



# **REAL ESTATE VALUATION REPORT**

**Novotel Istanbul Bosphorus, Karakoy  
2019\_AKFENGYO\_0011  
“HOTEL VALUATION”**

# INDEX

- 1 REPORT SUMMARY ..... 3
- 2 REPORT INFORMATION..... 4
- 3 INFORMATION ON REAL ESTATE APPRAISAL COMPANY AND THE CUSTOMER:..... 5
- 4 GENERAL ANALYSIS AND DATA ..... 5
  - 4.1 ANALYSIS OF THE REGION WITH THE REAL ESTATE AND THE DATA USED:..... 5
  - 4.2 ANALYSIS OF CURRENT ECONOMIC CONDITIONS, REAL ESTATE MARKET, CURRENT TRENDS AND BASED DATA: ..... 6
- 5 INFORMATION ABOUT REAL ESTATE OF VALUATION SUBJECT ..... 14
  - 5.1 THE PLACE AND LOCATION OF REAL ESTATE..... 14
  - 5.2 DESCRIPTION AND PROPERTIES OF REAL ESTATE ..... 15
    - 5.2.1 STRUCTURAL CONSTRUCTION FEATURES OF THE REAL ESTATE: ..... 15
  - 5.3 LEGAL REVIEWS OF THE REAL ESTATE:..... 16
    - 5.3.1 ANALYSIS OF TITLE DEED ..... 16
    - 5.3.2 MUNICIPAL REVIEW ..... 17
    - 5.3.3 CHANGES FROM THE LEGAL SITUATION IN THE LAST 3 YEARS..... 18
- 6 VALUATION STUDIES ..... 18
  - 6.1 FACTORS AFFECTING THE REAL ESTATE'S VALUE AND VALUE DETERMINATION OF THE REAL ESTATE ..... 18
  - 6.2 THE FACTORS AFFECTING THE VALUATION PROCESS..... 19
  - 6.3 THE FACTORS AFFECTING THE VALUE OF THE REAL PROPERTY ..... 19
  - 6.4 ASSUMPTIONS, VALUATION METHODS USED IN THE EVALUATION PROCESS AND THE REASONS FOR USING THESE METHODS ..... 20
  - 6.5 MARKET RESEARCH AND INDICATIONS FOR VALUE DETERMINATION ..... 21
  - 6.6 COST APPROACH ..... 22
    - 6.1.1 VALUATION WITH INCOME APPROACH..... 22
  - 6.7 ANALYSIS OF THE LEGAL SITUATION OF REAL ESTATE AND RELATED RIGHTS ..... 29
  - 6.8 HIGHEST AND BEST USE ANALYSIS ..... 29
  - 6.9 PRECEDENT SHARE RATIOS IN PROJECTS THAT WILL BE DONE BY THE INCOME SHARING OR THE FLAT FORWARD METHOD..... 29
- 7 EVALUATION OF ANALYSIS RESULTS ..... 29
  - 7.1 HARMONIZATION OF DIFFERENT VALUATION METHODS AND ANALYSIS RESULTS AND EXPLANATION OF THE METHOD AND REASONS FOLLOWED FOR THIS PURPOSE..... 29
  - 7.2 REASONS FOR WHAT NOT INCLUDED IN THE REPORT FROM LEAST INFORMATION..... 30
  - 7.3 OPINION ABOUT WHETHER LEGAL REQUIREMENTS HAVE BEEN FULFILLED AND WHETHER THE PERMITS AND DOCUMENTS REQUIRED TO BE OBTAINED COMPLETELY IN ACCORDANCE WITH THE LEGISLATION ..... 30
- 8 CONCLUSION ..... 30
  - 8.1 CONCLUSION OF RESPONSIBLE REAL ESTATE APPRAISER ..... 30
  - 8.2 FINAL EVALUATION..... 30
- 9 APPENDIX 1 – PHOTOS OF REAL ESTATE..... 32
- 10 APPENDIX 2 – DOCUMENTS ..... 37
- 11 APPENDIX 3 – CAPITAL MARKETS BOARD LICENSE: ..... 87

## 1 REPORT SUMMARY

<b>TYPE OF THE PROPERTY EVALUATED</b>	:	HOTEL
<b>BRIEF DISCRPTION OF THE PROPERTY EVALUATED</b>	:	Kemankes Kara Mustafa Pasa Mahallesi, Kemankes Caddesi No:57-59 is a 5-star hotel on the land of 3.074,58 m <sup>2</sup> of land on the land area of 7.774, Plot Num: 4, in the province of Istanbul, Beyoglu District, Kemankes District.
<b>ZONING STATUS OF PROPERTY</b>	:	<p>The parcel, where the real estate subject to the appraisal is located, remains in the "Tourism + Service + Trade (TST)" legend under the "Tourism + Service + Trade (TST)" dated 21.12.2010, while the Istanbul 10th Administrative Court dated 12.04.2017. The plan regarding the decision was canceled. The parcel, where the real estate subject to the appraisal is located, remains in the unplanned area as of the appraisal date.</p> <p>T. C. According to the decision of the Ministry of Culture and Tourism Istanbul 2nd Region Cultural Heritage Preservation Board dated 02.08.2017, the relevant board protection principles and conditions of use will apply.</p>
<b>VALUATION METHODS USED</b>	:	In this valuation study, the income approach was considered feasible due to the cost approach and the property is an active hotel and an income generating property in line with the market research conducted.
<b>CONCUSION OF VALUE</b>	:	

<b>MARKET VALUE OF THE PROPERTY:</b>	
<b>Report Date</b>	31.12.2019
<b>Valuation Date</b>	25.12.2019
<b>Market Value (VAT Exc.)</b>	390.630.000.-TL
<b>Market Value (VAT Inc.)</b>	460.943.400.-TL
<b>Market Value (VAT Exc.)</b>	58.735.000.-EURO
<b>Market Value (VAT Inc.)</b>	69.307.300.-EURO
<b>Rental Value (VAT Exc.)</b>	22.890.000.-TL
<b>Rental Value (VAT Inc.)</b>	27.010.200.-TL
<b>Rental Value (VAT Exc.)</b>	3.440.000.-EURO
<b>Rental Value (VAT Inc.)</b>	4.059.200.-EURO

## 2 REPORT INFORMATION

<b>VALUE DATE</b>	:	25.12.2019
<b>REPORT DATE</b>	:	31.12.2019
<b>NUMBER OF REPORT</b>	:	2019_AKFENHOLDING A.Ş._11
<b>EVALUATION COMPLETION DATE</b>	:	31.12.2019
<b>THE LEGAL AGREEMENT DATE</b>	:	05.10.2019
<b>PURPOSE OF THE REPORT AND THE LOCATION OF THE PROPERTY</b>	:	This report is a real estate valuation report which is prepared in accordance with International Valuation Standards in order to determine the market value of 31.12.2019 of the 5-star hotel located on the plot of 3.074,58 m <sup>2</sup> and 77 Block, 4 Plot in the Beyoglu District of Istanbul Province.
<b>SUBJECT OF THE VALUATION AND PURPOSE</b>	:	The adress of the property (5-star hotel) is Kemankes Kara Mustafa Pasa Mahallesi, Kemankes Caddesi No: 57-59 in the province of Istanbul, Beyoglu District, Kemankes District. The property is a on the plot of 3.074,58 m <sup>2</sup> of land area – Block: 77, Plot: 4.
<b>PREPARED BY THE REPORT</b>	:	Muhammed Safa OZTURK CMB Licence No: 407893 Real Estate Appraiser
<b>RESPONSIBLE REAL ESTATE APPRAISER</b>	:	Seref EMEN CMB Licence No: 401584 Topographical Engineer
<b>INFORMATION ON PAST EVALUATION</b>	:	For the real estate subject to the appraisal, our company has a revised appraisal report dated 14.10.2019 on AKFENGYO_2018007.

### **3 INFORMATION ON REAL ESTATE APPRAISAL COMPANY AND THE CUSTOMER:**

<b>COMPANY TITLE</b>	:	ADIM GAYRIMENKUL DEGERLEME A.S.
<b>COMPANY ADDRESS</b>	:	Mebusevler Mahallesi, Ayten Sokak, No: 22/7 Cankaya/ANKARA
<b>CUSTOMER TITLE</b>	:	AKFEN GAYRIMENKUL YATIRIM ORTAKLIGI A.S.
<b>CUSTOMER ADDRESS</b>	:	Buyukdere Caddesi, No: 201, C Blok, Kat: 8, Levent / Istanbul
<b>CONTENT OF THE CUSTOMER CLAIM AND LIMITATIONS OF THE REPORT</b>	:	The content of this Valuation Report: in accordance with the determination of the current market value of the real estate, which are detailed in the report and the preparation of the valuation report within the framework of the "minimum issues to be found in the valuation reports" in accordance with the Capital Market Legislation, there is no scope and limitation brought by the Customer.

### **4 GENERAL ANALYSIS AND DATA**

#### **4.1 ANALYSIS OF THE REGION WITH THE REAL ESTATE AND THE DATA USED:**

##### **Istanbul**

Istanbul, Turkey's most populous, the most important city economically and culturally. In terms of economic size, it is 34th in the world and in terms of population, it comes first in Europe according to the ranking made by considering the municipal boundaries.

Istanbul northwest of Turkey, along the Sea of Marmara and the Bosphorus, the Golden Horn is built to be surrounded. Istanbul is an intercontinental city, its part in Europe is called the European Side or Rumeli Side, and its part in Asia is called the Anatolian Side.

Istanbul Walls constituted the western border of Istanbul, which was first established in history on a peninsula surrounded by the Marmara Sea, the Bosphorus and the Golden Horn. The city has 39 districts, which was expanded 4 times during the development and growth process by building the city walls further west. Within its borders, there are a total of 40 municipalities together with the metropolitan municipality.

One of the oldest cities in the world, Istanbul, M.S. He was the capital of the Roman Empire between 330 - 395, the Eastern Roman Empire between 395 - 1204 and 1261 - 1453, the Latin Empire between 1204 and 1261, and finally the Ottoman Empire between 1453 and 1922. In addition, from 1517 when the caliphate passed to the Ottoman State and 1924 when it was abolished, Istanbul became the center of Islam.

Istanbul is a city located at the intersection of the European and Asian continents, with the excavation in Yenikapı, the settlement date of which has been recently reached, 8500 years, the urban history of which is approximately 3000 years, the capital city dates to 1600 years.

The city has hosted different civilizations and cultures throughout the ages, preserved the cosmopolitan and metropolitan structure, where people of various religions, languages and races lived together for centuries and became a unique mosaic in the historical process. Istanbul, which is one of

the rare settlements in the world that has managed to be a center in all areas and remain in power for long periods of time, is a world capital from past to present.

Due to the rapid expansion of the city, housing usually proceeds out of the city. The city's highest multi-storey offices and residences are gathered in Levent, Mecidiyeköy and Maslak districts on the European Side. There are many shopping malls in Levent and Etiler. Bağdat Caddesi in the district of Kadıköy has many shopping centers and restaurants with its width and length.

Turkey Statistical Institute (TSI), according to the data which was prepared by the Istanbul residence of 18,4'n% of Turkey's population, with 15 million 67 thousand 724 people have been having the most populous province.



**Location of Istanbul**

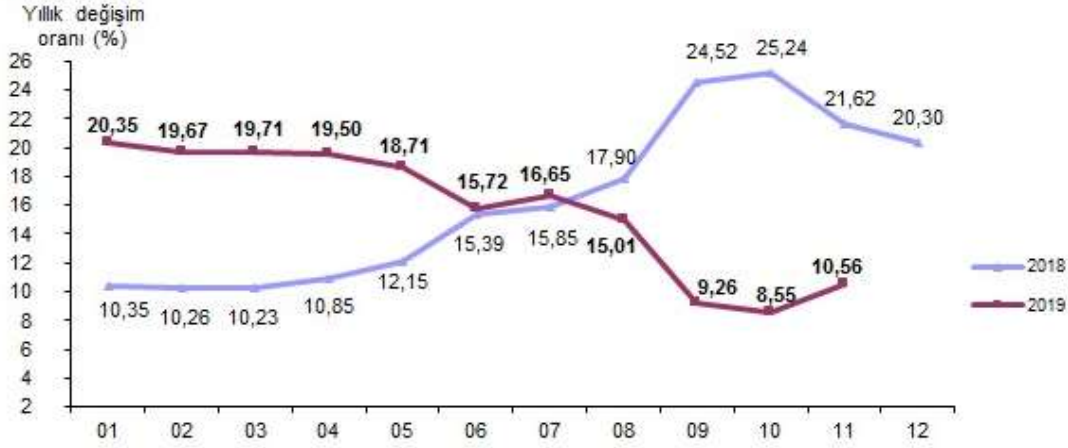
#### **4.2 ANALYSIS OF CURRENT ECONOMIC CONDITIONS, REAL ESTATE MARKET, CURRENT TRENDS AND BASED DATA:**

##### **Consumer Price Index, November 2019**

Consumer price index (CPI) increased by 0.38% monthly. In CPI (2003 = 100), in November 2019, 0.38% compared to the previous month, 11.01% compared to December of the previous year, compared to the same month of the previous year. 10.56% and 15.87% increase compared to the averages of twelve months. The highest monthly increase was in the clothing and shoes group with 2.69%. , 59, 0.39% in communications, 0.36% in housing and 0.33% in transportation. The group that showed the most monthly decrease was 0.44% in various goods and services. Another group showing restaurants and restaurants was 0.15%. The highest annual increase was in the alcoholic beverages and tobacco group with 43.35%. In CPI, education was 14.35% compared to the same month of the previous year. services 14.03%, health 13.85% and restaurant and ote These are the other main

spending groups, where the increase was 13.07%. The special comprehensive CPI indicator (B) increased by 0.59% monthly. 0.59% month-on-month, 10.31% compared with December of the previous year, 9.90% compared with the same month of the previous year and 15.13% on the averages of twelve months. While average prices of 33 items remained unchanged, average prices of 296 items increased and average prices of 89 items decreased.

### Tüketici fiyat endeksi, Kasım 2019 [2003=100]



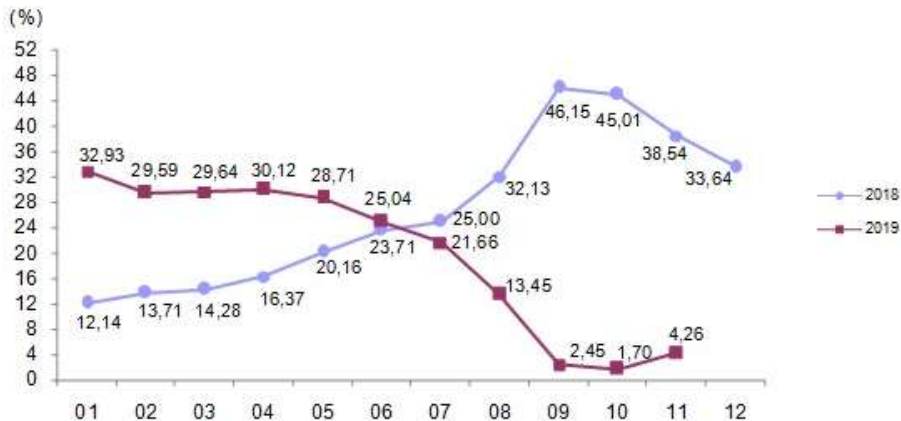
### Domestic Producer Price Index, November 2019

Domestic producer price index (D-PPI) decreased by 0.08% in November 2019 compared to the previous month, 6.63% compared to December of the previous year, 4.26% compared to the same month of the previous year and twelve months increased by 19.68% compared to the average of the twelve months.

### Domestic Producer Price Index Change Rates, November 2019 [2003 = 100]

	Kasım 2019		Kasım 2018	
Bir önceki aya göre değişim oranı	-0,08		-2,53	
Bir önceki yılın Aralık ayına göre değişim	6,63		36,68	
Bir önceki yılın aynı ayına göre değişim	4,26		38,54	
On iki aylık ortalamalara göre değişim	19,68		25,52	

### Domestic Producer Price Index, Rate of Change compared to the same month of the previous year, November 2019 [2003 = 100]



The changes of the four sectors (mining and quarrying, manufacturing, electricity - gas production and water supply) of the industry compared to the previous month; 0.08% decrease in mining and quarrying industry, 0.04% in manufacturing industry sector, 0.53% decrease in electricity, gas production and distribution sector, 0.19% increase in water supply sector.

#### Domestic Producer Price Index and Rates of Change, November 2019 [2003 = 100]

Sektörler	Endeks	Aylık değişim (%)	Bir önceki yılın Aralık ayına göre değişim (%)	Bir önceki yılın aynı ayına göre değişim (%)	On iki aylık ortalamalara göre değişim (%)
Yurt içi ÜFE	450,97	-0,08	6,63	4,26	19,68
Madencilik ve taşocakçılığı	584,75	-0,08	12,70	9,93	18,34
İmalat	448,52	-0,04	6,10	4,45	18,24
Elektrik, gaz	415,72	-0,53	13,43	3,82	40,12
Su temini	306,58	0,19	-7,39	-7,51	-2,29

#### The highest monthly increase was in crude oil and natural gas.

The biggest decrease compared to the previous month; Crude oil and natural gas with 4.85%, basic metals with 1.80%, chemicals and chemical products with 1.39%. On the other hand, other transportation vehicles were 3.48%, food products 1.48%, drinks 1.31%, and sub-sectors with the highest index increase compared to the previous month.

#### The highest monthly increase in main industry groups was realized in energy.

According to the classification of main industry groups, the highest monthly decrease in November 2019 was in intermediate goods with 0.60%.

#### Domestic Producer Price Index and Rate of Changes by Main Industry Groups,

#### November 2019 [2003 = 100]

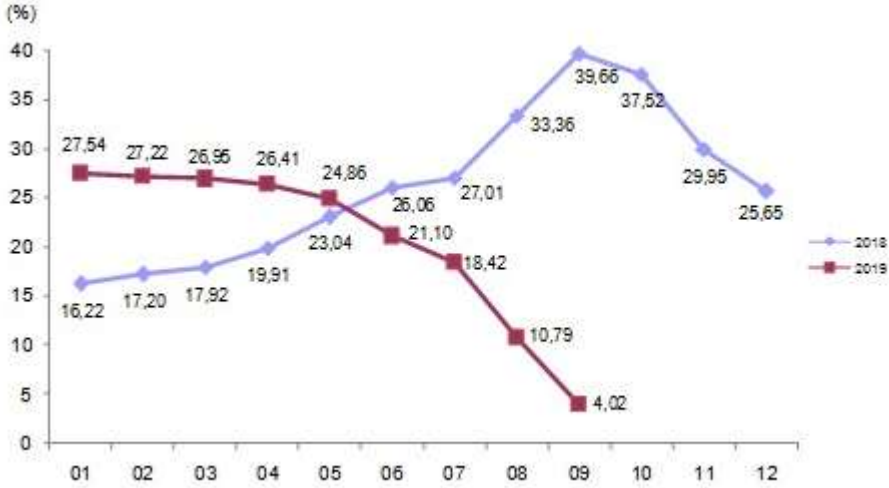
Ana sanayi grupları	Endeks	Aylık değişim (%)	Bir önceki yılın Aralık ayına göre değişim (%)	Bir önceki yılın aynı ayına göre değişim (%)	On iki aylık ortalamalara göre değişim (%)
Yurt içi ÜFE	450,97	-0,08	6,63	4,26	19,68
Ara malı	475,25	-0,60	3,54	1,63	18,07
Dayanıklı tüketim malı	321,03	-0,08	7,43	7,34	16,28
Dayanıksız tüketim malı	372,93	1,06	10,57	10,02	19,43
Enerji	633,82	-0,53	9,03	-0,68	27,18
Sermaye malı	396,69	-0,17	7,64	7,38	20,25

#### Construction Cost Index, September 2019

Construction cost index (IME) decreased by 0.59% in September 2019 compared to the previous month and increased by 4.02% compared to the same month of the previous year. Compared to the previous month, material index decreased by 0.41% and labor index decreased by 0.97%. In addition, the material index decreased by 3.43% compared to the same month of the previous year, and the labor index increased by 24.63%.



**Construction Cost Index, Annual Rate of Change, September 2019 [2015 = 100]**



**Building construction cost index decreased by 0.73% monthly.**

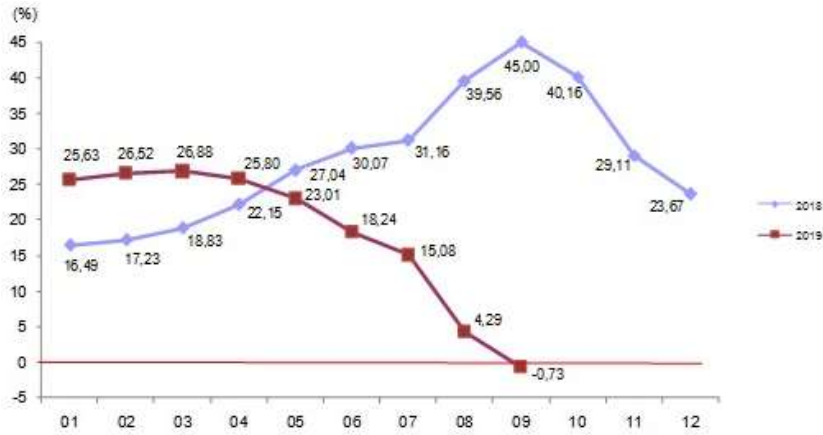
Building construction cost index decreased by 0.73% compared to the previous month and increased by 5.53% compared to the same month of the previous year. Compared to the previous month, material index decreased by 0.61% and labor index decreased by 1.00%. In addition, the material index decreased by 1.78% compared to the same month of the previous year, and the labor index increased by 24.93%.

**Building Construction Cost Index, Annual Rate of Change, September 2019 [2015 = 100]**



The construction cost index for outdoor buildings decreased by 0.08% compared to the previous month and 0.73% compared to the same month of the previous year. Compared to the previous month, material index increased by 0.25%, labor index decreased by 0.84%. In addition, the material index decreased by 8.44% compared to the same month of the previous year, and the labor index increased by 23.55%.

**Construction Cost Index For Outdoor Buildings, Annual Rate of Change, September 2019 [2015 = 100]**



**Construction Cost Index and Rate of Changes, September 2019 [2015 = 100]**

Sektörler	Maliyet grubu	Endeks	Bir önceki aya göre değişim (%)	Bir önceki yılın aynı ayına göre değişim (%)
İnşaat	Toplam	190,23	-0,59	4,02
	Malzeme	183,67	-0,41	-3,43
	İşçilik	205,99	-0,97	24,63
Bina inşaatı	Toplam	190,57	-0,73	5,53
	Malzeme	183,95	-0,61	-1,78
	İşçilik	206,04	-1,00	24,93
Bina dışı yapıların inşaatı	Toplam	189,10	-0,08	-0,73
	Malzeme	182,74	0,25	-8,44
	İşçilik	205,81	-0,84	23,55

**Building License (Permit) Statistics, January-September, 2019**

The area of buildings that have been granted building licenses decreased by 58% In the first nine months of 2019, the number of buildings by the municipalities has decreased by 57.1%, their area by 58%, their value by 48.9% and the number of apartments by 63.8%. In the January-September 2019 total of the buildings that are given construction permits; While the total area of the buildings is 45.5 million m<sup>2</sup>; 20.3 million m<sup>2</sup> of this has been realized as residential, 17.1 million m<sup>2</sup> as non-residential and 8 million m<sup>2</sup> as common use area. According to the purpose of use, two and more dwelling residential buildings had the highest share with 26.7 million m<sup>2</sup>. This was followed by public entertainment, education, hospital or care institutions buildings with 5.3 million m<sup>2</sup>. According to the ownership of the building, the private sector had the biggest share with 33.2 million m<sup>2</sup>. This was followed by the state sector with 11.2 million m<sup>2</sup> and building cooperatives with 1.1 million m<sup>2</sup>. According to the number of flats, 155 thousand 469 of the total 179 thousand 766 flats were taken by the private sector, 21 thousand 985 by the state sector and 2 thousand 312 by the building cooperatives. According to the total area of the buildings, Istanbul had the highest share with 7.5 million m<sup>2</sup>. Istanbul was followed by Konya with 2.9 million m<sup>2</sup> and Ankara with 2.88 million m<sup>2</sup>. The provinces with the lowest surface area were Karabük, Ardahan and Çankırı, respectively. According to the number of flats, Istanbul province had the highest share with 33 thousand 538 units. Konya was followed by Konya with 9,702 units and Ankara with 7,768 units. The provinces with the lowest number of apartments were Karabük, Ardahan and Hakkari, respectively.

## Building License, January - September, 2017-2019

### Yapı ruhsatı, Ocak – Eylül 2017-2019

Göstergeler	Yıl			Bir önceki yılın ilk dokuz ayına göre değişim oranı (%)	
	2019	2018 <sup>(f)</sup>	2017 <sup>(f)</sup>	2019	2018
Bina sayısı	33 684	78 567	132 848	-57,1	-40,9
Yüzölçümü (m <sup>2</sup> )	45 462 953	108 131 393	240 377 041	-58,0	-55,0
Değer (TL)	73 076 653 018	142 932 303 742	257 971 463 093	-48,9	-44,6
Daire sayısı	179 766	497 146	1 199 028	-63,8	-58,5

(f) Yapı izin istatistikleri 2017 ve 2018 yılları verileri revize edilmiştir.

In the first nine months of 2019, the number of building permits issued by the municipalities decreased by 20.6%, the surface area by 7.2%, the number of apartments by 11.3%, and its value increased by 12.3% compared to the previous year. In the January-September 2019 total of the buildings that have been given a building permit certificate; While the total area of the buildings is 111.4 million m<sup>2</sup>; 62.7 million m<sup>2</sup> of this was realized as residential, 25.4 million m<sup>2</sup> as non-residential and 23.2 million m<sup>2</sup> as common use area. According to the purpose of use, two and more dwelling residential buildings had the highest share with 84.1 million m<sup>2</sup>. Wholesale and retail trade buildings followed with 7.7 million m<sup>2</sup>. According to the ownership of the building, the private sector had the biggest share with 94.2 million m<sup>2</sup>. This was followed by the state sector with 15 million m<sup>2</sup> and building cooperatives with 2.2 million m<sup>2</sup>. According to the number of flats, 492 thousand 287 of 543 thousand 801 flats were taken by the private sector, 42 thousand 662 by the state sector and 8 thousand 852 by the building cooperatives. According to the total area of the buildings, Istanbul had the highest share with 20.3 million m<sup>2</sup>. Ankara was followed by Ankara with 10.8 million m<sup>2</sup> and Bursa with 4.8 million m<sup>2</sup>. The provinces with the lowest surface area were Ardahan, Tunceli and Batman, respectively. According to the number of flats, Istanbul province had the highest share with 106 thousand 637 units. Ankara was followed by Ankara with 39 thousand 510 units and İzmir with 29 thousand 235 units. The provinces with the lowest number of apartments were Ardahan, Batman and Bayburt, respectively.

## Occupancy Permit, January - September, 2017-2019

Göstergeler	Yıl			Bir önceki yılın ilk dokuz ayına göre değişim oranı (%)	
	2019	2018 <sup>(f)</sup>	2017 <sup>(f)</sup>	2019	2018
Bina sayısı	70 329	88 534	83 313	-20,6	6,3
Yüzölçümü (m <sup>2</sup> )	111 353 391	119 968 656	114 301 027	-7,2	5,0
Değer (TL)	180 924 705 654	161 059 112 111	120 880 724 130	12,3	33,2
Daire sayısı	543 801	613 370	575 893	-11,3	6,5

(f) Yapı izin istatistikleri 2017 ve 2018 yılları verileri revize edilmiştir.

## Global Economic Outlook

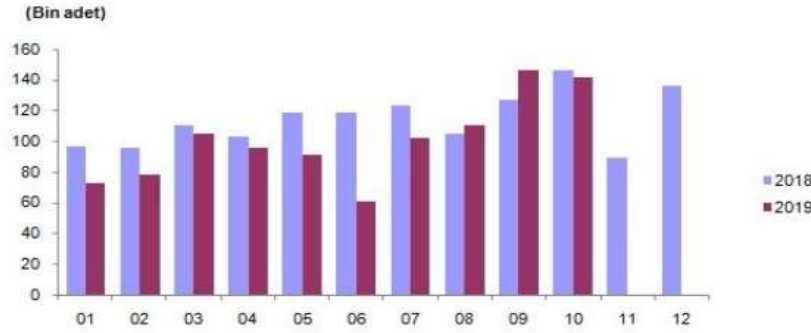
The slowdown and uncertainty in global growth continues. Increasing tension and geopolitical tensions in trade wars, as well as deterioration in investment, production and confidence indicators are driving global growth down. However, the fact that central banks of developed and developing

countries regard anti-slowdown practices reduces their global recession expectations. In the second quarter of 2019, the rise in concerns about global trade, the emergence of the Middle East geopolitical risks and the slowdown in the global scale, especially in the manufacturing industry sector, which affected the economic activity negatively, increased the downward risks regarding the growth outlook for the rest of the year. The IMF published the October 2019 issue of the Global Economic Outlook Report with the title of “Decline Period of Global Manufacturing, Increasing Trade Barriers”. According to the July update, the IMF reduced its global economic growth forecast to 0.2 percent for 2019, down to 3 percent for 2019 and to 3.4 percent for 2020, according to the July update. In the report, which draws attention to the pressure created by trade wars on global economic growth, the report emphasized that the global economy is facing synchronous slowdown and that the global growth forecast for 2019 is revised downwards for this reason. Structural factors such as commercial and geopolitical high uncertainties, special factors of some emerging economies cause macroeconomic pressure, low productivity growth and aging population in developed economies are shown as other factors affecting the low growth of the global economy. According to the IMF report, the growth forecast for developed countries was reduced from 1.9 percent to 1.7 percent in 2019, while it remained at 1.7 percent for 2020. In developing economies, the growth forecast has been reduced from 4.1 percent to 3.9 percent for 2019 and from 4.7 percent to 4.6 percent for 2020. In 2019 and 2020, the growth estimates of Turkey's economy has been increased to 3 percent, respectively, 0.2 percent and minus 2.5 percent from 2.5 percent. Trade wars started August with high blood pressure, and tensions gradually increased. Despite the fact that the Shanghai talks between China and the USA were terminated at the beginning of August, Trump accused China of not wanting to buy US agricultural goods and putting the USA in a disadvantage. Donald Trump announced that a 10 percent additional tax will be imposed on the \$ 300 billion product imported from China, effective from September 1. He also stated that they will start taxing 15% of the Chinese product, which is currently worth 10% tax, of \$ 300 billion as of September 1. In the FOMC meeting held on September 17-18, 2019, the Federal Reserve (Federal Reserve) reduced the policy rate by 25 basis points to 1.75-2.00 percent in line with market expectations. According to updated projections, the median expectation for 2019 in policy rate fell from 2.4% to 1.9%, while the expectation for 2020 decreased from 2.1% to 1.9%. FED members' 2019 growth forecast increased from 2.1% to 2.2% while 2020 forecast was preserved at 2%. Personal consumption expenditure inflation estimates; 1.5% for 2019 and 1.9% for 2020. In the text of the decision; It was emphasized that economic activity continues to grow at a moderate pace and the labor market is strong. Despite that; it is mentioned that fixed capital investments and exports have weakened. In the statements made by FED President Powell after the meeting, it was stated that FED lowered interest rates to provide insurance in spite of weak global growth and trade tensions. Powell also stated that a more comprehensive reduction process might be appropriate if there are economic difficulties, while they noted that they could achieve the targets 5 with moderate adjustments in interest rates in the course of the economy. FED President Powell's implication that the continuation of the interest rate cut might not come was effective in the markets.

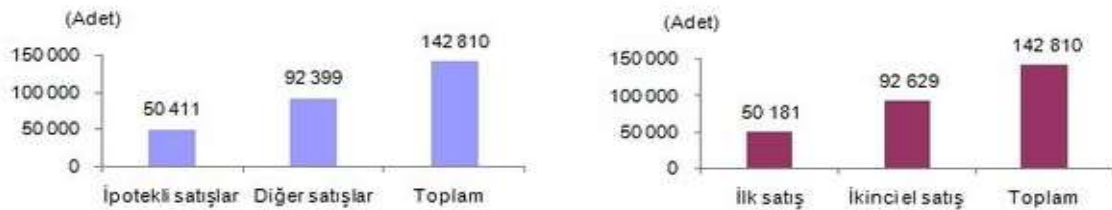
### **Housing Sales Statistics, October 2019**

Housing sales in Turkey decreased by 2.5% compared to the same month of the previous year in the month of October 2019 was 142 810. In house sales, Istanbul had the highest share with 24.451 house sales and 17.1%. According to sales numbers, Istanbul was followed by Ankara with 13.978 house sales and 9.8% share, İzmir with 9.012 house sales and 6.3% share. The provinces with low house sales were Hakkari with 13 houses, Ardahan with 24 houses and Bayburt with 93 houses, respectively.

## Housing Sales Numbers, 2018-2019



Mortgage sales in Turkey increased by 50 411 was 525.1% compared to the same month of the previous year. The share of mortgage sales in total house sales was 35.3%. In mortgage sales, Istanbul ranked first with 8 408 house sales and 16.7% share. The province with the highest share of mortgage sales in total house sales was Artvin with 54.3%. Other housing sales across Turkey became 92,399 decreased by 33.3% compared to the same month of the previous year. In other housing sales, Istanbul ranked first with 16,043 housing sales and 17.4% share. The share of other sales in total housing sales in Istanbul was 65.6%. Ankara ranked second with 7,875 other housing sales. Ankara was followed by İzmir with 5,344 sales. Hakkari was the province with the lowest sales of 10 other houses.



### Sale of Housing by Sales Type, October 2019 - Housing Sales by Sales Situation, October 2019

#### 50.181 HOUSES ARE SOLD IN THE FIRST TIME.

Turkey Number of houses sold decreased 32.9% for the first time in general was 50.181 compared to the same month of the previous year. The share of the first sale in total house sales was 35.1%. In the first sales, Istanbul had the highest share with 8.988 houses and 17.9%, followed by Ankara with 3.683 houses and İzmir with 2.967 houses.

#### 92.629 HOUSES HAVE BEEN CHANGED IN THE SECOND HAND HOUSING SALES.

Second-hand housing sales in Turkey became 92.629 increased 29.2% compared to the same month of the previous year. In second-hand house sales, Istanbul ranked first with 15.463 house sales and 16.7% share. The share of second-hand sales in total house sales in Istanbul was 63.2%. Ankara ranked second with 10.295 housing sales. Ankara was followed by İzmir with 6.045 houses sold.

#### SALE OF 4.272 HOUSES TO FOREIGNERS IN OCTOBER 2019.

Housing sales to foreigners decreased by 31.9% compared to the same month of the previous year and became 4.272. In October 2019, Istanbul ranked first in housing sales to foreigners, with 2.043 sales. Istanbul was followed by Antalya with 912 sales, Bursa with 215 sales, Ankara with 192 sales and Yalova with 134 sales, respectively.

## BY COUNTRY NATIONALS, THE MOST HOUSING SALES WERE MADE TO IRAQI CITIZENS.

Iraqi citizens in Turkey from 597 in October bought it. Iraq was followed by Iran with 536 houses, the Russian Federation with 292 houses, Germany with 225 houses and Afghanistan with 185 houses.

**Reference: Central Bank of Turkey Republic, Turkish Statistical Institute.**

## 5 INFORMATION ABOUT REAL ESTATE OF VALUATION SUBJECT

### 5.1 THE PLACE AND LOCATION OF REAL ESTATE

**The Full Address of the Real Estate:** Kemankes Kara Mustafa Pasa Mahallesi, Kemankes Cd., No:57 ve No: 59, Beyoglu – Istanbul.

The subject real estate is located in Karakoy region, which is one of the oldest commercial centers of Istanbul. Today, in the region, which maintains this feature, there are middle class office buildings and buildings operating in the concept of office block on Kemeraltı Avenue, one of the commercial and social areas of the region. The construction of the Tuesday Market Cruise Port Project, which is within the interaction area of the region where the real estate properties are located, is under construction and it is thought that the functions planned to be included in its content will have a positive impact on the region.

The building age range in Karaköy and its surroundings is generally between the ages of 20 and 40, and the empty land stock is very few. Considering the tourism potential of the region, where there are a large number of office, office and commercial buildings, it is seen that hotels with branded rooms of 100 and above are insufficient.

Istanbul Modern, Kılıc Ali Pasa Mosque, Aya Nikola Church, Tophane, Nusratiye Mosque, as well as areas where offices and commercial units such as headquarters buildings, banks, financial institutions, workplaces selling sea, fishing and office supplies are concentrated in the service sector in the immediate vicinity of the real estate properties. Istanbul Gold Exchange, Karakoy Port Maritime Enterprises and St. Petersburg. There are important structures such as Benoit High School.

The area where the real estate properties are located can be easily reached by using the sea and land rail systems and the region is located in the middle of important transfer centers such as Sirkeci, Besiktas and Taksim.





## 5.2 DESCRIPTION AND PROPERTIES OF REAL ESTATE

In the land registry records, the real estate has been built as a 5-star hotel in Kemankes Caddesi No: 57-59 in the province of Beyoglu District of Istanbul. It is on the land with an area of 3.074,58 m<sup>2</sup>, Block: 77, Plot: 4.

### 5.2.1 STRUCTURAL CONSTRUCTION FEATURES OF THE REAL ESTATE:

<b>Construction Type</b>	Reinforced Concrete (Mixed)
<b>Construction Form</b>	Attached Buildings
<b>Number of Floors of the Main Real Estate</b>	3 basement floors + ground floor + 5 normal floors + attic
<b>Building Total Construction Area</b>	20.926,10 m <sup>2</sup>
<b>Building Age</b>	~5
<b>Building Facade</b>	Light Marble and Wood
<b>Electricity / Water / Drainage</b>	Infrastructure
<b>Heating System</b>	VRV
<b>Ventilation System</b>	Available
<b>Elevator</b>	Available - 6 pcs.
<b>Generator</b>	Available
<b>Fire Escape</b>	Available
<b>Parking Lot</b>	Parking Garage
<b>Other</b>	Fire Detection and Security System, Emergency Elevator

### Evaluation in the Neighborhood of the Real Estate:

The real estates subject to the appraisal are 6 independent sections located on the plot (parcel) no. 64, Kemankes Mahallesi, Istanbul, Beyoglu District. The subject real estates are common property of many foundations and Akfen Karakoy Gayrimenkul Yatirimlari ve Insaat A.S., where 69,99% of Akfen GYO A.S. In favor of the "Construction Construction Rental Agreement", there is an operating right between 01.09.2009 - 01.09.2058. Apart from this contract, There is a lease agreement for the independent section no.1 (dated in 04.01.2013) between Akfen Karakoy Gayrimenkul Yatirimlari Insaat A.S. and Tamaris Turizm A.S.

The plot no. 77, where the real estate subject to the appraisal is located, has a flat top geography and a geometric form close to a rectangle. The subject plot has a facade to Mumhane Avenue and Kemankes Avenue.

It consists of a total of 10 floors and 20.926,10 m<sup>2</sup> of construction area, according to the building occupancy permit dated 12.02.2016 and the current situation, 3 basements + ground + 5 normal + attic. The building, consisting of a total of 6 independent sections, is divided into independent sections as a hotel building and 5 commercial units.

According to the land registry records, the hotel section, which is named as the independent section no. 1, has approved documents and a total construction area of 20,461.90 m<sup>2</sup> according to the current situation. The hotel section consists of 3 basements, a part of the ground floor, 5 normal floors and a section called the patio room (attic), and there are 196 rooms.

The real estate properties numbered 2, 3, 4, 5 and 6 located on the ground floor of the building outside the Hotel Section are shop qualified. Of the subject real estate, building no. 2 is located on Kemankes Avenue, and building no. 3, 4, 5 and 6 are in front of Mumhane Avenue.

The view of the Bosphorus and the Historic Peninsula can be seen from the rooms of the hotel designed on a 4-star hotel concept, overlooking Kemankes Street and on the 4th and 5th normal floors. Apart from the accommodation facility, the hotel sections, which are also used as meeting and conference halls, and 1 restaurant located in the hotel management on the roof floor.

#### Legal Status and Current Status Independent Section Fields:

Dep. No.	Property	Floor	Gross Area (m <sup>2</sup> )
1	Hotel	3., 2. ve 1. Basement Floor + Ground Floor + 1., 2., 3., 4. ve 5. Normal Floor + Antic	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

### 5.3 LEGAL REVIEWS OF THE REAL ESTATE:

#### 5.3.1 ANALYSIS OF TITLE DEED

##### 5.3.1.1 TITLE DEED REGISTRATION

<b>District</b>	Istanbul			
<b>Neighbourhood</b>	Beyoglu			
<b>Village</b>	Kemankes			
<b>Site</b>	-			
<b>Block</b>	77			
<b>Plot</b>	64			
<b>Main Real Estate Area (m<sup>2</sup>)</b>	3.074,58			
<b>Main Real Estate Property</b>	9 Floor Hotel and Working Places			
<b>Dep. No.</b>	<b>Floor</b>	<b>Land Share</b>	<b>Property</b>	<b>Owners - Shares</b>
1	3. Basement + 2. Basement + 1. Basement + Ground Floor + 1. + 2. + 3. + 4. + 5. + Patio Room (Attic)	919/1000	Hotel	Multi Shares*
2	Ground	38/1000	Store with Storage	Multi Shares*
3	Ground	2/1000	Store	Multi Shares*
4	Ground	28/1000	Store with Storage	Multi Shares*
5	Ground	5/1000	Store	Multi Shares*
6	Ground	8/1000	Store	Multi Shares*

\* All of the real estate subject to the appraisal are the property of the same owners. All of the owners of the real estate properties are foundation. Akfen Karaköy Gayrimenkul Yatırımları ve İnşaat A.S., where Akfen GYO A.S. has 19.90% shares on each share of the real estates subject to the appraisal. In favor of "Construction Conditional Rental" is valid between 01.09.2009 - 01.09.2058.

##### 5.3.1.2 LIMITS ON DETAIL INFORMATION AND TRANSFER

According to the TAKBIS documents obtained from the Land Registry and Cadastre General Directorate Portal Services as of 13.11.2019, the following encumbrance records are available on the immovable properties subject to the appraisal.



## **Jointly on All Independent Departments and All Owners' Shares**

### **In the households of 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." (09.17.2015 date and 9714 with no per diem)

### **In the households of Restrictions;**

• There is a lease agreement for a price of TL 264.141. Akfen Karaköy Real Estate Investments and Construction Joint Stock Company for 49 years of rental annotation. (With the date of 04.10.2012 and number of 8861)

### **Changes in the Land Registry of the Real Estate in the Last Three Years**

There has been no change in the land registry records of the real estate subject to the appraisal within the last three years.

Opinion on whether there is an obstacle in the frame of Capital Market Legislation in the Inclusion of Real Estate Investment Trusts Portfolio in terms of Land Registry Records. According to the first paragraph of Article 30 of the Communiqué on Real Estate Investment Partners published in the official newspaper of the Capital Markets Board dated 28.05.2013, Real Estate Investment Partners are solely concerned with the financing of these transactions during the purchase of real estate, real estate projects and real estate-based rights. mortgages, pledges and other limited real rights can be established on assets in the portfolio in order to obtain credit for investments.

Pursuant to the relevant article of the communiqué, mortgages on the real estate do not constitute an obstacle to the property in the portfolio of real estate investment trusts within the framework of the capital market legislation.

## **5.3.2 MUNICIPAL REVIEW**

### **5.3.2.1 ZONING STATUS**

Zoning regulations regulate land use and intensity of development. While examining zoning regulations, all possible changes in current regulations and specifications are taken into account. Zoning plans define the general use such as residential, commercial and industrial and indicate the density of the structure that can be made based on these uses.

According to the information obtained as a result of the inspections carried out in Beyoğlu Municipality Directorate of Urban Development and Urban Planning and Plan Project Directorate on 25.12.2019, the zoning status information of the parcel where the real estate subject to appraisal is located is given below.

The parcel, where the real estate subject to the appraisal is located, remains in the "Tourism + Service + Trade (TST)" legend under the "Tourism + Service + Trade (TST)" dated 21.12.2010, while the Istanbul 10th Administrative Court dated 12.04.2017. The plan regarding the decision was canceled. The parcel, where the real estate subject to the appraisal is located, remains in the unplanned area as of the appraisal date.

T. C. According to the decision of the Ministry of Culture and Tourism Istanbul 2nd Region Cultural Heritage Preservation Board dated 02.08.2017, the relevant board protection principles and conditions of use will apply.

### **Construction conditions before the 10th Administrative Court of Istanbul dated 12.04.2017;**

**Plan Name:** 1 / 1.000 scale "Urban Protected Area Protection Plan"

**Plan Approval Date:** 21.12.2010

**Legend:** Tourism + Service + Trade (TST)

#### **Housing conditions;**

- $H_{max}$ : Partially 12,50 - 18,50 m.

### **5.3.2.2 BUILDING LICENCE DOCUMENTS REVIEW**

According to the analyses, carried out in Beyoğlu Municipality and Beyoğlu Land Registry, on 25.12.2019, the legal documents belonging to the building where the real estate subject to the appraisal are located are specified in the date order.

- There is an "**Approved Architectural Project**" prepared for the construction of the "Hotel and Store" building with a total construction area of 20.926,10 m<sup>2</sup> dated 12.01.2016.
- There is a "**Building License**" for the "Hotel and Store" issued for the construction area of 20.926.10 m<sup>2</sup>, numbered 2016 / 01-11, dated 18.01.2016.
- There is a "**Building Usage Permit Certificate (Occupancy Permit)**" for "Hotel and Store" issued on 12.02.2016, with the number of 2016 / 14-4587, with a construction area of 20.926,10 m<sup>2</sup>.

### **5.3.2.3 COUNCIL / COURT DECISIONS, PLAN CANCELLATIONS AND OTHER SIMILAR SUBJECTS**

There is no committee decision in the zoning file of the real estate subject to the appraisal.

### **5.3.3 CHANGES FROM THE LEGAL SITUATION IN THE LAST 3 YEARS**

There has been no change in the legal status of the real estate subject to the appraisal in the last three years.

### **Opinion on whether there is an obstacle in the frame of Capital Market Legislation in the Inclusion of Real Estate Investment Trusts Portfolio in Terms of Zoning Information**

According to the study regarding the property; there is an "Architectural Project" dated 30.12.2010 and "Building Use Permit Document" dated 28.12.2012 and numbered 2012/29412. The real estate is resettled, has completed the type correction process and completed the legal process.

As all permits and documents required to be obtained in accordance with the legislation of the existing facilities on the plot have been received in full and flawlessly, there is no objection to the Real Estate Investment Trust portfolio within the framework of the Capital Market Legislation.

## **6 VALUATION STUDIES**

### **6.1 FACTORS AFFECTING THE REAL ESTATE'S VALUE AND VALUE DETERMINATION OF THE REAL ESTATE**

As valuation technique, there are 3 basic methods used in Turkey and international platform. These are Cost Approach, Sales Comparison Approach and Income Capitalisation Approach.

**COST APPROACH:** In this method, the cost of reconstruction of an existing building under today's economic conditions is considered the basis for the valuation of the real estate. In this sense, the main principle of the cost approach can be explained by the usage value. The value of use is defined as "The property has a real value even if nobody wants it or knows its value".

In this method, real estate is considered to have an important remaining economic life expectancy. For this reason, it is assumed that the value of the real estate will decrease over time due to its physical and functional and economically obsolete. In other words, it is assumed that the building value of an existing real estate can never be more than the cost of reconstruction.

**SALES COMPARISON APPROACH:** The most reliable and realistic approach to real estate valuation in the business type is the market value approach. In this valuation method, comparable examples with common basic properties and the real estate to be valued in the region are examined. The peer comparison approach is based on the following assumptions.

- The existence of an existing market is accepted in advance in relation to the type of real estate analyzed.
- It is accepted that buyers and sellers in this market have a good level of knowledge about real estate and therefore time is not an important factor.
- The real estate is considered to remain in the market for a reasonable time with a reasonable sales price.
- Selected comparable samples are considered to have the basic characteristics common to the appraised real estate.
- Today's socio-economic conditions are accepted to be valid in making price corrections of the data of selected comparable samples.

**INCOME CAPITALISATION APPROACH:** If the value of the assets can only be determined according to the income they will bring - for example, in rental houses or workplaces - it is the rule to apply the income method to find the version fees. The criteria is the net income that can be obtained in determining the value of a real estate that has a structure with the income method. This net income; the building consists of other structural facilities and landshares related to the building. Despite the possibility of using the land continuously, the period of using a building is limited. Therefore, in determining the monetary value of the net income, the values of the land, structure and other structural facilities related to the structure are determined in separate sections.

Net income is found by deducting income and operating expenses from the annual operating gross income of the income-generating real estate and the real estate being empty. Net income consists of building income and land income. Land income refers to the income that the land value will bring at the real estate interest rate valid in the real estate market in the region. Building income is the sum of the income generated by the building in the real estate rate of the real estate in the region throughout the remaining usage period and the annual depreciation amount to be allocated based on the remaining usage period of the building.

## **6.2 THE FACTORS AFFECTING THE VALUATION PROCESS**

There are no factors that negatively affect the valuation process.

## **6.3 THE FACTORS AFFECTING THE VALUE OF THE REAL PROPERTY**

### **FACTORS AFFECTING THE POSITIVE DIRECTION**

- The trade volume of the region, where the real estate is located, is wide and tourism mobility is high.
- Access to the building where the property is located can be easily provided by sea, land and light rail system.
- The Bosphorus and the Historic Peninsula view can be seen from the 4th and 5th normal floors of the property that is subject to the appraisal.
- The Galataport Project will be put into service.

## **FACTORS AFFECTING THE NEGATIVE DIRECTION**

- There are many large and small construction sites in the region where the real estate subject to the appraisal is located and it is thought that this may affect the commercial perception of the streets where the main real estate is facing.
- In the Karaköy region, where the real estate subject to the appraisal is located, traffic density can occur at certain times of the day and week.

## **6.4 ASSUMPTIONS, VALUATION METHODS USED IN THE EVALUATION PROCESS AND THE REASONS FOR USING THESE METHODS**

In this appraisal assessment, Income Approach and Cost Approach methods were used because the real estate subject to the appraisal is a commercial property that generates qualified income. The “Land Value” used in Cost Approach has been determined according to Sales Comparison Method.

## 6.5 MARKET RESEARCH AND INDICATIONS FOR VALUE DETERMINATION

### RENT PRECEDENTS:

<u>PRECEDENT</u>	<u>Location</u>	<u>Evaluation According to the Property and Appraisal Subject Matter</u>	<u>Area (m<sup>2</sup>)</u>	<u>Price (TL)</u>	<u>Unit Price (TL/m<sup>2</sup>)</u>
<b>Precedent 1</b>	In the Kemankes District, further away from the coastal road.	A boutique hotel or office building consisting of 5 floors, 3 m. front, 185 m <sup>2</sup> gross area, suitable for office using. 20.000 TL / month for rent.	185	20.000	108
<b>Precedent 2</b>	In the Kemankes District, on the coastal road, at the seaside.	The boutique hotel or office building consisting of 5 floors with a gross area of 700 m <sup>2</sup> . 80.000 TL / month for rent.	700	42.000	114
<b>Precedent 3</b>	In the Kemankes District, on the coastal road, at the seaside.	The building, which consists of 6 floors, has a gross area of approximately 500 m <sup>2</sup> , is newly renovated, well-maintained and does not require renovation. It has no landscape capability and is declared as a hotel license. As a unique property, it has a disadvantageous location due to its lack of views. 45.000 TL / month for rent.	500	45.000	90,00
<b>Precedent 4</b>	In the Kemankes District, on the coastal road, at the seaside.	A boutique hotel or office building consisting of 6 floors, with a gross area of 410 m <sup>2</sup> . 50.000 TL / month for rent	410	50.000	122

### General Evaluation:

As a result of the sales comparison research conducted for those with a store qualification among the real estate subject to the appraisal, it has been observed that the rental prices in the Karaköy region have fallen on the basis of Euro and Dollar due to the increase in the exchange rate. It was determined that the rental prices of the store were declared in TL. Accordingly, it was learned that the unit m<sup>2</sup> prices of the store in Kemankes and Mumhane Districts were around 90 - 125 TL / m<sup>2</sup> / month. The precedent information is in a better condition than the precedent real estate properties in terms of view and location. This is considered as goodwill and we appreciate the monthly rental value of the property as 145 TL/ m<sup>2</sup> / month (~ 23 Euro / m<sup>2</sup> / month) It has been approved.

<b>REFERENCE TABLE</b>					
<b>Factors</b>		<b>Comparable Properties</b>			
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>Purchase-Sales Corrections</b>	<b>Unit Price (TL/m<sup>2</sup>)</b>	<b>108</b>	<b>114</b>	<b>90</b>	<b>122</b>
	<b>Negotiable share</b>	0%	0%	0%	0%
	<b>Property Status</b>	0%	0%	0%	0%
	<b>Terms of Sales</b>	10%	10%	20%	10%
	<b>Building Licence</b>	0%	0%	0%	0%
	<b>Market Conditions</b>	0%	0%	0%	0%
<b>Real Estate Corrections</b>	<b>Location</b>	10%	10%	20%	0%
	<b>Right to Build</b>	0%	0%	20%	0%
	<b>Area</b>	20%	10%	0%	20%
	<b>Physical Features</b>	0%	-5%	0%	0%
	<b>Legal Features</b>	0%	0%	0%	0%
<b>Adjusted Value</b>		<b>156</b>	<b>143</b>	<b>155,5</b>	<b>161</b>

## 6.6 COST APPROACH

In this analysis, the building cost value of the real estate was evaluated by considering the cost approach and the technical properties of the buildings, the materials used in the buildings, the construction costs of the buildings built with the same properties in the market and the costs calculated based on our past experience. Depreciation in buildings is appreciated by taking into account the visible physical condition of the building based on the experience of the appraiser. In this study, the cost approach was not used.

### 6.1.1 VALUATION WITH INCOME APPROACH

The income approach method has been used since the real estate subject to the appraisal is an income-generating commercial property.

\* The hotel is considered as a real estate property, an income generating property, and an income approach is also used in the valuation of the property. A market research was carried out for similar properties in the region regarding the data used in the income approach. The income approach has been made in two different ways, taking into account the revenues that the real estate earns in accordance with the current lease agreement and the cash flow potentially can be obtained in the market.

The hotel in question has been leased to Accor Group with a lease agreement to be operated at the moment. Accordingly, the value of the real estate has been calculated by reducing the lease income guaranteed by the contract with a lower risk premium. In another way, according to the market research conducted, the evaluation was made according to the potential net cash flows the hotel can achieve.

In this context, the appreciated value of the real estate according to the income approach; It is appreciated by taking the average of the two values calculated based on the rental income guaranteed under the lease agreement and found by discounting the potential net cash flows of the enterprise.

In the studies made in the market, it has been observed that real estates similar to the subject real estate are evaluated as an income-generating property. Accordingly, the market value calculated with the income approach was appreciated as the report final value.

- During the appraisal study, area information calculated on the architectural project was used.
- In the subject study, “Construction Lease Agreement” dated 01.09.2009 with the approval received from the Prime Ministry General Directorate of Foundations on 22.06.2011 and “Transfer Agreement” signed on the same date are taken as basis agreements.
- The valuation study was based on 01.09.2009 - 01.09.2058 in the "Construction Lease Agreement" dated 01.09.2009.
- The hotel subject to the appraisal, as it is recent, has been operated with a 5-star and 196 room capacity.
- It is assumed that the hotel will remain open for 365 days.
- The subject of the "Construction Lease Agreement" dated 01.09.2009 was published by the Republic of Turkey. According to the “Transfer Agreement” signed on the same date with the consent received from the Prime Ministry General Directorate of Foundations on 22.06.2011, it was learned that the land rent was paid 704.028 Euro for 29.12.2019 - 29.12.2020 and it was evaluated in this way.
- According to the information received from the customer within the scope of the valuation study, 30.060 Euro building insurance cost was learned for the subject building in the period of 29.12.2019 - 29.12.2020 and this price was used in line with the customer demand. Again, in line with the customer demand, the subject price has been included in the calculations to increase every 10 years.
- It is assumed that all payments are made in cash.
- It is assumed that all legal procedures are completed.
- Taxes are not included in the studies within the scope of IVSC (International Valuation Standards).

**Given that the real estate subject to the appraisal is an active hotel, a valuation was made using the “Discounted Cash Flow” method.**

**According to the operational status of the Hotel;**

<b>Novotel Istanbul Bosphorus (5 Stars)</b>	
Room Numbers	200
Number of Days Open	365
Room Capacity (Year)	73.000
Other Income Ratio (%) (Annual Income From the Sale of Room)	30%
Renovation Cost Ratio (Over Annual Income) (%)	1,00%
<b>Business / Commercial Units (Stores)</b>	
Business / Commercial Units Area (m <sup>2</sup> )	464,20
Business / Commercial Units Rental Value (m <sup>2</sup> /Euro)	20
Business / Commercial Units Rental Income Increase (%) - 4 years	6,00%
Business / Commercial Units Rental Income Increase (%) – 5 - 10 years	2,50%
Business / Commercial Units Rental Income Increase (%) – Over 10 years	1,00%

In the subject study, for the operation of the subject hotel and the renting of the stores, the Republic of Turkey "Construction Lease Agreement" dated 01.09.2009 has been issued. The time limits included in the "Transfer Agreement" signed on the same date with the approval received from the Prime Ministry General Directorate of Foundations on 22.06.2011 are taken as basis.

In the appraisal study, the last 6 months of 2025 Eurobond rate, 3.30%, was taken as the “Risk Free Return Rate”.

The discount rate is estimated as 10% by adding 7,70% “Risk Premium” to 3,30% “Risk Free Return Rate”.

CASH FLOW												
	1	2	3	4	5	6	7	8	9	10	11	
Novotel İstanbul Bosphorus Hotel Cash Flow (UEURO)												
YEARS	15.09.2019	15.09.2020	15.09.2021	15.09.2022	15.09.2023	15.09.2024	15.09.2025	15.09.2026	15.09.2027	15.09.2028	15.09.2029	15.09.2030
<b>Hotel Facility</b>												
Annual Room Capacity	73.000	73.000	73.000	73.000	73.000	73.000	73.000	73.000	73.000	73.000	73.000	73.000
Occupancy	0%	88%	88%	89%	90%	91%	92%	93%	93%	93%	93%	93%
Number of Rooms Sold	-	63.875	64.240	64.605	65.700	66.430	67.160	67.890	67.890	67.890	67.890	67.890
Room Price (EURO)		99,10	104,55	110,30	116,37	119,28	122,26	125,31	128,45	131,66	134,95	136,30
Annual Room Sales Income (EURO)	-	6.330.013	6.716.324	7.125.982	7.645.333	7.923.538	8.210.875	8.507.627	8.720.318	8.938.326	9.161.784	9.253.402
Other Income (EURO)	-	1.899.004	2.014.897	2.137.795	2.293.600	2.377.061	2.463.263	2.552.288	2.616.095	2.681.498	2.748.535	2.776.020
<b>Hotel Income in Total (EURO)</b>	-	<b>8.229.016</b>	<b>8.731.221</b>	<b>9.263.776</b>	<b>9.938.933</b>	<b>10.300.600</b>	<b>10.674.138</b>	<b>11.059.915</b>	<b>11.336.413</b>	<b>11.619.823</b>	<b>11.910.319</b>	<b>12.029.422</b>
Income Ratio After Operational Expenses (%)	-	56%	57%	58%	59%	59%	59%	59%	59%	59%	59%	59%
<b>Total Hotel Income After Operational Expenses (EURO)</b>	-	<b>4.608.249</b>	<b>4.976.796</b>	<b>5.372.990</b>	<b>5.863.970</b>	<b>6.077.354</b>	<b>6.297.741</b>	<b>6.525.350</b>	<b>6.688.484</b>	<b>6.855.696</b>	<b>7.027.088</b>	<b>7.097.359</b>
Commercial Units Rental Income (EURO)		511.408	511.408	511.408	542.092	574.618	609.095	645.641	666.705	688.590	711.336	716.774
Renovation Cost (EURO)	-	82.290	87.312	92.638	99.389	103.006	106.741	110.599	113.364	116.198	119.103	120.294
Property Tax (EURO)	-	0	0	0	0	0	0	0	0	0	0	0
Insurance (EURO)	-	30.060	30.060	30.060	30.060	30.060	30.060	30.060	30.060	30.060	30.060	30.661
Land Rent Price (EURO) (Annual) (Akfen GYO Share)	0	704.028	711.036	714.421	714.421	714.421	714.421	714.421	714.421	714.421	714.421	714.421
<b>Total Expenses (EURO)</b>	-	<b>816.377</b>	<b>828.407</b>	<b>837.119</b>	<b>843.870</b>	<b>847.487</b>	<b>851.223</b>	<b>855.080</b>	<b>857.845</b>	<b>860.679</b>	<b>863.584</b>	<b>865.377</b>
<b>Total Hotel and Commercial Units Net Income (EURO)</b>	-1	<b>4.303.280</b>	<b>4.659.797</b>	<b>5.047.279</b>	<b>5.562.192</b>	<b>5.804.485</b>	<b>6.055.614</b>	<b>6.315.910</b>	<b>6.497.343</b>	<b>6.683.607</b>	<b>6.874.840</b>	<b>6.948.757</b>

12	13	14	15	16	17	18	19	20	21	22	23	24
15.09.2031	15.09.2032	15.09.2033	15.09.2034	15.09.2035	15.09.2036	15.09.2037	15.09.2038	15.09.2039	15.09.2040	15.09.2041	15.09.2042	15.09.2043
73.000	73.000	73.000	73.000	73.000	73.000	73.000	73.000	73.000	73.000	73.000	73.000	73.000
93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%
67.890	67.890	67.890	67.890	67.890	67.890	67.890	67.890	67.890	67.890	67.890	67.890	67.890
137,66	139,04	140,43	141,83	143,25	144,69	146,13	147,59	149,07	150,56	152,07	153,59	155,12
9.345.936	9.439.395	9.533.789	9.629.127	9.725.418	9.822.672	9.920.899	10.020.108	10.120.309	10.221.512	10.323.727	10.426.964	10.531.234
2.803.781	2.831.818	2.860.137	2.888.738	2.917.625	2.946.802	2.976.270	3.006.032	3.036.093	3.066.454	3.097.118	3.128.089	3.159.370
<b>12.149.716</b>	<b>12.271.213</b>	<b>12.393.926</b>	<b>12.517.865</b>	<b>12.643.043</b>	<b>12.769.474</b>	<b>12.897.169</b>	<b>13.026.140</b>	<b>13.156.402</b>	<b>13.287.966</b>	<b>13.420.845</b>	<b>13.555.054</b>	<b>13.690.604</b>
59%	59%	59%	59%	59%	59%	59%	59%	59%	59%	59%	59%	59%
<b>7.168.333</b>	<b>7.240.016</b>	<b>7.312.416</b>	<b>7.385.540</b>	<b>7.459.396</b>	<b>7.533.990</b>	<b>7.609.329</b>	<b>7.685.423</b>	<b>7.762.277</b>	<b>7.839.900</b>	<b>7.918.299</b>	<b>7.997.482</b>	<b>8.077.457</b>
722.267	727.815	733.418	739.077	744.792	750.565	756.395	762.284	768.232	774.239	780.306	786.434	792.623
121.497	122.712	123.939	125.179	126.430	127.695	128.972	130.261	131.564	132.880	134.208	135.551	136.906
0	0	0	0	0	0	0	0	0	0	0	0	0
30.661	30.661	30.661	30.661	30.661	30.661	30.661	30.661	30.661	31.274	31.274	31.274	31.274
714.421	714.421	714.421	714.421	714.421	714.421	714.421	714.421	714.421	714.421	714.421	714.421	714.421
<b>866.580</b>	<b>867.794</b>	<b>869.022</b>	<b>870.261</b>	<b>871.513</b>	<b>872.777</b>	<b>874.054</b>	<b>875.344</b>	<b>876.646</b>	<b>878.575</b>	<b>879.904</b>	<b>881.246</b>	<b>882.602</b>
<b>7.024.020</b>	<b>7.100.036</b>	<b>7.176.812</b>	<b>7.254.356</b>	<b>7.332.675</b>	<b>7.411.777</b>	<b>7.491.671</b>	<b>7.572.363</b>	<b>7.653.863</b>	<b>7.735.564</b>	<b>7.818.701</b>	<b>7.902.670</b>	<b>7.987.478</b>



25	26	27	28	29	30	31	32	33	34	35	36	37	38	39
15.09.2044	15.09.2045	15.09.2046	15.09.2047	15.09.2048	15.09.2049	15.09.2050	15.09.2051	15.09.2052	15.09.2053	15.09.2054	15.09.2055	15.09.2056	15.09.2057	15.09.2058
73.000	73.000	73.000	73.000	73.000	73.000	73.000	73.000	73.000	73.000	73.000	73.000	73.000	73.000	73.000
93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%
67.890	67.890	67.890	67.890	67.890	67.890	67.890	67.890	67.890	67.890	67.890	67.890	67.890	67.890	67.890
156,67	158,24	159,82	161,42	163,03	164,67	166,31	167,97	169,65	171,35	173,06	174,80	176,54	178,31	180,09
10.636.546	10.742.912	10.850.341	10.958.844	11.068.433	11.179.117	11.290.908	11.403.817	11.517.856	11.633.034	11.749.365	11.866.858	11.985.527	12.105.382	12.226.436
3.190.964	3.222.874	3.255.102	3.287.653	3.320.530	3.353.735	3.387.273	3.421.145	3.455.357	3.489.910	3.524.809	3.560.057	3.595.658	3.631.615	3.667.931
<b>13.827.510</b>	<b>13.965.785</b>	<b>14.105.443</b>	<b>14.246.498</b>	<b>14.388.963</b>	<b>14.532.852</b>	<b>14.678.181</b>	<b>14.824.963</b>	<b>14.973.212</b>	<b>15.122.944</b>	<b>15.274.174</b>	<b>15.426.916</b>	<b>15.581.185</b>	<b>15.736.997</b>	<b>15.894.367</b>
59%	59%	59%	59%	59%	59%	59%	59%	59%	59%	59%	59%	59%	59%	59%
<b>8.158.231</b>	<b>8.239.813</b>	<b>8.322.212</b>	<b>8.405.434</b>	<b>8.489.488</b>	<b>8.574.383</b>	<b>8.660.127</b>	<b>8.746.728</b>	<b>8.834.195</b>	<b>8.922.537</b>	<b>9.011.763</b>	<b>9.101.880</b>	<b>9.192.899</b>	<b>9.284.828</b>	<b>9.377.676</b>
798.874	805.188	811.565	818.005	824.510	831.080	837.716	844.418	851.187	858.023	864.928	871.903	878.946	886.061	893.246
138.275	139.658	141.054	142.465	143.890	145.329	146.782	148.250	149.732	151.229	152.742	154.269	155.812	157.370	158.944
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31.274	31.274	31.274	31.274	31.274	31.274	31.900	31.900	31.900	31.900	31.900	31.900	31.900	31.900	31.900
714.421	714.421	714.421	714.421	714.421	714.421	714.421	714.421	714.421	714.421	714.421	714.421	714.421	714.421	714.421
883.971	885.353	886.750	888.161	889.585	891.024	893.103	894.571	896.053	897.550	899.063	900.590	902.133	903.691	905.265
<b>8.073.135</b>	<b>8.159.648</b>	<b>8.247.026</b>	<b>8.335.278</b>	<b>8.424.413</b>	<b>8.514.439</b>	<b>8.604.740</b>	<b>8.696.575</b>	<b>8.789.329</b>	<b>8.883.010</b>	<b>8.977.628</b>	<b>9.073.193</b>	<b>9.169.713</b>	<b>9.267.198</b>	<b>9.365.658</b>

Valuation Table			
Risk Free Return Rate	3,30%	3,30%	3,30%
Risk Premium	6,20%	6,70%	7,20%
Capitalisation Ratio	9,50%	10,00%	10,50%
<b>Total Present Value (EURO)</b>	<b>64.912.870</b>	<b>61.522.595</b>	<b>58.419.465</b>
<b>Total Present Value (TL)</b>	<b>431.709.534</b>	<b>409.162.169</b>	<b>388.524.494</b>
<b>Approximately Total Present Value (EURO)</b>	<b>64.910.000</b>	<b>61.520.000</b>	<b>58.420.000</b>
<b>Approximately Total Present Value (TL)</b>	<b>431.710.000</b>	<b>409.160.000</b>	<b>388.520.000</b>

### According to Rental Status;

\* For the subject of the lease of the hotel to another operator as a building and the rental of stores under the “Construction Lease Contract”, the subject of the “Construction Lease Agreement” dated 01.09.2009 was issued by T.C. The deadlines in the "Transfer Agreement" signed on the same date with the consent of the Prime Ministry General Directorate of Foundations on 22.06.2011 and the lease contract dated 04.01.2013 (Akfen Karaköy Gayrimenkul Yatırımları ve İnşaat A.S. and Tamaris Turizm A.S. are taken basis.

\* Akfen Karaköy Gayrimenkul Yatırımları ve İnşaat A.S. is the property of the real estate under the same conditions as the lease agreement dated 04.01.2013. It is assumed that it will continue for the period used by.

\* According to the contract dated 04.01.2013 between Akfen Karaköy Gayrimenkul Yatırımları ve İnşaat A.S. ile Tamaris Turizm A.S: According to the “Construction Lease Agreement” in the titke deed records of the appraisal study, the gross income (excluding VAT) as the annual rental price to be paid by the hotel operating company for the hotel owned by Akfen Gayrimenkul Yatırım Ortaklığı A.S.) will pay twenty two percent (22%) or seven percent 7% of gross income for 2020 and 8% for the second and subsequent years, with an amount higher than eighty five percent (85%) of adjusted gross operating income.

\* In the appraisal study, the last 6 months of 2025 Eurobond rate, 3.30%, was taken as the “Risk Free Return Rate”.

\* By adding 5.70% “Risk Premium” to 3.30% “Risk Free Return Rate”, the discount rate is estimated to be 8%.

<b>Payable Rental Account</b>	
Income Ratio For Hotel	22%
Income Ratio After Operational Expenses Account Deduction Rate (2020)	7%
Income Ratio After Operational Expenses Account Deduction Rate (2021 and subsequent years )	8%
Income Ratio	85%
Business / Commercial Units Rental Income Increase (%) - 4 years	6%
Business / Commercial Units Rental Income Increase (%) – 5 - 10 years	3%
Business / Commercial Units Rental Income Increase (%) – Over 10 years	2%

Building Owner Cash Flow (EURO)												
YEARS	15.09.2019	15.09.2020	15.09.2021	15.09.2022	15.09.2023	15.09.2024	15.09.2025	15.09.2026	15.09.2027	15.09.2028	15.09.2029	15.09.2030
Over Hotel Income (EURO)	-	1.810.384	1.920.869	2.038.031	2.186.565	2.266.132	2.348.310	2.433.181	2.494.011	2.556.361	2.620.270	2.646.473
Akfen Gross Operational Profit Account with (EURO)	-	3.427.385	3.636.554	3.937.105	4.308.527	4.465.310	4.627.239	4.794.473	4.914.335	5.037.193	5.163.123	5.214.754
<b>Building Owner Hotel Rental Income (EURO)</b>	-	<b>3.427.385</b>	<b>3.636.554</b>	<b>3.937.105</b>	<b>4.308.527</b>	<b>4.465.310</b>	<b>4.627.239</b>	<b>4.794.473</b>	<b>4.914.335</b>	<b>5.037.193</b>	<b>5.163.123</b>	<b>5.214.754</b>
Commercial Units Area (m <sup>2</sup> )	464	464	464	464	464	464	464	464	464	464	464	464
Commercial Units - Unit Rental Value (m <sup>2</sup> /EURO)	-	20,00	20,00	20,00	21,20	22,47	23,82	25,25	26,76	28,37	30,07	30,07
Commercial Units Rental Income (EURO)	-	111.408	111.408	111.408	118.092	125.178	132.689	140.650	149.089	158.034	167.516	167.516
Mürver Rest. Rental Income (EURO)	-	400.000	400.000	400.000	424.000	449.440	476.406	504.991	517.616	530.556	543.820	549.258
Akfen GYO's Share of Commercial Unit Rent Income (EURO)	-	511.408	511.408	511.408	542.092	574.618	609.095	645.641	666.705	688.590	711.336	716.774
<b>Total Rental Income Per Akfen GYO Shares (EURO)</b>	-	<b>3.938.793</b>	<b>4.147.962</b>	<b>4.448.513</b>	<b>4.850.620</b>	<b>5.039.928</b>	<b>5.236.334</b>	<b>5.440.114</b>	<b>5.581.040</b>	<b>5.725.784</b>	<b>5.874.459</b>	<b>5.931.529</b>
Land Rent Price (EURO)	-	704.028	718.108	732.470	747.120	762.062	777.303	792.849	808.706	824.880	841.378	849.792
Insurance (EURO)	-	30.060	30.060	30.060	30.060	30.060	30.060	30.060	30.060	30.060	30.060	30.661
Renovation Cost (EURO)	-	4.115	4.366	4.632	4.969	5.150	5.337	5.530	5.668	5.810	5.955	6.015
<b>Net Income For Akfen Karaköy Shares (EURO)</b>	<b>1</b>	<b>3.200.592</b>	<b>3.395.428</b>	<b>3.681.351</b>	<b>4.068.471</b>	<b>4.242.656</b>	<b>4.423.634</b>	<b>4.611.675</b>	<b>4.736.605</b>	<b>4.865.034</b>	<b>4.997.067</b>	<b>5.045.061</b>

15.09.2031	15.09.2032	15.09.2033	15.09.2034	15.09.2035	15.09.2036	15.09.2037	15.09.2038	15.09.2039	15.09.2040	15.09.2041	15.09.2042	15.09.2043	15.09.2044
2.672.938	2.699.667	2.726.664	2.753.930	2.781.470	2.809.284	2.837.377	2.865.751	2.894.408	2.923.352	2.952.586	2.982.112	3.011.933	3.042.052
5.266.902	5.319.571	5.372.767	5.426.494	5.480.759	5.535.567	5.590.923	5.646.832	5.703.300	5.760.333	5.817.936	5.876.116	5.934.877	5.994.226
<b>5.266.902</b>	<b>5.319.571</b>	<b>5.372.767</b>	<b>5.426.494</b>	<b>5.480.759</b>	<b>5.535.567</b>	<b>5.590.923</b>	<b>5.646.832</b>	<b>5.703.300</b>	<b>5.760.333</b>	<b>5.817.936</b>	<b>5.876.116</b>	<b>5.934.877</b>	<b>5.994.226</b>
464	464	464	464	464	464	464	464	464	464	464	464	464	464
30,07	30,07	30,07	30,07	30,07	30,07	30,07	30,07	30,07	30,07	30,07	30,07	30,07	30,07
167.516	167.516	167.516	167.516	167.516	167.516	167.516	167.516	167.516	167.516	167.516	167.516	167.516	167.516
554.751	560.298	565.901	571.560	577.276	583.048	588.879	594.768	600.715	606.723	612.790	618.918	625.107	631.358
<b>722.267</b>	<b>727.815</b>	<b>733.418</b>	<b>739.077</b>	<b>744.792</b>	<b>750.565</b>	<b>756.395</b>	<b>762.284</b>	<b>768.232</b>	<b>774.239</b>	<b>780.306</b>	<b>786.434</b>	<b>792.623</b>	<b>798.874</b>
<b>5.989.169</b>	<b>6.047.386</b>	<b>6.106.184</b>	<b>6.165.571</b>	<b>6.225.551</b>	<b>6.286.132</b>	<b>6.347.318</b>	<b>6.409.116</b>	<b>6.471.532</b>	<b>6.534.572</b>	<b>6.598.243</b>	<b>6.662.550</b>	<b>6.727.500</b>	<b>6.793.100</b>
858.290	866.873	875.541	884.297	893.140	902.071	911.092	920.203	929.405	938.699	948.086	957.567	967.142	976.814
30.661	30.661	30.661	30.661	30.661	30.661	30.661	30.661	30.661	31.274	31.274	31.274	31.274	31.274
6.075	6.136	6.197	6.259	6.322	6.385	6.449	6.513	6.578	6.644	6.710	6.778	6.845	6.914
<b>5.094.144</b>	<b>5.143.716</b>	<b>5.193.785</b>	<b>5.244.354</b>	<b>5.295.429</b>	<b>5.347.015</b>	<b>5.399.117</b>	<b>5.451.739</b>	<b>5.504.888</b>	<b>5.557.955</b>	<b>5.612.172</b>	<b>5.666.932</b>	<b>5.722.238</b>	<b>5.778.098</b>

15.09.2045	15.09.2046	15.09.2047	15.09.2048	15.09.2049	15.09.2050	15.09.2051	15.09.2052	15.09.2053	15.09.2054	15.09.2055	15.09.2056	15.09.2057	15.09.2058
3.072.473	3.103.198	3.134.230	3.165.572	3.197.228	3.229.200	3.261.492	3.294.107	3.327.048	3.360.318	3.393.921	3.427.861	3.462.139	3.496.761
6.054.168	6.114.710	6.175.857	6.237.615	6.299.992	6.362.991	6.426.621	6.490.888	6.555.796	6.621.354	6.687.568	6.754.444	6.821.988	6.890.208
<b>6.054.168</b>	<b>6.114.710</b>	<b>6.175.857</b>	<b>6.237.615</b>	<b>6.299.992</b>	<b>6.362.991</b>	<b>6.426.621</b>	<b>6.490.888</b>	<b>6.555.796</b>	<b>6.621.354</b>	<b>6.687.568</b>	<b>6.754.444</b>	<b>6.821.988</b>	<b>6.890.208</b>
464	464	464	464	464	464	464	464	464	464	464	464	464	464
30,07	30,07	30,07	30,07	30,07	30,07	30,07	30,07	30,07	30,07	30,07	30,07	30,07	30,07
167.516	167.516	167.516	167.516	167.516	167.516	167.516	167.516	167.516	167.516	167.516	167.516	167.516	167.516
637.672	644.048	650.489	656.994	663.564	670.199	676.901	683.670	690.507	697.412	704.386	711.430	718.544	725.730
<b>805.188</b>	<b>811.565</b>	<b>818.005</b>	<b>824.510</b>	<b>831.080</b>	<b>837.716</b>	<b>844.418</b>	<b>851.187</b>	<b>858.023</b>	<b>864.928</b>	<b>871.903</b>	<b>878.946</b>	<b>886.061</b>	<b>893.246</b>
<b>6.859.356</b>	<b>6.926.274</b>	<b>6.993.862</b>	<b>7.062.125</b>	<b>7.131.072</b>	<b>7.200.707</b>	<b>7.271.039</b>	<b>7.342.074</b>	<b>7.413.820</b>	<b>7.486.283</b>	<b>7.559.470</b>	<b>7.633.390</b>	<b>7.708.049</b>	<b>7.783.454</b>
986.582	996.448	1.006.412	1.016.476	1.026.641	1.036.908	1.047.277	1.057.749	1.068.327	1.079.010	1.089.800	1.100.698	1.111.705	1.122.822
31.274	31.274	31.274	31.274	31.274	31.274	31.900	31.900	31.900	31.900	31.900	31.900	31.900	31.900
6.983	7.053	7.123	7.194	7.266	7.339	7.412	7.487	7.561	7.637	7.713	7.791	7.868	7.947
<b>5.834.517</b>	<b>5.891.500</b>	<b>5.949.052</b>	<b>6.007.180</b>	<b>6.065.890</b>	<b>6.124.561</b>	<b>6.184.450</b>	<b>6.244.939</b>	<b>6.306.032</b>	<b>6.367.736</b>	<b>6.430.057</b>	<b>6.493.002</b>	<b>6.556.575</b>	<b>6.620.785</b>

Method	TL	EURO
<b>Income Approach *</b>	<b>390.630.000</b>	<b>58.735.000</b>

Valuation Table			
Risk Free Return Rate	3,30%	3,30%	3,30%
Risk Premium	4,20%	4,70%	5,20%
Capitalisation Ratio	7,50%	8,00%	8,50%
<b>Total Present Value (EURO)</b>	<b>59.508.798</b>	<b>55.949.315</b>	<b>52.721.543</b>
<b>Total Present Value (TL)</b>	<b>395.769.212</b>	<b>372.096.513</b>	<b>350.629.891</b>
<b>Approximately Total Present Value (EURO)</b>	<b>59.510.000</b>	<b>55.950.000</b>	<b>52.720.000</b>
<b>Approximately Total Present Value (TL)</b>	<b>395.770.000</b>	<b>372.100.000</b>	<b>350.630.000</b>

YEARS	15.09.2019	15.09.2020
Rent Value Average Cash Flow	0	3.751.936

Rent Valuation Table			
Risk Free Return Rate	1,44%	1,44%	1,44%
Risk Premium	7,06%	7,56%	8,06%
Capitalisation Ratio	8,50%	9,00%	9,50%
<b>TOTAL PRESENT VALUE (EURO)</b>	<b>3.457.232</b>	<b>3.441.330</b>	<b>3.425.573</b>

TOTAL PRESENT VALUE (EURO)	<b>3.441.330</b>
TOTAL PRESENT VALUE (TL)	<b>22.886.910</b>

TOTAL PRESENT VALUE (APPROXIMATELY) (EURO)	<b>3.440.000</b>
TOTAL PRESENT VALUE (APPROXIMATELY) (TL)	<b>22.890.000</b>

## **6.7 ANALYSIS OF THE LEGAL SITUATION OF REAL ESTATE AND RELATED RIGHTS**

Studies regarding the real estate have been made in the relevant Municipality and Land Registry Directorate, and there is no legal restriction.

## **6.8 HIGHEST AND BEST USE ANALYSIS**

It is evaluated that the current (as a hotel) usage of the real estate subject to the appraisal is compatible with the zoning status and the construction conditions, it is the most effective and efficient use.

## **6.9 PRECEDENT SHARE RATIOS IN PROJECTS THAT WILL BE DONE BY THE INCOME SHARING OR THE FLAT FORWARD METHOD**

There is no income sharing or floor allowance method.

## **7 EVALUATION OF ANALYSIS RESULTS**

### **7.1 HARMONIZATION OF DIFFERENT VALUATION METHODS AND ANALYSIS RESULTS AND EXPLANATION OF THE METHOD AND REASONS FOLLOWED FOR THIS PURPOSE**

#### **COST APPROACH:**

In this analysis, the building cost value of the real estate was evaluated by considering the cost approach and the technical properties of the buildings, the materials used in the buildings, the construction costs of the buildings built with the same properties in the market and the costs calculated based on our past experience. Depreciation in buildings is appreciated by taking into account the visible physical condition of the building based on the experience of the appraiser.

In this study, the cost approach was not used.

#### **INCOME APPROACH:**

##### **Hotel Income Projection (Cash Flow)**

Since the real estate subject to the appraisal is an income generating commercial property, the income approach method has been used.

\* The hotel qualified subject has been evaluated as a real estate property that generates income and an income approach has been used in the valuation of the real estate. A market research was carried out for similar properties in the region regarding the data used in the income approach. The income approach has been made in two different ways, taking into account the income earned by the real estate in accordance with the current lease agreement and the cash flow potentially can be obtained in the market.

The hotel in question has been leased to Accor Group with a lease agreement to be operated at the moment. Accordingly, the value of the real estate has been calculated by reducing the lease income guaranteed by the contract with a lower risk premium. In another way, according to the market research conducted, the evaluation was made according to the potential net cash flows the hotel can achieve.

In this context, the appreciated value of the real estate according to the income approach; It is appreciated by taking the average of the two values calculated based on the rental income guaranteed under the lease agreement and found by discounting the potential net cash flows of the enterprise.

In the examinations made in the market, it has been observed that real estates similar to the subject real estate are evaluated as an income generating property. Accordingly, the market value calculated with the income approach as the report result value was appreciated as the report final value.

Since the real estate subject to the appraisal is an active hotel, a valuation was made using the “Discounted Cash Flow” method.

The net present value of Hotel, calculated as a result of the reduction of the potential revenues of the building located on the parcel according to the income reduction approach, has been calculated as **58.735.000-EURO (390.630.000.-TL)**.

#### **RENTAL INCOME APPROACH**

\* It was appreciated in accordance with the “Transfer Agreement” signed on the date of 01.09.2009 from the General Directorate of the Prime Ministry Foundations on 22.06.2011 and the rental agreement dated 04.01.2013.

#### **7.2 REASONS FOR WHAT NOT INCLUDED IN THE REPORT FROM LEAST INFORMATION**

There is no information that is not given from minimum information in the report.

#### **7.3 OPINION ABOUT WHETHER LEGAL REQUIREMENTS HAVE BEEN FULFILLED AND WHETHER THE PERMITS AND DOCUMENTS REQUIRED TO BE OBTAINED COMPLETELY IN ACCORDANCE WITH THE LEGISLATION**

Regarding the real estate subject to the appraisal, Municipality Approval Certificate, Building License and Building Usage Permit Certificate and all permits and documents required to be obtained in accordance with the legislation are complete.

### **8 CONCLUSION**

#### **8.1 CONCLUSION OF RESPONSIBLE REAL ESTATE APPRAISER**

I agree with the analysis made by the appraisers on the subject and the conclusions they reached.

#### **8.2 FINAL EVALUATION**

The location of the real estate property may affect its value such as the style of its surroundings, infrastructure and transportation facilities, its facade to the street and street, its area and location, the building's layout, system, age, workmanship and material quality, installation status, weather - light - landscape status. all features were taken into consideration and detailed market research was conducted in the location. Accordingly, its value is appreciated as follows.

<b>MARKET VALUE OF THE PROPERTY</b>	
<b>Report Date</b>	31.12.2019
<b>Valuation Date</b>	25.12.2019
<b>Market Value (VAT Exc.)</b>	390.630.000.-TL
<b>Market Value (VAT Inc.)</b>	460.943.400.-TL
<b>Market Value (VAT Exc.)</b>	58.735.000.-EURO
<b>Market Value (VAT Inc.)</b>	69.307.300.-EURO
<b>Rental Value (VAT Exc.)</b>	22.890.000.-TL
<b>Rental Value (VAT Inc.)</b>	27.010.200.-TL
<b>Rental Value (VAT Exc.)</b>	3.440.000.-EURO
<b>Rental Value (VAT Inc.)</b>	4.059.200.-EURO

**NOTES:**

- Determined final value is the up-to-date market value for cash sales.
- VAT rate is accepted as 18%.
- It was accepted as 1.-EURO = 6,6506 TL in the report.
- This report has been prepared in accordance with the provisions of the relevant Capital Market Legislation.

**ASSIGNED REAL ESTATE APPRAISAL**

Muhammed Safa ÖZTÜRK

CMB License No: 407893

**RESPONSIBLE REAL ESTATE APPRAISAL**

Seref EMEN

CMB License No: 401584