the volume of land development. During the review of the zoning and building regulations, an appraiser should take into consideration all the current regulations and the probable changes that might occur in the specifications.

According to the information obtained from the Beyoglu Municipality on 27.10.2017, the reconstruction status information of the parcel where the property subject to valuation is located is given below.

While the parcel where the real properties subject to valuation had remained in the legend of “Tourism + Service + Trade (TST) within the scope of “Urban Protected Area Implementary Development Plan for the purpose of Preservation” with a scale of 1/1.000, dated 21.12.2010, it was cancelled by the decision of Istanbul 10th Administrative Court dated 12.04.2017. The parcel where the real properties subject to valuation remains in the unplanned area as of the date of valuation.

According to the decision of T.R Ministry of Culture and Tourism the Regional Board of Cultural and Natural Heritage No.2, dated 02.08.2017, the relevant preservation and usage conditions of the board shall apply in the transition period.



The conditions of restoration before the decision of Istanbul 10th Administrative Court dated 12.04.2017;

Plan Name: 1/1.000 scale “Kentsel Sit Alanı Koruma Amaçlı İmar Planı” (Urban Conservation Areas of Conservation Zoning Plan)

Plan Approval Date: 21.12.2010

Legend: Tourism + Service + Commerce

Construction requirement:

- Maximum Storey Height: Partially 12,50 - 18,50 m.

✓ **Licences and Permits:**

According to the examinations made on 27.10.2017 in Beyoglu Municipality and Beyoğlu Land Registry Directorate, the legal documents belonging to the building where the property subject to valuation are located are stated in the order of history.

- There is a "**Approved Architectural Project**" prepared for the construction of "Hotel and Dükkan" building with a total construction area of 20.926.10 m², dated 12.01.2016.
- There is a "**Building License**" for the renovation of the Hotel and Dükkan with a construction area of 20,926,10 m² with a license number of 2016 / 01-11 dated 18.01.2016.
- There is a "**Building Permission Certificate**" for the purpose of the new construction given for the "Hotel and Dükkan" with the construction area of 20.926,10 m², dated 12.02.2016 and numbered 2016 / 14-4587.

Architectural Project		Construction License		Occupancy Permit	
Date	Area (m ²)	Date	Area (m ²)	Date	Area (m ²)
12.01.2016	20.926,10	18.01.2016	20.926,10	12.02.2016	20.926,10

✓ **Building Supervision:**

The immovable property subject to valuation is subject to the Act on Building Inspection No. 4708 dated 29.06.2001 and construction supervision was carried out by Tek Yapı Denetim Hiz. Ltd. Sti. operating at Kısıklı Neighborhood., Alemdağ Avenue., Masadan Business Center, Block: A, No: 40, Uskudar / ISTANBUL address.

SECTION 4

LOCATION ANALYSIS OF THE REAL PROPERTIES

Section 4

Location Analysis of the Real Subject

4.1 Situation, Position and Environmental Features of the Real Estate

The open address of the immovable property: Kemankes Kara Mustafa Pasa neighborhood, Kemankes street., No: 57 ve No: 59, Beyoglu – Istanbul.

Karakoy region, where the subject real properties are located, is one of the oldest trade centers in Istanbul. In the region still maintaining this characteristic at the present time, there are medium-class office buildings and the buildings that are operated with office block concept on Kemaraltı Street that is one of the commercial and social axes of the region. The construction of Salı Pazarı Cruise Port Project that is located in the interaction area of the region where the subject real properties are located is continuing, it is thought that the functions that are planned to be contained will have positively effect on the region.

The age of the buildings is generally between 20 – 40 years in Karaköy and its vicinity and there is only a few empty land stock. When tourism potential of the region where there are many offices, office block, and commercial buildings are located is also considered, it is observed that the branded hotels having 100 rooms and more fall short.



There are the areas where office and trade units are concentrated such as the head offices of the companies operating in the service sector, banks, financial institutions, sea, firms selling marine, fishery, office supplies and important buildings such as Istanbul Modern, Kılıç Ali Pasa Mosque, Aya Nicholas Church, Tophane Nusratiye Mosque, Istanbul Gold Exchange, Karaköy Port Maritime Lines ad St Benoit High School are located in the immediate vicinity of the real properties.

The region can be accessed easily by using sea and land rail system, the region is located at the middle of the important transfer centers such as Sirkeci, Besiktas, and Taksim.



Distances on the Some Important Centers;

Place	Distance
Tophane Tram Station	0,20 km.
karakoy pier	0,50 km.
Taksim Square	1,40 km.
15 Temmuz Sehitler Bridge	5,00 km.
Ataturk Airport	20,50 km.

SECTION 5

PHYSICAL INFORMATION OF THE REAL ESTATE

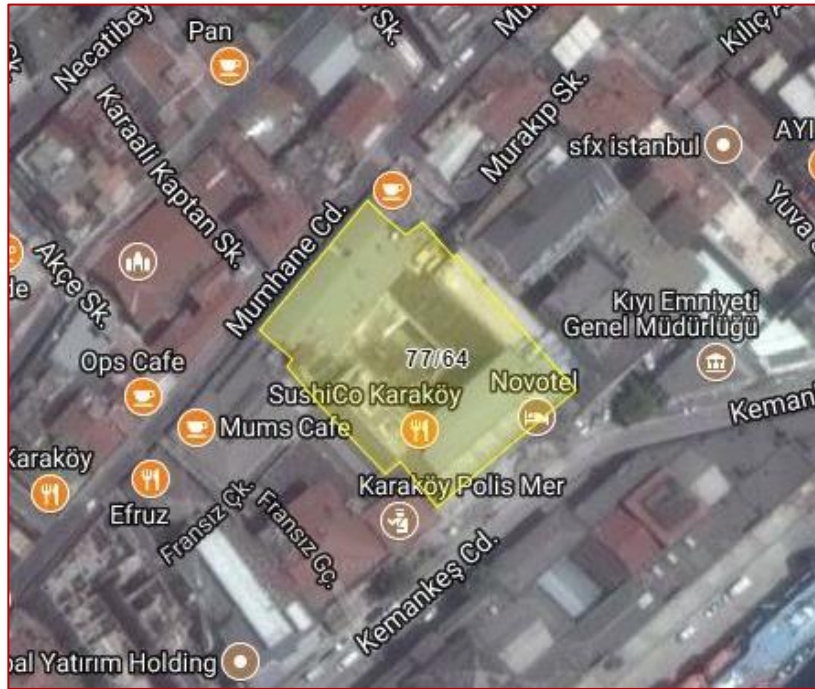
Section 5

Physical Information of the Real Estate

5.1 Definition of the Subject Property of Appraisal

The real properties subject to valuation are 6 independent sections located on section 77, parcel no. 64 in Istanbul province, Beyoğlu district, Kemankes Neighborhood. The subject real properties are jointly owned by several foundations, there is the operating right within the scope of the "Construction Lease Contract" between 01.09.2009 and 01.09.2058 to the benefit of Akfen Karaköy Gayrimenkul Yatırımları ve İnşaat A.S where there is 69,99 share of Akfen GYO A.S on the subject real properties. Apart from this contract, there is the rental agreement between Akfen Karaköy Gayrimenkul Yatırımları ve İnşaat A.S and Tamaris Turizm A.Ş dated 04.01.2013 for the independent section no. 1.

The section 77, parcel no. 64 where the subject real properties are located has a flat topography and a geometric form similar to a rectangle. The subject parcel has the front to Mumhane Street and Kemankes Street.



According to the occupancy permit dated 12.02.2016 and present situation, it is comprised of the total 10 floors including 3 basements + the ground floor + 5 normal floors + garret and consists of the construction area of 20.926,10 sqm. The building comprising of the total of 6 independent sections was separated to the independent sections as the hotel building and 5 commercial units.

The hotel section named as the independent section no.1 according to the land registry records has the total construction area of 20.461,90 sqm according to its approved certificates and present situation. There are 196 rooms in the hotel section comprising of 3 basements, a portion of the ground floor, 5 normal floors and the sections named as the winter garden (garret).

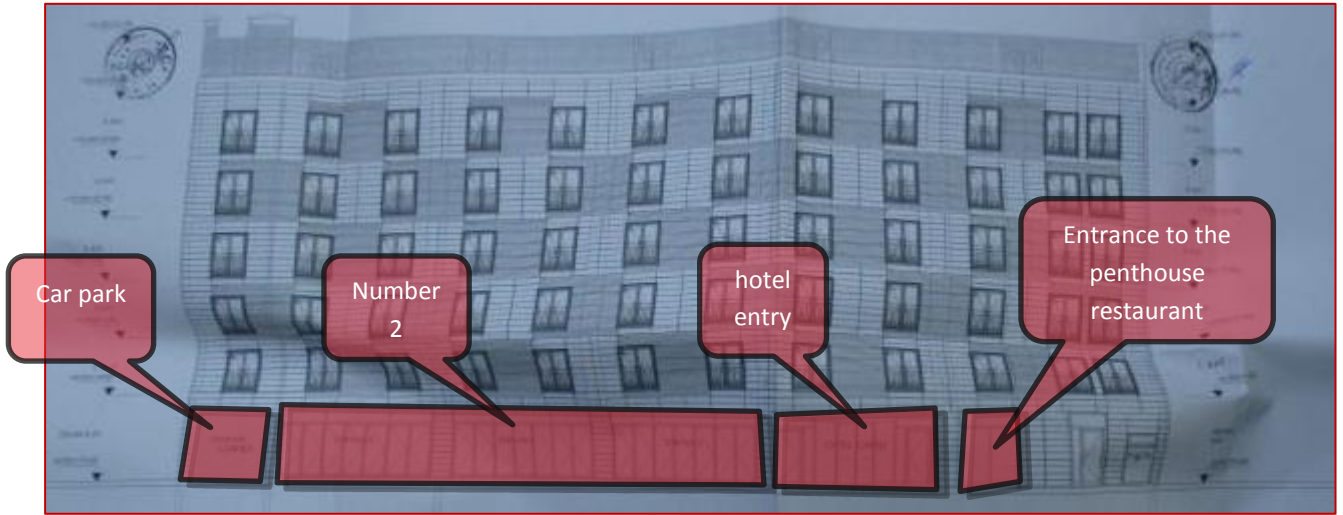
Apart from the hotel section, the real properties with the independent section no. 2, 3, 4, 5 and 6 that are located on the ground floor of the building qualify as shops. Of the subject real properties, the real property of independent section no.2 has the front to Kemankes Street and the independent section no. 3, 4, 5 and 6 have the front to Mumhane Street.

Legal Status and Current Status Independent Section Areas;

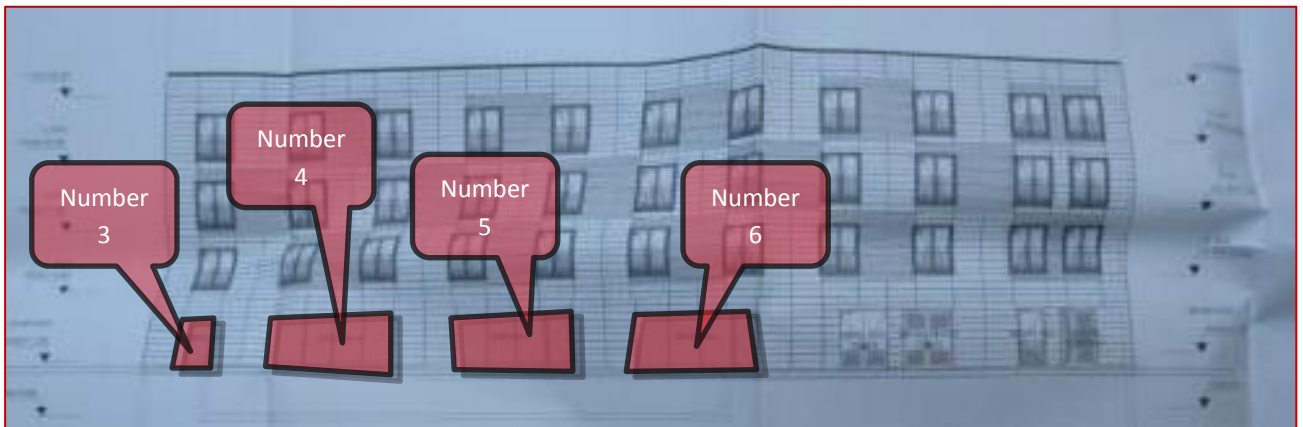
Independent Section number	qualification	Floor	Gross area (sqm)
1	Hotel	3rd, 2nd and 1st Basement Floor + Ground Floor + 1st, 2nd, 3rd, 4th and 5th Normal floor + Roof Floor	20.461,90
2	Store	Ground Floor	210,00
3	Store	Ground Floor	15,20
4	Store	Ground Floor	160,00
5	Store	Ground Floor	30,00
6	Store	Ground Floor	49,00

The Bosphorus and historical peninsula can be seen from the rooms that are located on the 4th and 5th floor and are facing Kemankes Street, of the hotel which was built as a 4-star concept. Apart from the accommodation facility, there are the hotel sections that are being used as meeting and conference hall and also 1 restaurant located on the garret floor within the hotel enterprise.

Mumhane Avenue;



Kemankes Avenue;



5.2 Structural Construciton Features of The Subject Property

Construction Style	Reinforced concrete
Construction Order	adjacent
Floor Number Of The Building	3 basement floors + ground floor + 5 regular floors + attic
Total Area Of The Independent Section	20.926,10 sqm.
Age	~5
Exterior Front	Light marble and wood
Electric / Water / Sewage	mains
Heating System	VRV
Ventilation System	Available
Elevator	Available (six units)
Fire Extinguishing System	Available
Fire Escape	Available
Car Park	Parking Garage
Others	Fire Detection and Security System, Emergency Elevator

5.3 Değerleme Konusu Taşınmazın İç Mekan İnşaat ve Teknik Özellikleri

At the discretion of the value of the immovable, the following indoor construction and technical specifications are taken into consideration.

Purpose of	Hotels and shops (legal and according to the current situation)
Area	20.926,10 sqm.
Ground	3rd and 2nd basement floors: ceramic-granite in common areas, tiles in wet areas, parking lot epoxy coating, Hotel part: carpeting, ceramics and wood, Shope sections: wood, ceramic and gross concrete.
Wall	3rd and 2nd basement floors: decorative rough plaster, Hotel part: wall paper, Shop divisions: wood, decorative plaster.
Ceiling	3rd and 2nd basement floors: decorative rough plaster, Hotel and shop department: suspended ceiling
Lighting	3rd and 2nd basement floors: fluorescent Hotel and shop department: decorative lighting

5.4 Date taken as basis in Physical Valuation

- It has been learned that the appraisal property was opened to operation about 2 years ago. The hotel division is operated according to the lease agreement as of the date of valuation and immovables of 3, 4, 5 and 6 independent partitions of the departments are vacant by the date of valuation.
- Construction of the Salı Pazarı Cruise Port is in the vicinity of the property subject to valuation.
- From the point of view of the immovable property, it is seen that the customer of the hotel qualified immovable is generally foreign tourists.
- Valuation is provided via Kemankes Avenue where pedestrian entrance to the building where the immovables are located and parking entrance.
- The property subject to appraisal is easily accessible with sea, land and light rail system.

SECTION 6
SWOT ANALYSIS

Section 6

SWOT Analysis

+ STRENGTHS

- The trade volume of the region where the real properties are located is large and tourism activity is high.
- The building where the real properties are located can easily be reached by sea, land and light rail system.
- The Bosphorus and historical peninsula can be seen from the rooms that are located on the 4th and 5th floor of the property that qualifies as the hotel.

- WEAKNESS

- Of the real properties subject to appraisal, a portion of the properties which qualify as shop are vacant that is considered to have a negative impact on the prestige of the hotel.
- There is a dense traffic at certain hours of a day and week in Karaköy region where the real properties subject to valuation are located.

✓ OPPORTUNITIES

- It is considered that Salı Pazarı Cruise Port project of which the construction is continuing in the vicinity of the subject real property will positively impact on the trade volume and tourism activity of the region.
- It is possible that Karakoy region of which the number of visitors increased as of the 3rd quarter of 2017 will also develop in the following years.

✘ THREATS

- The leases and sales transactions in the region where the subject real properties are located are generally made in US dollars and Euros. The fluctuations experienced in the foreign currency/TL conversions have also a negative impact on the real estate sector, and decreases may be experienced in sales/lease valued based on the foreign currency.
- The building where the subject real properties are located is a candidate for the green building certificates such as LEED and BREEAM.
- There are many large and small construction sites in the region where the real properties subject to valuation are located; it is thought that this could have a negative effect on the commercial perception of the streets where the main real property is facing.
- The sales transactions in the tourism sector are generally made in US dollars and Euros. Nowadays, the fluctuations experienced in the conversion of foreign currencies/ TL may lead to decreases in the sales prices based on the foreign currency.

SECTION 7

ANALYSIS OF THE METHODS USED IN THE APPRAISAL

Section 7

Analysis Of The Methods Used In The Appraisal

7.1 Valuation Methods

There are three different valuation methods within the scope of International Valuation Standards. These methods are respectively the methods of "Equivalent Comparison Approach", "Cost Formation Approach" and "Income Reduction Approach". The definitions of all three approaches in International Valuation Standards are given below.

Market Approach

The equivalent comparison method ensures that the indicative value is comparatively determined with the same or the similar assets of the assets subject to appraisal, which have price information.

The first step to be taken is to consider the price of the transactions that have occurred recently in the market regarding the same or similar assets. If a limited number of transactions have occurred, then it would be appropriate to consider the prices traded or offered for the similar or the same assets provided that the validity of such information is determined and analyzed critically. In order to reflect the differences between the actual transaction conditions and all assumptions made in the appraisal, it may be necessary to make corrections on the price information obtained from other transactions. Furthermore, there may be also differences between the asset that is valued and the assets of other transactions in terms of legal, economic and physical aspects.

Cost Analysis Approach

The cost approach ensures that the indicative value is determined by the implementation of an economic principle that a buyer will not pay more than the cost of an acquisition of another asset having the equal benefit to him for an asset whether obtained by purchasing or construction.

This approach is based on the principle that the price to be paid by a buyer in the market for the asset being valued will not be more than the cost of an equal asset whether by purchasing or construction unless the factors such as time, unsuitability, risk that cause unnecessary burden are concerned. Because of being worn and outdated, the attractiveness of the assets that are being valued is generally lower than the alternatives to be purchased or built. Where this is the case, it may be necessary to make adjustments to the cost of alternative asset depending on the value basis that has to be used.

Income Capitalization Approach

Different methods are used to determine the value under the main heading of Income approach; the common characteristic of all of them that the value is based on actual income de facto obtained by the right owner or estimated incomes to be obtained.

The income for an investment property may be in the way of lease, it may also be a hypothetical lease (or saved rent) based on the cost that the property owner bears for renting an equivalent space in the building used by its owner. The defined cash flows are then used for valuation by the capitalization process. The income streams which are expected to remain fixed can be capitalized using a single multiplier that is often referred as the rate of capitalization. This figure represents the return or "yield" for the investor that is expected to reflect the time cost and ownership risks and revenues, and theoretical return for the property owner using the property himself.

7.2 Value Definitions

The market value has been appraised as the final report value in this valuation work, the value definitions according to the International valuation Standards are as follows.

Market Value

In case of a real property is transferred between a buyer and a seller, on a certain date, it is the most probable, cash transfer value of the property determined by the conditions of providing the market conditions required by the sales, the willingness of the parties and both parties being informed of all cases related to the real property.

The validity of the following points is assumed in this valuation study.

- The buyer and the seller are acting in a reasonable and sensible matter.
- The parties are fully informed in respect of the real property and acting in a manner to ensure maximum benefit to them.
- A reasonable period of time has been granted for the sale of the real property.
- The payment is made in advance by cash or similar instruments.
- Financing which may be required in the course of purchasing and selling of the real property is carried out through the interest rates of the market.

7.3 Analysis of the Methods used in Valuation and the Reasons for the Selection of these Methods

In this section of the study, 'Market Approach' and 'Income Approach' are used for the value of the real estate.

Market Approach

In this section of the study, 'Market Approach' and 'Income Approach' are used for the value of the real estate.

The data provided within the peer survey were used in the income approach. In this study, the value of using the market approach has not been appreciated.

Comparables of shop / For rent

No	Location	Qualifications	Rent Situation	Gross Area (sqm)	Rent Price			Unit Rent Price			Appraisal According to Immovable Property
					(TL/mont h)	(EURO/month)	(USD/m onth)	(TL/sqm/m onth)	(EURO/sqm/month)	(USD/sqm/month)	
1	Rented shop on Kemeraltı Street.	Shop	Rented	300	35.000	7.682	9.169	116,67	25,61	30,56	*180 sqm ground floor, 120 sqm basement kattan is formed. *It is located in a region where commercial activity and pedestrian circulation are even less frequent.
2	Kemankes Avenu located on the rental shop.	Restaurant	For rent	230	30.483	6.691	8.000	132,54	29,09	34,78	*It is very close to the sea and has a sea view. *Structurally, valuation is not as good as department store-restaurant sections. *It is learned that there is a possibility of liquidation in the near future and it is suitable for short term leasing transactions.
3	Kemankes Avenu located on the rental shop.	Shop	For rent	20	2.750	604	720	137,50	30,18	36,02	*The valuation has similarities with department stores, department stores and restaurants. *The warehouse department is not available.
4	Rental shop located at the intersection of Mumhane and Maliye Avenu.	Restaurant	Rented	280	40.000	8.780	10.479	142,86	31,36	37,42	*Corner position. *Advertising ability and signage valuation is higher than department store-store-restaurant sections.
5	Beyoglu, Şahkulunda terrace restaurant for rent.	Restaurant	For rent	100	22.500	4.939	5.894	225,00	49,39	58,94	*The terrace is situated on the floor and the appraisal has a rather disadvantageous landscape compared to the restaurant on the terrace floor of the hotel.

Evaluation:

As a result of the equivalent research made for the real properties which qualify as shop, of the real properties subject to valuation, it has been observed that the rental shop prices in Karaköy region are decreasing based on Euro and Dollar by the impact of an increase in the foreign exchange rates. It has been found out that the unit sqm prices of the shops located in Kemankes and Mumhane Street are in the range of 25 – 35 USD/sqm/month.

Cost Analysis Approach

In this analysis, the building cost values of the property have been calculated with cost formation approach; according to the costs estimated by basing on the technical properties and the materials of the buildings, the construction costs of other buildings with same properties in the market and our past experiences. The depreciation cost of the buildings has been estimated according to the physically apparent conditions of the building by basing on the experiences of the appraisal expert.

The cost approach was not used in this study.

Income Approach

The valuation has been made by using the Discounted Cash Flow Method that is revenue discounting approach method, with the data of the rental equivalent research of the subject real property and the data reached as a result of the hotel management research.

Discount Cash Flow Method

The valuation has been made by using “Discounted Cash Flow method since the subject real properties are active hotel and shops.

Within the scope of the discounted cash flow method, the total present value of the real properties has been calculated pursuant to the “Transfer Contract” that was signed on the same date with the approval for the “Construction Lease Agreement” dated 01.02.2009, obtained from T.R Prime Ministry the General Directorate of Foundations on 22.06.2011 and the lease contract dated 04.01.2013.

General Assumptions:

- The areal information that was calculated through the architectural project has been used during the valuation work.
- The “Transfer Contract” that was signed on the same date with the approval for the “Construction Lease Agreement” dated 01.02.2009, obtained from T.R Prime Ministry the General Directorate of Foundations on 22.06.2011 has been taken as a basis in the subject work.
- In the valuation work, the period between 01.09.2009 – 01.09.2058 covered in the “Construction Lease Agreement” dated 01.09.2009 has been taken as a basis.
- The hotel subject to valuation was operated as 4-star Hotel and with the capacity of 196 rooms.
- The facility has been assumed to be open 365 days in a year.
- In the subject work, according to the Transfer Contract” that was signed on the same date with the approval for the “Construction Lease Agreement” dated 01.02.2009, obtained from T.R Prime Ministry the General Directorate of Foundations on 22.06.2011, it has been found out that 61.176 Euros was paid for the land lease for the period between 05.01.2018 – 27.11.2018, this was evaluated in this manner in the work.
- According to the information obtained from the customer, within the scope of the valuation work, it has been found out that 42.685 Euros was paid for the building insurance between 05.01.2018 – 05.01.2018, this amount has been used in line with the request of the customer. Again, at the request of the customer, the said amount has been included in the calculation so that the price will be increased every 10 years.
- It is assumed that all payments have been made in advance.
- It is assumed that all legal and legal procedures have been completed.
- Study IVSC (Under International Valuation Standards) tax not included.

Novotel İstanbul Bosphorus (4 stars)	
Number of Rooms	196
Number of Days Open	365
Room Capacity (Annual)	71.540
Room Price (EURO)	67,00
Price Increase Rate (First 4 years) (%)	5,50%
Price Increase Rate (First 5-10 years) (%)	2,50%
Price Increase Rate (11th and subsequent years) (%)	1,50%
Other Income Rate (%) (Based on Annual Room Sales Revenue)	30%
Innovation Cost Ratio (Through Annual Revenue) (%)	1,00%

Commercial Units	
Commercial Unit Area (sqm.)	464,20
Commercial Unit Unit Rent Value (sqm./EURO)	30,00
Commercial Unit Rental Revenue Increase (%) - 4 years	6,00%
Commercial Unit Rental Revenue Increase (%) - 5-10 years	2,50%
Commercial Unit Rental Revenue Increase (%) - other years	1,00%
Inflation Rate (First 10 years) (%)	2,00%
Inflation Rate (11th year and subsequent years) (%)	1,00%

According to the operation;

- For the operation of the subject hotel and leases of the shops, the time limitations included in the "Transfer Contract" that was signed on the same date with the approval for the "Construction Lease Agreement" dated 01.02.2009, obtained from T.R Prime Ministry the General Directorate of Foundations on 22.06.2011 have been taken as basis.
- In the appraisal study, Eurozone Eurobond rate of 3,30%, which is the last 6 months EURO 2025, was taken as "Riskless Rate of Return".
- 3.30% "Risk-free rate of return" na 6.70% "Risk premium" was added to the reduction rate of 10%.

Novotel İstanbul Bosphorus Hotel Cash Flow (UERO)

Years	29/12/2017	29/12/2018	29/12/2019	29/12/2020	29/12/2021	29/12/2022
Hotel						
Annual Room Capacity	71.540	71.540	71.540	71.540	71.540	71.540
Solidity ratio	0%	70%	75%	80%	85%	85%
Number of Rooms Sold	-	50.078	53.655	57.232	60.809	60.809
Room Price (EURO) (Units)	-	67,00	70,69	74,57	78,67	80,64
Annual Room Sales Revenues (EURO)	-	3.355.226	3.792.604	4.267.943	4.784.098	4.903.700
Other Income (EURO)	-	1.006.568	1.137.781	1.280.383	1.435.229	1.471.110
Total Hotel Income (EURO)	-	4.361.794	4.930.385	5.548.326	6.219.327	6.374.810
GOP (%)	-	40%	42%	45%	48%	48%
Total Hotel Revenues After Operational Expenses (EURO)	-	1.744.718	2.070.762	2.496.747	2.985.277	3.059.909
Commercial Unit Rent Income (EURO)		761.112	761.112	761.112	806.779	855.185
Refresh Cost (EURO)	-	43.618	49.304	55.483	62.193	63.748
Property tax (EURO)	-	0	0	0	0	0
Building Insurance (EURO)	-	42.685	42.685	42.685	42.685	42.685
Land Rental Rate (EURO) (Annual) (Akfen GYO A.S. Share)	-	60.558	61.769	63.005	64.265	65.550
Total Expenses (EURO)	-	146.861	153.758	161.173	169.143	171.983
Total Hotel and Commercial Unit Net Revenues (EURO)	-	2.358.968	2.678.115	3.096.686	3.622.913	3.743.111

29/12/2023	29/12/2024	29/12/2025	29/12/2026	29/12/2027	29/12/2028	29/12/2029	29/12/2030	29/12/2031	29/12/2032
71.540	71.540	71.540	71.540	71.540	71.540	71.540	71.540	71.540	71.540
85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
60.809	60.809	60.809	60.809	60.809	60.809	60.809	60.809	60.809	60.809
82,66	84,72	86,84	89,01	91,24	92,61	94,00	95,41	96,84	98,29
5.026.293	5.151.950	5.280.749	5.412.767	5.548.087	5.631.308	5.715.778	5.801.514	5.888.537	5.976.865
1.507.888	1.545.585	1.584.225	1.623.830	1.664.426	1.689.392	1.714.733	1.740.454	1.766.561	1.793.060
6.534.180	6.697.535	6.864.973	7.036.598	7.212.513	7.320.700	7.430.511	7.541.969	7.655.098	7.769.925
48%	48%	48%	48%	48%	48%	48%	48%	48%	48%
3.136.407	3.214.817	3.295.187	3.377.567	3.462.006	3.513.936	3.566.645	3.620.145	3.674.447	3.729.564
906.497	960.886	992.293	1.024.927	1.058.847	1.077.243	1.095.977	1.115.056	1.134.488	1.154.279
65.342	66.975	68.650	70.366	72.125	73.207	74.305	75.420	76.551	77.699
0	0	0	0	0	0	0	0	0	0
42.685	42.685	42.685	42.685	42.685	43.539	43.539	43.539	43.539	43.539
66.861	68.198	69.562	70.954	72.373	73.096	73.827	74.566	75.311	76.064
174.888	177.859	180.897	184.005	187.183	189.842	191.671	193.524	195.401	197.302
3.868.015	3.997.844	4.106.583	4.218.490	4.333.670	4.401.337	4.470.951	4.541.677	4.613.534	4.686.541

29/12/2033	29/12/2034	29/12/2035	29/12/2036	29/12/2037	29/12/2038	29/12/2039	29/12/2040	29/12/2041	29/12/2042
71.540	71.540	71.540	71.540	71.540	71.540	71.540	71.540	71.540	71.540
85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
60.809	60.809	60.809	60.809	60.809	60.809	60.809	60.809	60.809	60.809
99,76	101,26	102,78	104,32	105,89	107,47	109,09	110,72	112,38	114,07
6.066.518	6.157.516	6.249.878	6.343.627	6.438.781	6.535.363	6.633.393	6.732.894	6.833.888	6.936.396
1.819.955	1.847.255	1.874.964	1.903.088	1.931.634	1.960.609	1.990.018	2.019.868	2.050.166	2.080.919
7.886.473	8.004.770	8.124.842	8.246.715	8.370.415	8.495.972	8.623.411	8.752.762	8.884.054	9.017.315
48%	48%	48%	48%	48%	48%	48%	48%	48%	48%
3.785.507	3.842.290	3.899.924	3.958.423	4.017.799	4.078.066	4.139.237	4.201.326	4.264.346	4.328.311
1.174.436	1.194.967	1.215.878	1.237.178	1.258.874	1.280.973	1.303.485	1.326.416	1.349.777	1.373.574
78.865	80.048	81.248	82.467	83.704	84.960	86.234	87.528	88.841	90.173
0	0	0	0	0	0	0	0	0	0
43.539	43.539	43.539	43.539	43.539	44.409	44.409	44.409	44.409	44.409
76.825	77.593	78.369	79.153	79.944	80.744	81.551	82.367	83.190	84.022
199.228	201.180	203.156	205.159	207.187	210.113	212.195	214.304	216.440	218.605
4.760.715	4.836.077	4.912.646	4.990.442	5.069.486	5.148.927	5.230.527	5.313.438	5.397.682	5.483.280

29/12/2043	29/12/2044	29/12/2045	29/12/2046	29/12/2047	29/12/2048	29/12/2049	29/12/2050	29/12/2051	29/12/2052
71.540	71.540	71.540	71.540	71.540	71.540	71.540	71.540	71.540	71.540
85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
60.809	60.809	60.809	60.809	60.809	60.809	60.809	60.809	60.809	60.809
115,78	117,52	119,28	121,07	122,88	124,73	126,60	128,50	130,42	132,38
7.040.442	7.146.048	7.253.239	7.362.038	7.472.468	7.584.555	7.698.324	7.813.798	7.931.005	8.049.971
2.112.133	2.143.815	2.175.972	2.208.611	2.241.740	2.275.367	2.309.497	2.344.140	2.379.302	2.414.991
9.152.574	9.289.863	9.429.211	9.570.649	9.714.209	9.859.922	10.007.821	10.157.938	10.310.307	10.464.962
48%	48%	48%	48%	48%	48%	48%	48%	48%	48%
4.393.236	4.459.134	4.526.021	4.593.912	4.662.820	4.732.763	4.803.754	4.875.810	4.948.947	5.023.182
1.397.816	1.422.514	1.447.675	1.473.309	1.499.426	1.526.035	1.553.146	1.580.769	1.608.914	1.637.593
91.526	92.899	94.292	95.706	97.142	98.599	100.078	101.579	103.103	104.650
0	0	0	0	0	0	0	0	0	0
44.409	44.409	44.409	44.409	44.409	45.298	45.298	45.298	45.298	45.298
84.863	85.711	86.568	87.434	88.308	89.191	90.083	90.984	91.894	92.813
220.798	223.019	225.270	227.550	229.860	233.088	235.459	237.861	240.295	242.760
5.570.254	5.658.629	5.748.426	5.839.671	5.932.386	6.025.709	6.121.440	6.218.718	6.317.567	6.418.014

29/12/2053	29/12/2054	29/12/2055	29/12/2056	29/12/2057	01/09/2058
71.540	71.540	71.540	71.540	71.540	48.216
85%	85%	85%	85%	85%	85%
60.809	60.809	60.809	60.809	60.809	40.984
134,37	136,38	138,43	140,50	142,61	144,75
8.170.720	8.293.281	8.417.680	8.543.945	8.672.105	5.932.432
2.451.216	2.487.984	2.525.304	2.563.184	2.601.631	1.779.730
10.621.936	10.781.265	10.942.984	11.107.129	11.273.736	7.712.162
48%	48%	48%	48%	48%	48%
5.098.529	5.175.007	5.252.632	5.331.422	5.411.393	3.701.838
1.666.815	1.696.592	1.726.935	1.757.856	1.789.366	1.227.626
106.219	107.813	109.430	111.071	112.737	77.122
0	0	0	0	0	0
45.298	45.298	45.298	45.298	45.298	30.529
93.741	94.678	95.625	96.582	97.547	66.402
245.258	247.789	250.353	252.950	255.582	174.053
6.520.086	6.623.811	6.729.215	6.836.328	6.945.177	4.755.411

Valuation Table			
Risk Free Return Rate	3,30%	3,30%	3,30%
Risk Premium	6,22%	6,72%	7,22%
Reduction Rate	9,50%	10,00%	10,50%
Total Present Value (EURO)	41.764.634	39.471.734	37.381.396
Total Present Value (TL)	189.937.202	179.509.550	170.003.114
Approximate Total Present Value (EURO)	41.760.000	39.470.000	37.380.000
Approximate Total Present Value (TL)	189.940.000	179.510.000	170.000.000

Rental Status:

- For the lease of the subject hotel to another operator as a building, and for the lease of the shops in the “Construction Lease Contract”, in the said work, the time limitations included in the “Transfer Contract” that was signed on the same date with the approval for the “Construction Lease Agreement” dated 01.02.2009, obtained from T.R Prime Ministry the General Directorate of Foundations on 22.06.2011 and the lease contract (between Akfen Karakoy Gayrimenkul Yatırımları ve İnşaat A.S. and Tamaris Turizm A.Ş) dated 04.01.2013 have taken as basis.
- It has been assumed that the same conditions of the lease contract dated 04.01.2013 will be valid during the period that the real property is used by Akfen Karaköy Gayrimenkul Yatırımları ve İnşaat A.S.
- Regarding the contract between Akfen Karaköy Gayrimenkul Yatırımları ve İnşaat A.S. and Tamaris Turizm A.S. dated 04.01.2013, according to the “Construction Lease Agreement” in the land registry record in which the valuation work was made, for the hotel owned by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş, Accor group that is the hotel operator shall pay twenty-two percent (22%) of the gross income (excluding V.A.T) or the amount higher than seventy percent (85 %) of the adjusted gross operating revenue that was obtained by deducting 4,0 % from the gross income for the first year and 6 % for the second and subsequent years for the renewal reserve, as the rental amount required to be paid by Accor Group.
- In the appraisal study, Eurozone Eurobond rate of 3,30%, which is the last 6 months EURO 2025, was taken as "Riskless Rate of Return".
- 3.30% "Risk-free rate of return" na 5.20% "Risk premium" was added to the reduction rate of 8.50%.

Rent Price	
Income Rate for Hotel	22%
The ratio of GOP to be deducted from the account (first year)	4%
The ratio of GOP to be deducted from the account (2nd and subsequent years)	6%
Income rate	85%
Commercial Unit Rental Revenue Increase (%) - 4 years	6%
Commercial Unit Rental Revenue Increase (%) - 5-10 years	3%
Commercial Unit Rental Revenue Increase (%) - other years	2%

Build Owner Cash Flow (EURO)						
Years	29/12/2017	29/12/2018	29/12/2019	29/12/2020	29/12/2021	29/12/2022
Over the hotel revenue (EURO)	-	959.595	1.084.685	1.220.632	1.368.252	1.402.458
With AGOP account (EURO)	-	1.353.247	1.613.468	1.957.172	2.352.460	2.411.272
Building Owner Hotel Rental Income (EURO)	-	1.353.247	1.613.468	1.957.172	2.352.460	2.411.272
Commercial Unit Area (sqm.)	464	464	464	464	464	464
Commercial Unit Unit Rent Value (msqm./EURO)	-	30,00	30,00	30,00	31,80	33,71
Commercial Unit Rent Income (EURO)	-	167.112	167.112	167.112	177.139	187.767
Mürver Restaurant Rent Income (EURO)	-	594.000	594.000	594.000	629.640	667.418
Akfen GYO Affiliated Commercial Unit Rent Income (EURO)	-	761.112	761.112	761.112	806.779	855.185
Akfen GYO A.S. Total Lease Income (EURO)	-	2.114.359	2.374.580	2.718.284	3.159.239	3.266.457
Land For Rent (EURO)	-	60.558	61.769	63.005	64.265	65.550
Building Insurance (EURO)	-	42.685	42.685	42.685	42.685	42.685
Refresh Cost (EURO)	-	2.181	2.465	2.774	3.110	3.187
Akfen Karaköy Net Income Falling (EURO)	-	2.008.934	2.267.661	2.609.820	3.049.180	3.155.035

29/12/2023	29/12/2024	29/12/2025	29/12/2026	29/12/2027	29/12/2028	29/12/2029	29/12/2030	29/12/2031	29/12/2032
1.437.520	1.473.458	1.510.294	1.548.051	1.586.753	1.610.554	1.634.712	1.659.233	1.684.122	1.709.383
2.471.554	2.533.343	2.596.676	2.661.593	2.728.133	2.769.055	2.810.591	2.852.750	2.895.541	2.938.974
2.471.554	2.533.343	2.596.676	2.661.593	2.728.133	2.769.055	2.810.591	2.852.750	2.895.541	2.938.974
464	464	464	464	464	464	464	464	464	464
35,73	37,87	40,15	42,56	45,11	46,24	47,39	48,58	49,79	51,04
199.033	210.975	223.634	237.052	251.275	257.557	263.995	270.595	277.360	284.294
707.464	749.911	768.659	787.876	807.572	819.686	831.981	844.461	857.128	869.985
906.497	960.886	992.293	1.024.927	1.058.847	1.077.243	1.095.977	1.115.056	1.134.488	1.154.279
3.378.050	3.494.229	3.588.969	3.686.520	3.786.980	3.846.297	3.906.568	3.967.806	4.030.029	4.093.253
66.861	68.198	69.562	70.954	72.373	73.096	73.827	74.566	75.311	76.064
42.685	42.685	42.685	42.685	42.685	43.539	43.539	43.539	43.539	43.539
3.267	3.349	3.432	3.518	3.606	3.660	3.715	3.771	3.828	3.885
3.265.237	3.379.997	3.473.289	3.569.363	3.668.316	3.726.002	3.785.486	3.845.931	3.907.352	3.969.765

29/12/2033	29/12/2034	29/12/2035	29/12/2036	29/12/2037	29/12/2038	29/12/2039	29/12/2040	29/12/2041	29/12/2042
1.735.024	1.761.050	1.787.465	1.814.277	1.841.491	1.869.114	1.897.150	1.925.608	1.954.492	1.983.809
2.983.059	3.027.804	3.073.221	3.119.320	3.166.110	3.213.601	3.261.805	3.310.732	3.360.393	3.410.799
2.983.059	3.027.804	3.073.221	3.119.320	3.166.110	3.213.601	3.261.805	3.310.732	3.360.393	3.410.799
464	464	464	464	464	464	464	464	464	464
52,31	53,62	54,96	56,33	57,74	59,19	60,67	62,18	63,74	65,33
291.402	298.687	306.154	313.808	321.653	329.694	337.936	346.385	355.045	363.921
883.035	896.280	909.724	923.370	937.221	951.279	965.548	980.032	994.732	1.009.653
1.174.436	1.194.967	1.215.878	1.237.178	1.258.874	1.280.973	1.303.485	1.326.416	1.349.777	1.373.574
4.157.495	4.222.771	4.289.100	4.356.498	4.424.983	4.494.575	4.565.290	4.637.149	4.710.170	4.784.373
76.825	77.593	78.369	79.153	79.944	80.744	81.551	82.367	83.190	84.022
43.539	43.539	43.539	43.539	43.539	44.409	44.409	44.409	44.409	44.409
3.943	4.002	4.062	4.123	4.185	4.248	4.312	4.376	4.442	4.509
4.033.188	4.097.637	4.163.129	4.229.683	4.297.315	4.365.173	4.435.018	4.505.996	4.578.128	4.651.432

29/12/2043	29/12/2044	29/12/2045	29/12/2046	29/12/2047	29/12/2048	29/12/2049	29/12/2050	29/12/2051	29/12/2052
2.013.566	2.043.770	2.074.426	2.105.543	2.137.126	2.169.183	2.201.721	2.234.746	2.268.268	2.302.292
3.461.961	3.513.891	3.566.599	3.620.098	3.674.399	3.729.515	3.785.458	3.842.240	3.899.874	3.958.372
3.461.961	3.513.891	3.566.599	3.620.098	3.674.399	3.729.515	3.785.458	3.842.240	3.899.874	3.958.372
464	464	464	464	464	464	464	464	464	464
66,96	68,64	70,35	72,11	73,92	75,76	77,66	79,60	81,59	83,63
373.019	382.344	391.903	401.700	411.743	422.036	432.587	443.402	454.487	465.849
1.024.798	1.040.170	1.055.772	1.071.609	1.087.683	1.103.998	1.120.558	1.137.367	1.154.427	1.171.744
1.397.816	1.422.514	1.447.675	1.473.309	1.499.426	1.526.035	1.553.146	1.580.769	1.608.914	1.637.593
4.859.778	4.936.405	5.014.274	5.093.407	5.173.825	5.255.550	5.338.604	5.423.009	5.508.788	5.595.964
84.863	85.711	86.568	87.434	88.308	89.191	90.083	90.984	91.894	92.813
44.409	44.409	44.409	44.409	44.409	45.298	45.298	45.298	45.298	45.298
4.576	4.645	4.715	4.785	4.857	4.930	5.004	5.079	5.155	5.232
4.725.929	4.801.639	4.878.582	4.956.778	5.036.250	5.116.131	5.198.219	5.281.648	5.366.441	5.452.621

29/12/2053	29/12/2054	29/12/2055	29/12/2056	29/12/2057	01/09/2058
2.336.826	2.371.878	2.407.457	2.443.568	2.480.222	1.696.676
4.017.747	4.078.014	4.139.184	4.201.272	4.264.291	2.917.125
4.017.747	4.078.014	4.139.184	4.201.272	4.264.291	2.917.125
464	464	464	464	464	464
85,72	87,86	90,06	92,31	94,62	96,98
477.495	489.433	501.669	514.210	527.066	364.108
1.189.320	1.207.159	1.225.267	1.243.646	1.262.301	863.517
1.666.815	1.696.592	1.726.935	1.757.856	1.789.366	1.227.626
5.684.562	5.774.606	5.866.119	5.959.128	6.053.657	4.144.751
93.741	94.678	95.625	96.582	97.547	66.402
45.298	45.298	45.298	45.298	45.298	30.529
5.311	5.391	5.471	5.554	5.637	3.856
5.540.213	5.629.239	5.719.725	5.811.695	5.905.175	4.043.964

Valuation Table			
Risk Free Return Rate	3,30%	3,30%	3,30%
Risk Premium	4,72%	5,22%	5,72%
Reduction Rate	8,00%	8,50%	9,00%
Total Present Value (EURO)	42.449.949	39.844.436	37.487.962
Total Present Value (TL)	193.053.879	181.204.524	170.487.752
Approximate Total Present Value (EURO)	42.450.000	39.840.000	37.490.000
Approximate Total Present Value (TL)	193.050.000	181.200.000	170.490.000

Years	29/12/2017	29/12/2018
Average Cash Flow of Rent Value	0	2.185.507

Rental Valuation Table			
Risk Free Return Rate	1,44%	1,44%	1,44%
Risk Premium	7,06%	7,56%	8,06%
Reduction Rate	8,50%	9,00%	9,50%
Total Present Value (EURO)	2.003.625	2.003.625	2.003.625

Total Present Value (EURO)	2.003.625
Total Present Value (TL)	9.112.087

Approximate Total Present Value (EURO)	2.000.000
Approximate Total Present Value (TL)	9.110.000

7.4 Highest and Best Use Analysis

It is the use, which is physically the most appropriate to the building, permitted by the laws, financially executable and providing the highest revenue is the most efficient use.

It is considered that the most efficient and productive use of the immovable property under appraisal would be for **"Hotel and commercial"** purposes in line with its zoning status and current use.

SECTION 8

EVALUATION OF THE RESULTS OF THE ANALYSIS

Section 8

Evaluation of The Results of The Analysis

In this valuation study, the valuation has been done by using the discounted cash flow method which is the income approach method.

Method	TL	EURO
Income Approach*	180.355.000	39.655.000

*The said hotel was rented to Accor Group with the rental agreement, to be operated presently. Accordingly, the value of the real property has been calculated by deducting with the lower risk premium for the rental incomes guaranteed by the contract. In another way, according to the market research conducted, the assessment has been made according to the potential net cash flows that can be obtained by the hotel.

In this context, the value of the real property appraised according to the revenue approach has been assessed by averaging the two values that were calculated according to the rental income guaranteed by the rental agreement and reached by deducting the net cash flows of the company.

In the examinations made in the market, it has been observed that the similar real properties are evaluated as the income generating property. Accordingly, the market value that was calculated by the revenue approach has been appraised as the report conclusion value.

The valuation has been made by using the “Discounted Cash Flow” method since the real property subject to valuation is an actively operating hotel.

NOVOTEL ISTANBUL BOSPHORUS HOTEL IN TOTAL AMOUNT OF CASH RENTAL INCOME VALUE (EXCEPT VAT) *

Report Date	05.01.2018	
Value Date	29.12.2017	
Exchange Rate	Buying: 1 USD = 3,8104 TL Buying: 1 EURO = 4,5478 TL	Selling: 1 USD = 3,8173 TL Selling: 1 EURO = 4,6560 TL
Market Value	180.355.000-TL	Onehundredeightymillionthreehundredfiftyfivethousand -TL
	39.655.000-EURO	Thirtyninemillionhundredsixhundredfiftyfivethousand - EURO

***It has been estimated pursuant to the “Transfer Contract” that was signed on the same date with the approval for the “Construction Lease Agreement” dated 01.02.2009, obtained from T.R Prime Ministry the General Directorate of Foundations on 22.06.2011 and the lease contract dated 04.01.2013.**

Kenan EMİK Appraiser Licence No: 406080	Doğuşcan IĞDIR Appraiser Licence No: 404244	Simge SEVİN, MRICS Appraiser/Manager Licence No: 401772	Ozan KOLCUOĞLU, MRICS Appraiser in Charge Licence No 402293
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This page is an integral part of the appraisal report, is complete with the detailed information in the report, and cannot be used independently.

SECTION 9

ANNEX

Section 9

Annex

1 Sector Report

2 Building License

3 Building Permission Certificate

4 Photos

5 CV's

6 The "Construction Contract Leasing Agreement" dated 01.09.2009 was signed by T.C. "Transfer Agreement" signed by the General Directorate of Foundations Vakıflar on 22.06.2011 at the same date.

7 Lease agreement dated 04.01.2013

8 Encumbrances