



NET KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.

Real Estate Appraisal Report



Private 2021 - 1798

December, 2021

TROY ÇEVİRİ TERCÜME VE EĞİTİM
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Claimant	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
Issued By	Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş.
Date of Report	31.12.2021
Report No	Private 2021-1798
Subject of Report	Determination of Fair Market Value of Real Estate
Subject and Scope of Appraisal	Determination of the fair market value of the "Right Arising from the Lease Contract" in Isparta Province, Merkez District, İstiklal 2 Neighborhood, Block 9, Parcel 112, dated 31.12.2021 in Turkish Lira.

➤ This report consists of Seventy Five (75) pages and is a whole with its annexes.

➤ This report has been prepared within the scope of the provisions of the Capital Markets Board's "Communiqué No. III-62.3 on Real Estate Appraisal Institutions that will Operate in the Capital Markets" and the "Minimum Issues Required to be Included in Appraisal Reports" in the annex of this communiqué.

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*This Report has been signed in accordance with the "Electronic Signature Law" No. 5070. Its accuracy can be confirmed from the appraisal website (www.netkurumsal.com.tr) prepared in the report.

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EXECUTIVE SUMMARY

<u>Claimant</u>	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
<u>Report No and Date</u>	Private 2021-1798 / 31.12.2021
<u>Subject and Scope of Appraisal</u>	This report has been prepared, upon the request of the customer, within the framework of the principles specified in the relevant communiqué, to be used within the scope of the CMB legislation, for the determination of the current fair market value in line with the market conditions and economic indicators on the appraisal date of the real estate in the specified record.
<u>Open Address of Real Estate</u>	Sanayi Mahallesi Alparslan Türkeş Caddesi No:51/6, 7, 8, 9, 10, 11 Merkez/Isparta
<u>Land Registry Details</u>	Isparta Province, Merkez District, İstiklal 2 Neighborhood, Block 9, Parcel 112
<u>Actual Use (Current Status,)</u>	The subject real estate is used as a student dormitory.
<u>Zoning Status</u>	According to the 1/1.000 scale elementary zoning plan, the parcel in question is in the "Health Facility" Area, and has the conditions of construction as E:2,00, Hmax: Free.
<u>Restriction Status (Negative decision such as demolition, etc., reports, minutes, lawsuits or situations that prevent disposition)</u>	There are no records that may constitute a restriction in the land registration of the real estate.
<u>Fair Market Value</u>	255,400,000.00-TL (Two Hundred Fifty Five Million Four Hundred Thousand Turkish Lira)
<u>18% VAT Included Fair Market Value</u>	301,372,000.00-TL (Three Hundred One Million Three Hundred Seventy Two Thousand Turkish Lira)
<u>Explanation</u>	There was no situation that would adversely affect the appraisal process.
<u>Prepared By</u>	Burak BARIŞ – CMB License No: 406713 Raci Gökcehan SONER – CMB License No: 404622
<u>Responsible Appraiser</u>	Erdeniz BALIKÇIOĞLU – CMB License No: 401418

1. REPORT DETAILS

1.1 Appraisal Date, Date of Report and Report No

The appraisal of the aforementioned transaction started as of the contract date and completed on 30.12.2021 as a final report with the report no. Private 2021-1798.

1.2 Purpose of Appraisal

This report is a Real Estate Appraisal Report prepared upon the request of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. to determine the fair market value of the "Right Arising from the Lease Contract" in Isparta Province, Merkez District, İstiklal 2 Neighborhood, Block 9, Parcel 112. The purpose of the appraisal, as stated in the contract signed between the parties, is the preparation of the appraisal report containing the fair market value dated 31.12.2021 for the purpose of appraisal of the real estate, details of which are given.

1.3 Scope of the Report (Whether it is within the Scope of CMB Legislation)

This report has been prepared within the framework of the provisions of the Capital Markets Board's "Communiqué No. III-62.3 on Real Estate Appraisal Companies That will Operate in the Capital Markets" and the "Minimum Issues Required to be Available in Appraisal Reports" in the annex of this communiqué, and within the scope of the second paragraph of Article 1 of the Communiqué "Real estate appraisal activities in the capital market refer to the independent and impartial appraisal of the probable value of the real estates of joint partnerships, issuers and capital market institutions which are subject to the transactions within the scope of capital market legislation, their real estate projects or rights and benefits related to real estates within the framework of the Board regulations and the appraisal standards accepted by the Board."

1.4 Date and Number of Reference Contract

Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. and Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş.

1.5 Those who Prepared the Report and the Responsible Appraiser

This report has been prepared by Real Estate Appraiser Burak BARIŞ, checked by Real Estate Appraiser Raci Gökcehan SONER and approved by Responsible Appraiser Erdeniz BALIKÇIOĞLU.

1.6 Information on the Last Three Appraisals Performed by Our Company in the Past for the Real Estate Subject to the Appraisal

No report has been prepared by our company previously for the real estate subject to the appraisal.

2. IDENTIFICATION DETAILS OF THE APPRAISAL COMPANY (ORGANIZATION) AND THE CLAIMANT (CUSTOMER)

2.1 Details and Address of the Appraisal Company

Our company NET Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş., which was established on 08.08.2008 in Ankara to provide real estate appraisal and consultancy services and has its headquarters at Emniyet Mahallesi Sınır Sokak No: 17/1 Yenimahalle/Ankara, was included in the "Board List" in November 2009 in accordance with the Communiqué Serial: VIII, No: 35 of the Capital Markets Board. Our company has also been authorized by the Banking Regulation and Supervision Agency, with the decision dated 11.08.2011 and numbered 20855, to provide "appraisal services for real estates, real estate projects and rights and benefits related to real estates" to the banks.

Capital : 1,200,000.-TL
Trade Registry : 256696
Telephone : 0 312 467 00 61 Pbx
E-Mail / Web : info@netgd.com.tr__www.netgd.com.tr
Address : Emniyet Mahallesi Sınır Sokak No:17/1 Yenimahalle/Ankara

2.2 Details and Address of the Claimant (Customer)

Company Title : Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
Company Address : Büyükdere Cad. No:201 C Blok Kat:8 Levent-Istanbul
Company Purpose : To engage in the purposes and subjects written in the regulations of the Capital Markets Board regarding Real Estate Investment Trusts.
Capital : 1,300,000,000.-TL
Phone : 0 212 371 87 00
E-Mail : www.akfengyo.com.tr

2.3 Scope of Customer Requests and Limitations, If Any

This report has been prepared, upon the request of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş., regarding the determination of the fair market value of the "Right Arising from the Lease Contract" in Isparta Province, Merkez District, İstiklal 2 Neighborhood, Block 9, Parcel 112, in Turkish Lira. No limitations have been imposed by the customer.

2.4 Scope of Work

The scope of the work is the preparation of the appraisal report and delivery of it to the customer with a wet signature, based on the title deed information requested by the customer, within the scope of the CMB legislation and within the framework of minimum issues.

3. DETAILS ON THE LEGAL STATUS OF THE REAL ESTATE

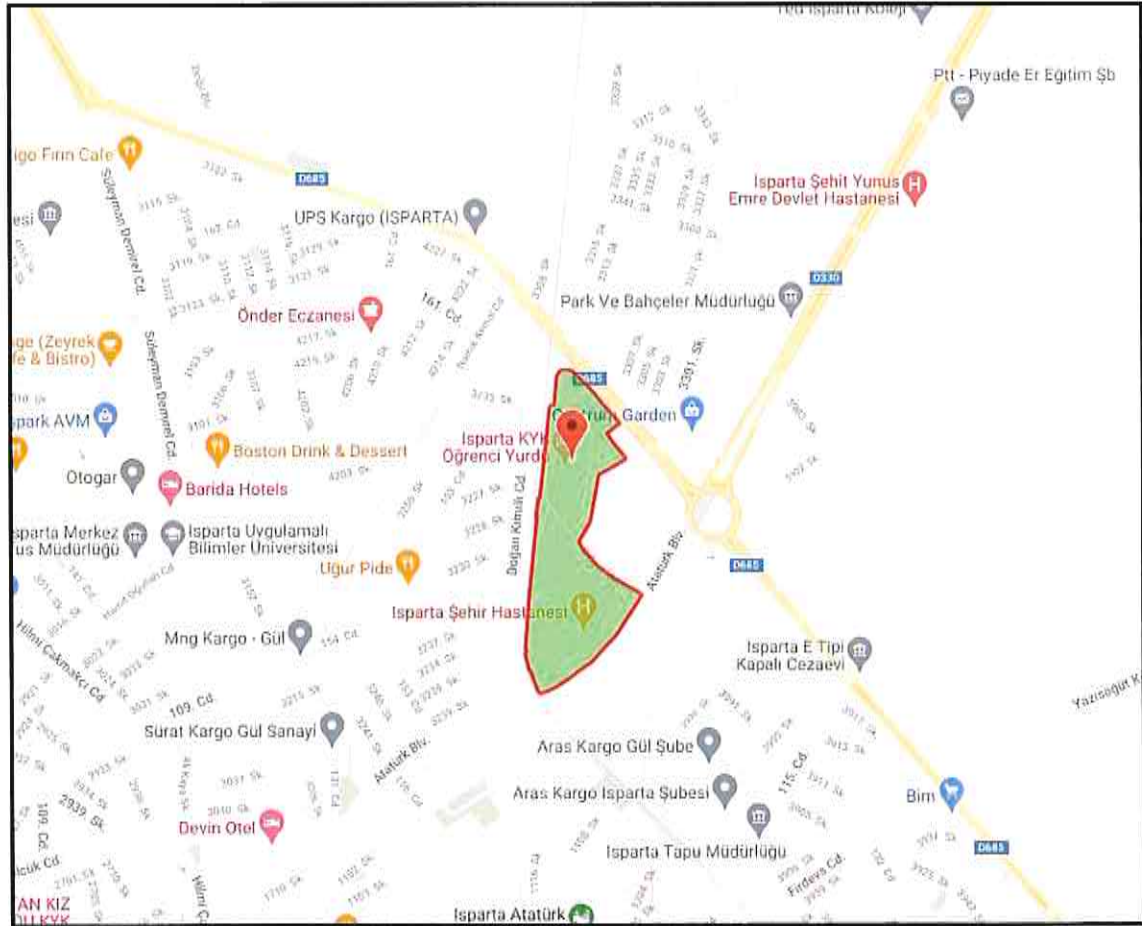
3.1 Details about the Place, Location, Definition and Environmental Organization of the Real Estate

The real estate subject to the report is located in the Sanayi (İstiklal 2 in the title) Neighborhood of Merkez District of Isparta Province. To reach the real estate, while going towards southeast on Alparslan Türkeş Road, enter the road to the right before arriving at the Special Provincial Administration campus. The real estate is located on the left on this road. Access to the property can be easily provided by public transportation vehicles and private vehicles passing through Alparslan Türkeş Street, the main artery of the region. Isparta City Hospital, Sadık Yağcı Dental Hospital, and İyaşpark Shopping Mall are located close to the real estate.



Coordinates: Latitude: 37.781523 - Longitude: 30.561123





3.2 Land Registries of the Real Estate

Land Registry of the Main Real Estate

PROVINCE – DISTRICT	: ISPARTA - MERKEZ
NEIGHBORHOOD – VILLAGE - LOCATION	: İSTİKLAL 2 NEIGHBORHOOD – KIRAÇLAR LOCATION
VOLUME - PAGE NO	: 42/4133
BLOCK - PARCEL	: 9 BLOCK 112 PARCEL
AREA	: 194,988.99 M ²
QUALIFICATION OF MAIN REAL ESTATE	: A and B Blocks 4-Storey Reinforced Concrete Health and Care Institutions A Block 7-Storey, B Block 12-Storey, C Block 3-Storey, D Block 10-Storey, E Block 4-Storey Reinforced Concrete Hospital and Care Institutions and Their Land
REAL ESTATE ID	: 86411851
OWNER - SHARE	: Treasury of Finance (1/1)
REASON OF ACQUISITION DATE-JOURNAL	: Amalgamation (23.09.2014 - 12581)

Land Registry of Right of Construction

PROVINCE – DISTRICT	: ISPARTA - MERKEZ
NEIGHBORHOOD – VILLAGE - LOCATION	: İSTİKLAL 2 NEIGHBORHOOD – KIRAÇLAR LOCATION
VOLUME - PAGE NO	: 42/4154
BLOCK - PARCEL	: 9 BLOCK 112 PARCEL
AREA	: 178,651.12 M ²
QUALIFICATION OF MAIN REAL ESTATE	: "Right of Construction" on block 9 parcel 112 on page 4133 of volume 42 for 27 years
REAL ESTATE ID	: 88308121
OWNER - SHARE	: ISPARTA ŞEHİR HASTANESİ YATIRIM İŞLETME ANONİM ŞİRKETİ (1/1)
REASON OF ACQUISITION DATE-JOURNAL	: ESTABLISHMENT OF PERMANENT AND INDEPENDENT RIGHT OF CONSTRUCTION (05.03.2015-2925)

3.3 Information on Any Encumbrances or Limitations Regarding the Transfer of Real Estate

According to the Main Real Estate Title Deed Registration document obtained from the General Directorate of Land Registry and Cadastre as of 10:21 on 29.11.2021 on the TKGM Portal, the encumbrances on the real estate are as follows;

Statement: With the decision of the High Council for Privatization, it was transferred to the Ministry of Health free of exchange, on condition that it shall be built as a Health Campus. (03.03.2010 – 2696)

Statement: It has entirely been allocated on behalf of the Isparta Governorship Special Administration Directorate indefinitely. (16.07.2004 – 4366)

According to the Right of Construction Title Deed Registration document obtained from the General Directorate of Land Registry and Cadastre as of 10:21 on 29.11.2021 on the TKGM Portal, the encumbrances on the real estate are as follows;

Statement: With the decision of the High Council for Privatization, it was transferred to the Ministry of Health free of exchange, on condition that it shall be built as a Health Campus. (03.03.2010 – 2696)

Pledge: There is a mortgage record in favor of Türkiye İş Bankası A.Ş. with a value of 540,000,000.00 USD from 1/0 degree with the journal dated 05.03.2015-2975.

3.4 Information regarding the purchase and sale transactions that took place in the last three years, if any, and the changes in the legal status of the real estate (changes in the zoning plan, expropriation transactions, etc.)

It has not been subject to purchase and sale in the last three years. There is no change in its zoning and legal status.

3.5 Information on the Zoning Status of the Real Estate and the Region in Which it is Located

According to the verbal information obtained from the Isparta Municipality, the subject real estate remains in the "Health Facility" Area, according to the 1/1.000 scale Implementary Zoning Plan of the said real estate, and has construction conditions of E:2,00 Hmaks: Free.

3.6 Explanations Regarding the Suspension Decision, Demolition Decision, Risky Building Detection, etc. Taken for the Real Estate

As a result of the document examinations and verbal inquiries made at the Isparta Municipality zoning service for the real estate in question, it was observed that there were no negative decisions, etc.

3.7 Information on Contracts Concluded for the Real Estate (Preliminary Contract for Real Estate Sale, Construction Contract in Return for Flat or Revenue Sharing Contracts, etc.)

The real estate in question was built by Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. with the 'Build-Operate-Transfer' model and a 27-year right of use was established in favor of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. An area of 31,848 m2 will be rented. The monthly rental price of the buildings for the period between 17.09.2018-17.09.2019 is 837,645.25 TL including withholding tax, excluding VAT, with a 15% discount from 985,465 TL, including withholding tax, excluding VAT. The rent increase in the following years is calculated with the PPI index of the relevant year.

Below are the provisions regarding the right of construction in the relevant articles of the Civil Code.

Right of construction

Article 726- The ownership of buildings that are built to remain permanently under or on top of a land belonging to someone else, based on a right of construction, shall belong to the owner of the right of easement. Establishment of condominium or construction servitude on the independent

sections of a building that are suitable for use on their own is subject to the Property Ownership Law. A separate right of construction cannot be established on independent sections.

Article 826- A real estate owner may establish an easement right in favor of a third party that gives the authority to construct a building above or below his land or to preserve an existing building. Unless otherwise agreed, this right is transferable and passes to heirs. If the right of construction is independent and permanent, it can be registered as an immovable in the land registry upon the request of the owner of the right of construction. The right of construction established for at least thirty years is of a permanent nature.

Article 827- The contractual records regarding the location, shape, quality, dimensions of the building, the purpose of designation and the use of the area without a building, which are included in the official deed regarding the content and scope of the right of construction, are binding for everyone.

Article 828- When the right of construction expires, the buildings remain with the land owner and become an integral part of the land. If the independent and permanent right of construction is registered as immovable in the land registry, this page is closed when the right of construction expires. The pledge rights, all other rights, restrictions and obligations on the right of construction registered as immovable also expire with the closing of the page. The provisions regarding the price are reserved.

Article 829- Unless otherwise agreed, the owner of the immovable does not pay any price to the owner of the right of construction for the remaining buildings. If an appropriate amount is decided to be paid, its amount and method of calculation are determined. The price agreed to be paid constitutes the assurance of the unpaid receivables of the creditors whose right of construction has been pledged for them, and is not paid to the owner of the construction without their consent. If the agreed price is not paid or secured, the owner of the right of construction or the creditor to whom this right has been pledged may request the registration of a mortgage of the same degree and order, instead of the abandoned right of construction, with the assurance that he will receive the price. This mortgage is registered within three months, starting from the expiration of the right of construction.

Article 830- The amount of the price agreed to be paid to the owner of the right of construction for the buildings left to the real estate owner, the way it was calculated, and the agreements regarding the removal of this price debt and the restoration of the land to its original state are subject to the official form required for the establishment of the right of construction and an annotation can be made in the land registry.

3.8 Information on Building Licenses, Modification Licenses, and Building Occupation Permits for Real Estates and Real Estate Projects, and Information on Whether All Permissions Required to be Obtained in accordance with the Legislation have been Obtained and Whether the Documents Legally Required are Fully and Correctly Available

It has been observed that the permits required to be obtained in accordance with the legislation for the real estate subject to the report have been obtained and that the legally required documents are fully and correctly available.

Architectural Project: Approved on 20.09.2016

Building License: Given on 22.09.2016 with numbers 434,435,438,437,439,433,436.

Renovation License: Given on 08.08.2018 with numbers 215,216,217,218,219,220.

Occupancy Permit: Given on 21.03.2018 with numbers 98,99,100,101,102,103,104.

Occupancy Permit: Given on 10.12.2018 with numbers 452,453,454,455,456,457.

territory after 1391. It was definitely under Ottoman rule during the reign of Murad II. It became one of the important markets in southwest Anatolia in the 16th century.

There are some rumors about where the name Isparta comes from. It is believed that the most common name of Isparta in history is Baris, this name was given by the Hittites and means "Blessedness", and when the Romans dominated the Pisidia region, they adapted the name Baris into their own language and called it "Sbarita", and that the name Baris is related to the Sanskrit word "Vari" meaning "Water".

Isparta city center is located in the Antalya Region, in the Lakes Region, in the north of the Mediterranean Region. It is surrounded by Eğirdir in the east, Atabey and Gönen districts in the north, and Burdur Province in the west. The closest district to Merkez district is Atabey with 22 kilometers. Merkez district of Isparta is not adjacent to nine districts of the province. The farthest district from Merkez district is Yenışarbademli with 175 kilometers.

It has a transitional climate between the Mediterranean climate and the continental climate. It has cool and rainy winters and hot and dry summers.[2] The surrounding lakes have a significant impact on the climate. Most of the precipitation falls in the winter and spring months. During the year, the most precipitation is experienced in December and January. Monthly precipitation decreases regularly until August and reaches the driest period in July and August. From September onwards, the amount of precipitation starts to increase again. The vegetation is steppe. One of the reasons why Isparta cannot experience the Mediterranean climate is that it is behind the Taurus Mountains.

The land of Isparta, where the world's best quality roses are grown, is in the first place in the world in its sector, meeting approximately 65% of the World Rose Oil Production. Göltaş Cement Factory, one of the largest cement factories in Turkey, is located in the city. There are Süleyman Demirel Organized Industrial Zone, Isparta Leather Organized Industrial Zone, Yalvaç Organized Industrial Zone and two Industrial Sites. Süleyman Demirel Organized Industrial Zone is 26 kilometers from the city center and 4 kilometers from Isparta Airport.



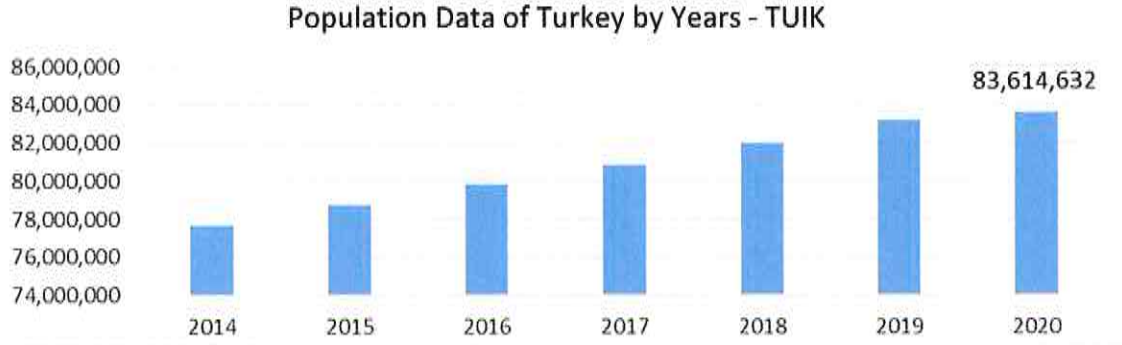
MERKEZ
Nüfus: 262.255

Population of the city center by 2020 is 262,255.
This population consists of 129,955 men and 132,300 women.
That is, 49.55% men and 50.45% women.

4.2 Analysis of Current Economic Conditions, Real Estate Market, Current Trends and Reference Data and Their Effects on the Value of Real Estate

Some Economic Data and Statistics

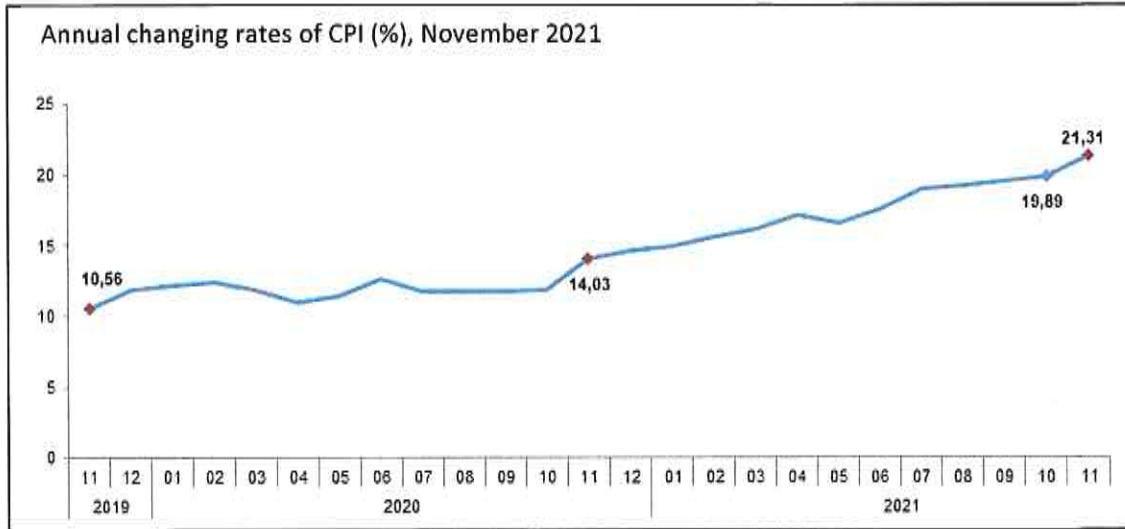
Δ Population;



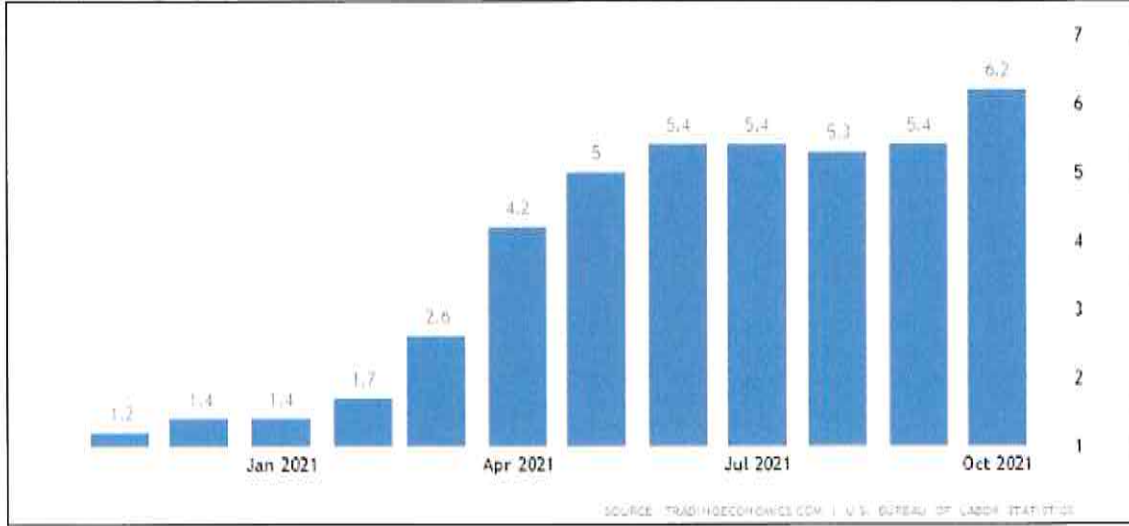
As of 31 December 2020, the population residing in Turkey increased by 459 thousand 365 people compared to the previous year and reached 83 million 614 thousand 362 people. While the male population was 41 million 915 thousand 985 persons, the female population was 41 million 698 thousand 377 persons. In other words, 50.1% of the total population is men and 49.9% is women.

(TUIK)

Δ CPI/Inflation Indexes;

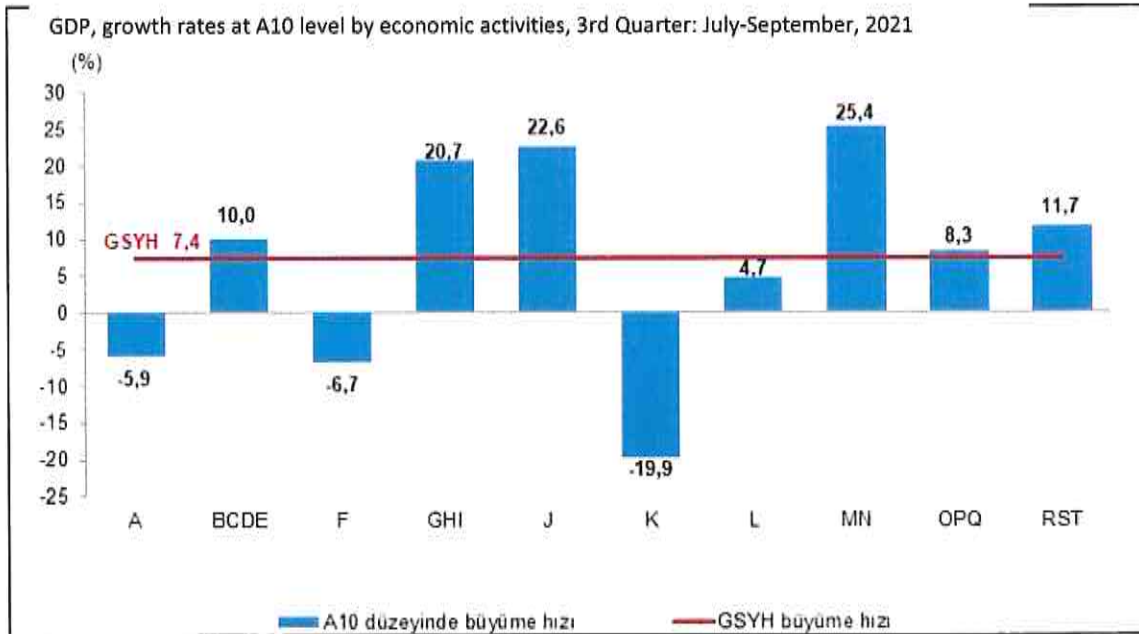


In November 2021, the CPI (2003=100) increased by 3.51% compared to the previous month, by 19.82% compared to December of the previous year, by 21.31% compared to the same month of the previous year and by 17.71% on the averages of twelve months. (TUIK.)



The U.S. consumer price index graph and rates for the last year are as above. As of 2020, the annual inflation rate was 2.3 on an annual basis until April, while it decreased significantly with April, and this rate fell below 0.5%. The inflation rate, which was 1.7% in January 2021, has increased continuously since this month and reached 6.2% as of December. It is thought that this rate will increase and reach 6.7% in November.

Δ GDP/Growth Indices:

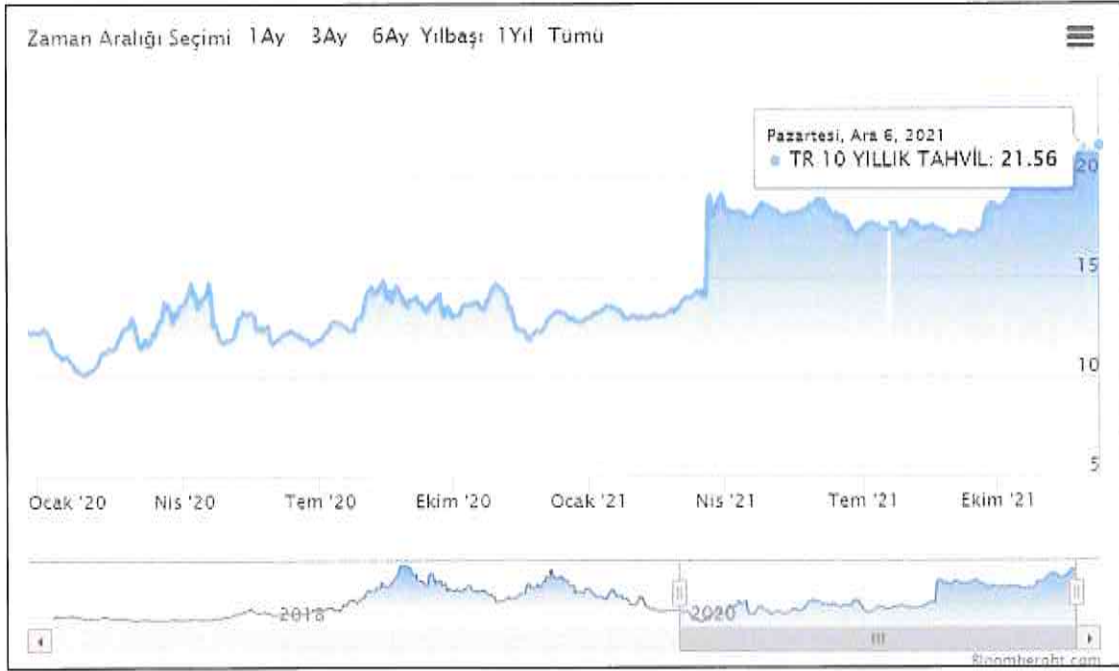


GDP increased by 7.4% compared to the same quarter of the previous year, as the first forecast for the third quarter of 2021, as a chained volume index. When the activities constituting the GDP are examined; in the third quarter of 2021, as a chained volume index compared to the previous year, professional, administrative and support service activities increased by 25.4%, information and communication activities by 22.6%, services by 20.7%, other service activities by 11.7%, industry by 10.0%, public administration, education, human health and social services activities by 8.3% and real estate activities by 4.7%. Finance and insurance activities decreased by 19.9%, construction by 6.7%, and agriculture, forestry and fishery by 5.9%. (TUIK)

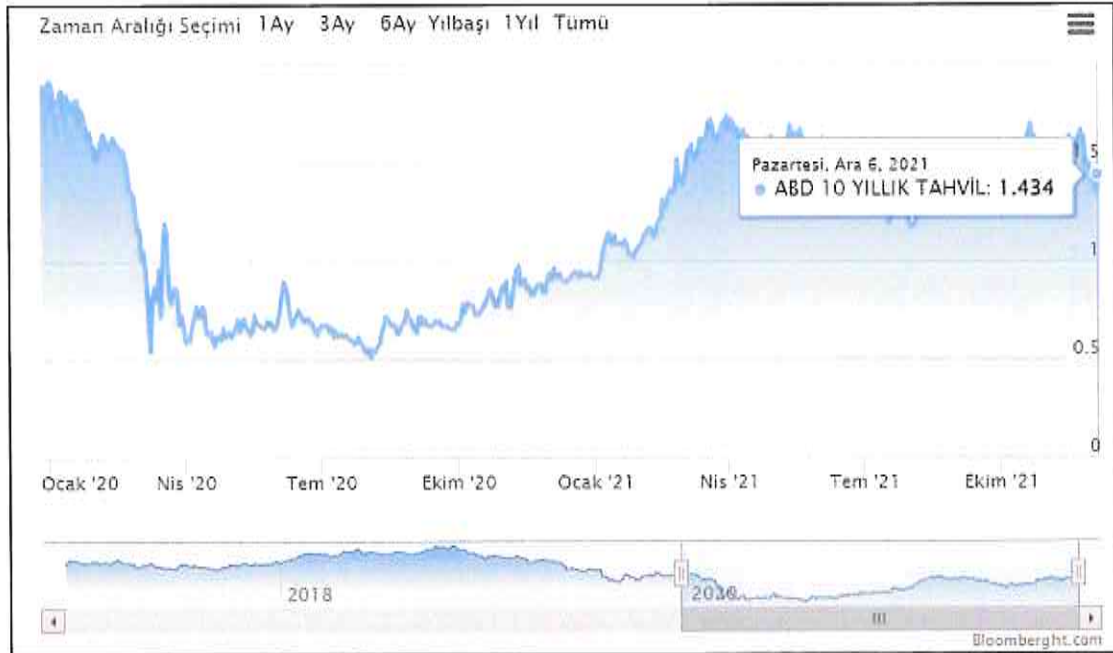
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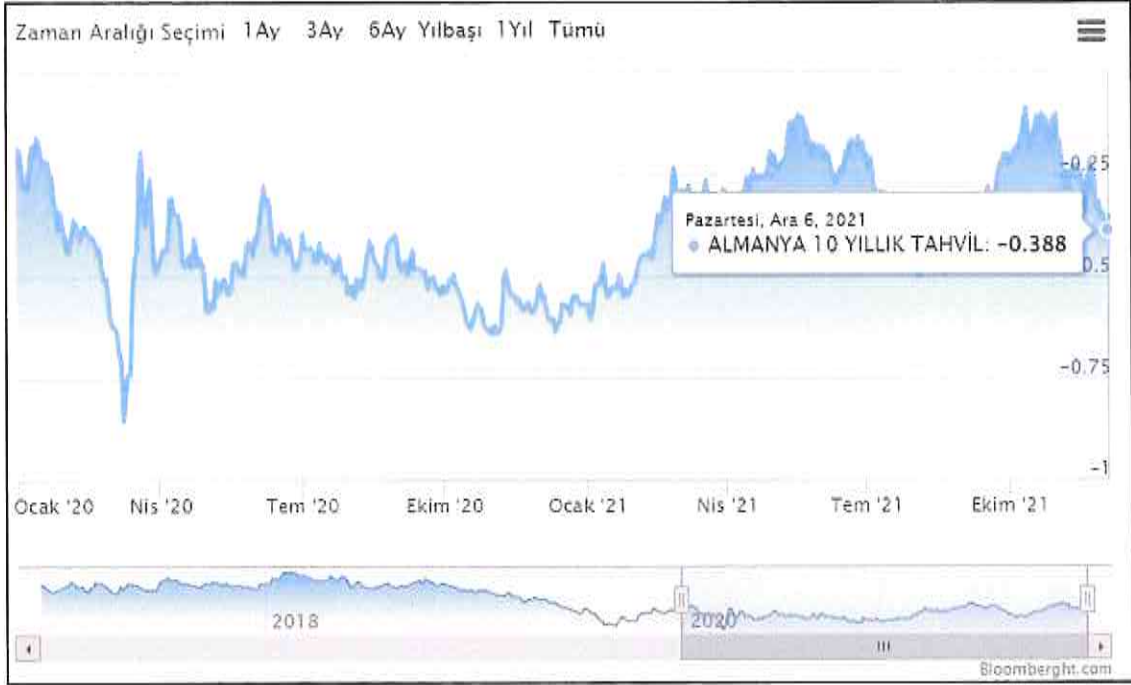
Δ TR and USD and EURO 10-Year Government Bonds Exchange:



While the bond rates, which are TR 10-year GDDS, were around 10% in the last 10 years, they increased with the second quarter of 2018 and reached 20% and above. As of December 2021, it is around 21.56% on average. (Graph: Bloomberght.com)

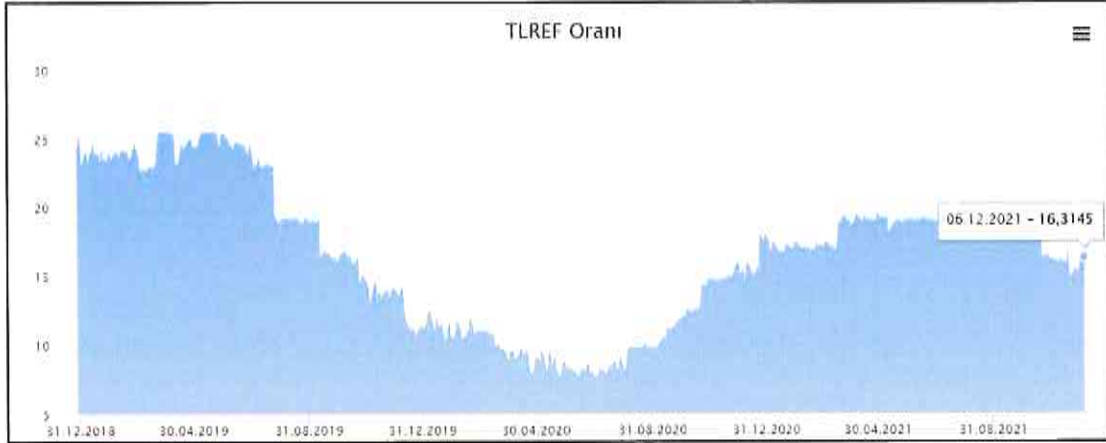


While the bond rates, which are USD 10-year GDDS, were around 2% in the last 10-year period, they dropped seriously with the last quarter of 2019 and decreased to 1.5% and below, and decreased to an average of 0.6% as of March 2020 until today. As of December 2021, it is around 1.434% on average. (Graph: Bloomberght.com)

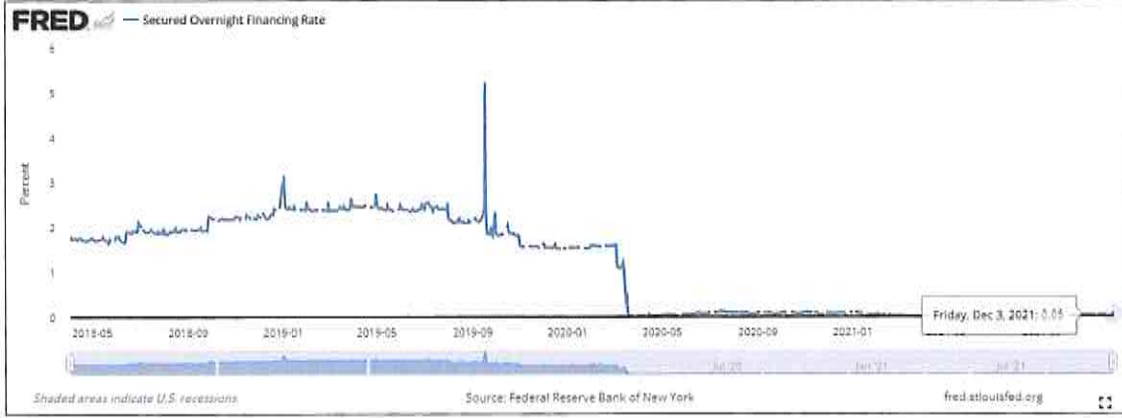


As of May 2019, the Euro 10-year German Bond fell below 0 and continues its course in a negative direction today. As of December 2021, it is around -0.388% on average. (Graph: Bloomberght.com)

LIBOR Interest Rate Change;



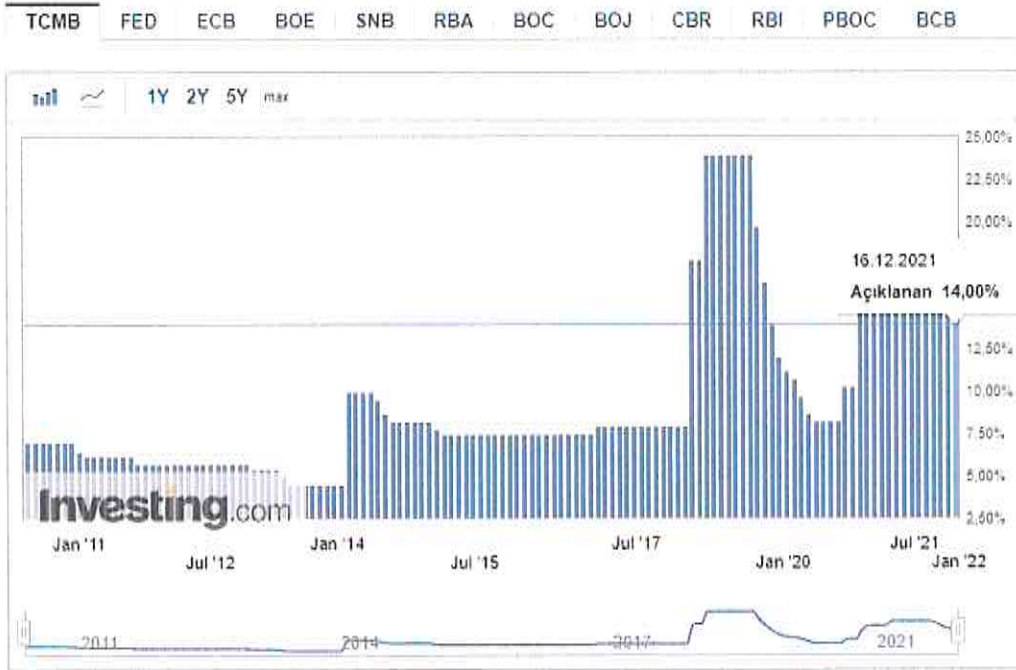
The chart above, prepared with the Turkish Lira Reference Interest Rates application published by the TBB, shows the TR Libor interest rates over the years. TR 12-month Libor interest rate is at the level of 19.02% as of 30.06.2021. As can be seen, in 2021, the TR annual Libor interest rate continued its course of 18-19% after October and started to decline as of November.



The chart above, prepared with the USD Reference Interest Rates application published by the ICE, shows the USD Libor interest rates over the years. USD 12-month Libor interest rate is at the level of 0.5% as of 30.06.2021. As seen in 2021, the USD Libor interest rate continues to be below 0.5% as of October.

Δ CBRT and FED Interest Rate Change;

Faiz Oranları



According to the latest data announced by the Central Bank of the Republic of Turkey, the interest rate is 19.00%. This ratio, which changed between 2010 and 2018 on average between 5.0% - 7.5%, has risen above the level of 20.00% as of May 2018, dropped below 10.00% as of 2020, started to increase in September 2020, and was 14% as of the date of report.



According to the latest data announced by the US Federal Reserve, the interest rate is 0.25%. While it increased to the level of 2.50% as of 2017 – 2019, the interest rate gradually decreased as of 2020 and continues to remain below 0.50%.

Δ Turkey CDS Risk Premium;



It has been observed that Turkey's CDS premium average has been approximately 3.5% for the last 3 years, and this rate has been 4.00% for the last 5 years average. (Chart:www.worldgovernmentbonds.com)

Δ Turkey Eurobonds Rate of Return;

SGMK Daily Bulletin

30/07/2021

Turkish Eurobonds

İŞ YATIRIM

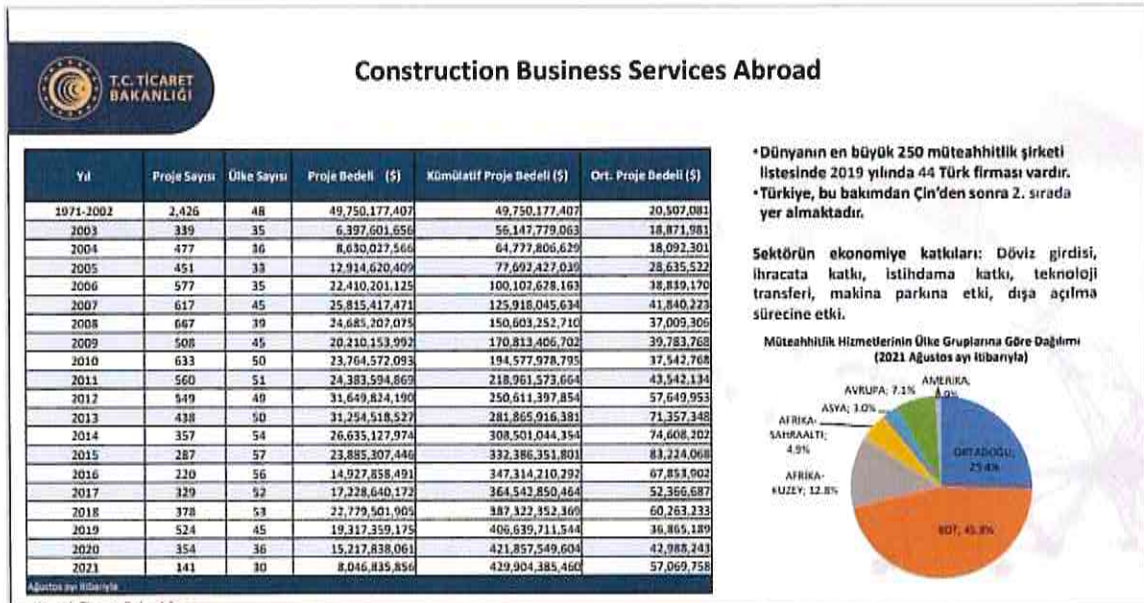
Rapor Teminlerini Açıklayıcı Doküman

Tanım	Enstrüman	Kupon	Vade ↓	İhracat Büyüklüğü (mln)	Son	Alış Fiyatı	Satış Fiyatı	Birliklik Falt	Alış Getiri (%)	Satış Getiri (%)	Minimum İşlem	Fiyat Performansı	Dür.	Payment Risk	
												1A/2%	3Y/5%		
*Vadelerine göre sıralanmıştır.															
EUR Cinsinden															
Devlet Emtahilleri															
XS0993155398	TURKEY 4.35 21	4.35	12/11/21	1,270	101.23	101.01	101.44	3.11	0.69	-0.75	100,000	-0.18	0.26	0.279	Sr Unsecured
XS1057340009	TURKEY 4.125 23	4.13	11/04/23	1,000	103.77	103.36	104.18	1.28	2.08	1.60	100,000	-0.19	1.51	1.622	Sr Unsecured
XS1843443356	TURKEY 4.625 25	4.63	31/03/25	1,250	103.94	103.63	104.25	1.57	3.55	3.37	100,000	-0.56	5.39	3.295	Sr Unsecured
XS1629918415	TURKEY 1.25 25	3.25	14/06/25	1,000	99.31	98.99	99.63	0.44	3.53	3.35	100,000	-0.31	6.69	1.558	Sr Unsecured
XS1909184753	TURKEY 5.2 26	5.20	16/02/26	1,500	105.24	104.87	105.60	2.38	4.00	3.83	100,000	-0.23	6.16	3.913	Sr Unsecured
XS2361850527	TURKEY 4.375 27	4.38	08/07/27	1,500	100.56	100.28	100.84	0.30	4.32	4.21	100,000			5.120	

Considering the next 6-year period of government Eurobonds, the sales rate of return in Euro denominated at the end of 6 years is approximately 4.20%. In determining these rates, the return rates of the most liquid bonds were determined as the risk-free rate of return.

Δ Real Estate and Construction Sector in Turkey;

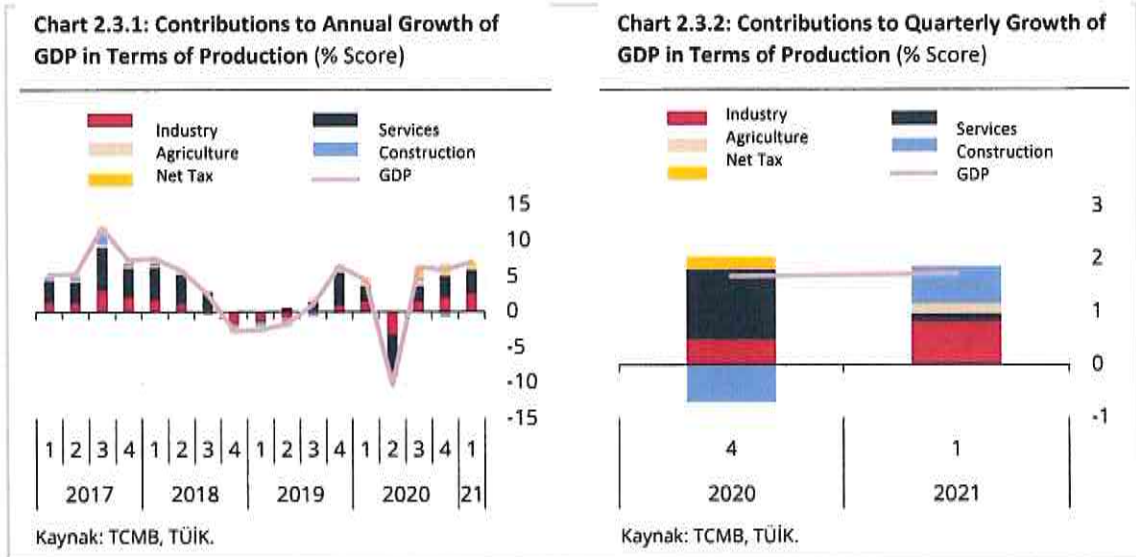
In the face of the exchange rate fluctuation we experienced in 2018 and the related developments, it seemed that the balancing was achieved to a great extent in 2019 with the arrangements made after the YEP decisions taken in economic terms. Annual GDP, as a chained volume index, increased by 0.9 percent in 2019 compared to the previous year. However, on a sectoral basis, while the total value added of finance and insurance activities increased by 7.4 percent, public administration, education, human health and social service activities increased by 4.6 percent, other service activities by 3.7 percent and agriculture sector by 3.3 percent, the construction sector decreased by 8.6 percent, professional, administrative and support service activities by 1.8 percent. This sharp decline in the construction sector seems to have resulted from the lack of demand, cost increase and cash flow problems experienced by contractors since 2018. While the construction sector had a 5.4 percent share in GDP in 2019 at current prices, the real estate sector had a 6.7 percent share. The two sectors reached a size of 12.1 percent of GDP.



Although the GDP results for the first quarter of 2020 have not been announced yet, a more positive result is predicted when the sales figures are analyzed in terms of understanding the general trend in the sector. The construction and real estate sector seems to have maintained the momentum it gained at the end of 2019 in the first quarter of 2020 as well. When the first quarter of 2019 and the same period of 2020 are analyzed, there was an increase of 3.4 percent in total house sales. The increase of 119 percent in second-hand sales in the said period indicates that the residences in the market are in demand. On the other hand, supply seems to have continued to adjust itself according to conditions. Between the first quarter of 2019 and the first quarter of 2020, the number of construction permits decreased by 23.4 percent. On the other hand, the development in mortgaged sales is an important point that needs to be carefully monitored in terms of both the sector and the economy. As of the same period, mortgaged house sales increased by 90 percent. The decline in interest rates during this period and its effect on loan costs seem to have had a very positive impact on mortgaged sales.

As in many other economies, the construction sector in Turkey is not only a leading indicator in terms of the general economy, but also a driving force of growth. The acceleration and deceleration in the construction sector takes place earlier than the general economy. However, apart from the recent deceleration, it is seen that the sector is one of the sectors that makes the most significant contribution to the general economic growth, both directly and indirectly, with its high growth rate.

When we look at the long-term trends of the Turkish construction sector, it can be said that it is one of the sectors most sensitive to fluctuations in the general economy. The growth trend in the construction sector is, in a way, the leading indicator of GDP.



The real estate stock, which has increased in recent years throughout our country, has entered a downward trend with the necessary market corrections, the change in the interest rate and the positive decline in inflation. The value increases experienced due to the increasing construction costs have also given the expected response to the market's catching a suitable trend in the economy and the need for stock reduction, and the values have decreased to the expected figures in the market. In addition, 2019 was a year in which real estate sales to foreigners, especially housing sales, exploded. With the historical decline in housing loan rates in the second quarter of 2020, sales figures, especially in newly built houses, reached a very rapid level. In 2021, the increase in interest rates negatively affected the sector, but the increase continued. Housing sales decreased by 18.3% in the January-September period compared to the same period of the previous year, and amounted to 949 thousand 138. (TUIK)

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Çağrı Mayda

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	October		Change (%)	January-October		Change (%)
	2021	2020		2021	2020	
	Number of house sales, October 2021					
Total sales by sales type	137 401	119 574	14,9	1 086 539	1 280 852	-15,2
Mortgaged Sales	28 049	25 566	9,7	209 904	534 256	-60,7
Other Sales	109 352	94 008	16,3	876 635	746 596	17,4
Total sales by sales status	137 401	119 574	14,9	1 086 539	1 280 852	-15,2
New sales	41 914	36 976	13,4	329 070	396 184	-16,9
Second hand sales	95 487	82 598	15,6	757 469	884 668	-14,4

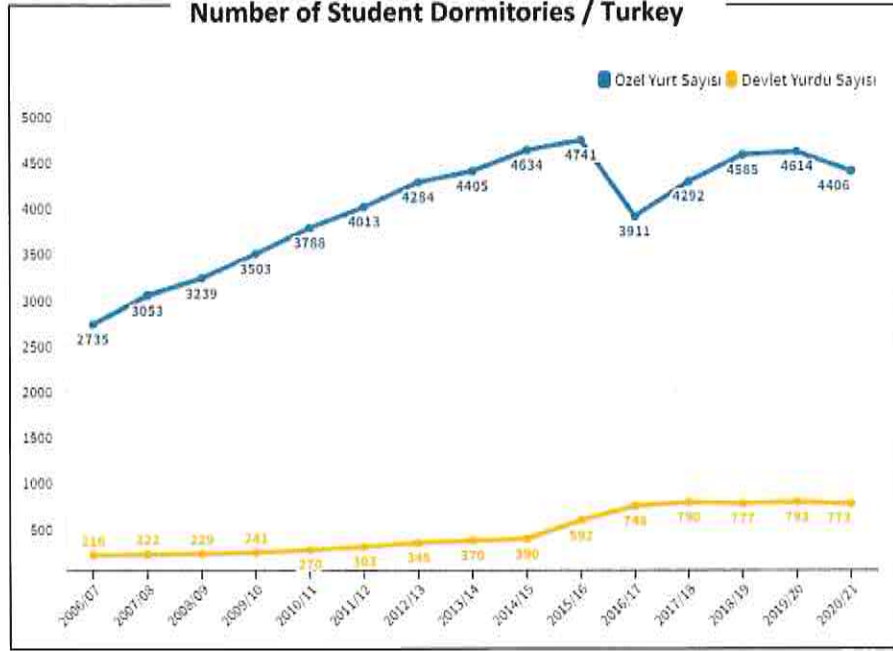
Δ Developments in Undergraduate and Postgraduate Education

According to the data of 2020-2021, the total number of students in Turkey, including associate degree, undergraduate, graduate and doctorate, was 8 million 240 thousand 997, while an increase of more than 300 thousand students was observed compared to the previous period. According to the information obtained from the Higher Education Institution (YÖK) data, the total number of students in the 2020-2021 period is 8 million 240 thousand 997, with the highest number of students at Anadolu University with 3 million 492 thousand 833. Looking at the 2019-2020 period, the total number of students is 7 million 940 thousand 133. There are a total of 207 universities in Turkey, 129 state universities, 74 foundation universities, and 4 foundation vocational high schools.

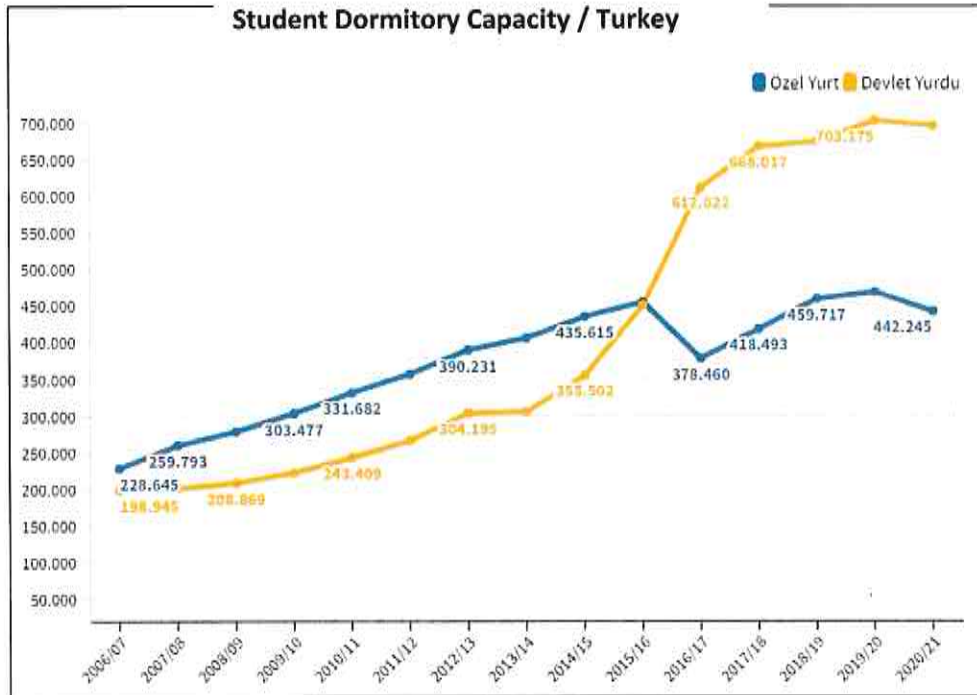
According to the data shared by the Ministry of Youth and Sports, Dormitory Administration and Management Department as of October 4, 2021;

- In the 2021-2022 academic year, a total of 624 thousand 237 applications were made to state dormitories throughout Turkey.
- In the first placement on September 16, 2021, 352 thousand 293 students solved their housing problem.
- As of October 4, 2021, the number of placements increased to 440 thousand 303.

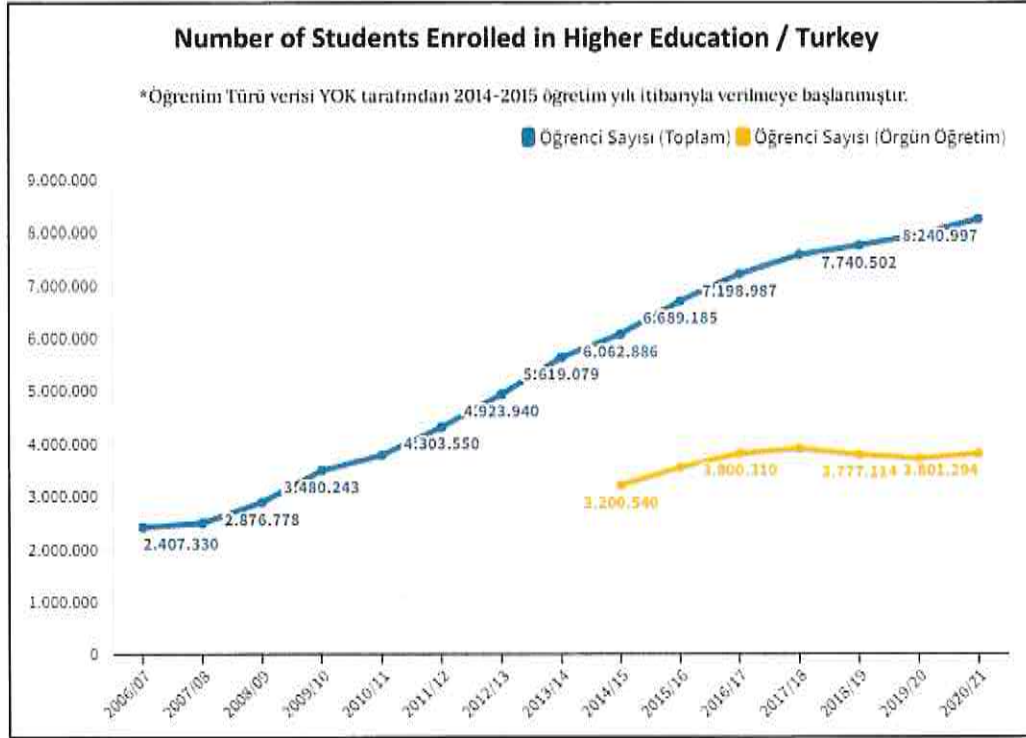
According to the Ministry of Education Formal Education Statistics reports, the number of dormitories in Turkey that are stated to belong to foundations, associations, individuals, commercial, public university dormitories and private enterprises is 4 thousand 406. The number of state dormitories in Turkey is 773 as of 2020/21.



As of 2021, there are 8 million 240 thousand 997 university students in Turkey. This number includes students who study distance education and open education. As of 2020/21, there is a capacity of 1 million 138 thousand 79 people in private and state dormitories. In the 2019/20 period, this capacity was 1 million 171 thousand 932.



As of 2020/21, the number of students studying in formal education (primary and secondary education) at universities in Turkey is 3 million 801 thousand 294. Accordingly, there has been an increase in the number of students studying in formal education since the 2019/20 period.



Δ Isparta University and Student Details

The city of Isparta is located in the Mediterranean Region of Turkey. Its population is approximately 441,412. There are 2 universities in Isparta. These universities are Isparta Applied Sciences University and Süleyman Demirel University. There are approximately 100,000 students in both universities.

There are 21 dormitories affiliated to KYK, 13 of which are for girls and 9 are for boys, in Isparta. 5 of these dormitories are located in the district center. Private dormitories are also operating in the city center, and the dormitories are located within the university campus and in Çünür Neighborhood, which is close to the campus.

4.3 Factors Affecting or Restricting The Assessment Procedure Adversely

There was no factor that negatively affected or limited the appraisal process from the date of appraisal until the completion of the process.

4.4 Physical, Structural, Technical and Constructional Properties of the Real Estate

Δ Main Real Estate / Real Estate Properties;

The real estate subject to the report is located on block 9 parcel 2 with an area of 194,988.99 m². The parcel has a geometrically irregular shape. The parcel faces Alparslan Türkeş Road in the northeast and Atatürk Boulevard in the south. There are dormitory buildings, city hospital building and dental hospital building on the parcel. Dormitory buildings subject to the easement are located in the northern part of the parcel. The buildings are located on the parcel of 31,848 m². This area is surrounded by a reinforced concrete wall. In the areas outside the building, the floors are partially cobbled and partially landscaped.

According to their projects, the dormitory buildings are named as A, A1, A2, A3, A4, B1, B2. A block is the main entrance building, and the other blocks are student dormitories.

A Block is the main entrance building. According to its project, it consists of the ground floor and a meeting room, staff locker room and 2 office sections. It has a usage area of approximately 100 m².

A1, A2, A3, A4 blocks were constructed as reinforced concrete as a type project. According to its project, it has a construction area of approximately 14,398 m², each of which has Basement, Ground Floor and 7 normal floors. In the basement of the buildings, there are technical areas, laundries, and shelter areas; on the ground floors, there are building entrances, prayer room, office, study room, 4 disabled student rooms, 26 student rooms, and 32 student rooms on each of the other normal floors. There are 254 student rooms in each of the blocks.

B1 and B2 blocks were built in reinforced concrete as a type project. According to its project, it has a construction area of approximately 4,497 m², each of which has Basement, Ground Floor and 1 normal floors. In the basement of the buildings, there are technical areas, laundries, and shelter areas; on the ground floors, there are building entrances, dining hall, administrative area. In its project, the administrative area is divided into offices, archive, tea house and WCs.

Student rooms in the dormitory buildings are planned in a typical way. Handicapped student rooms are planned for 2 people, have a gross area of 40 m² and are divided into bedrooms, bathrooms and study areas. Other standard student rooms are planned for 4 people, with an approximate gross area of 40 m². Rooms are arranged as bedroom, bathroom and study sections. The real estate was seen from the outside and no on-site inspection could be made. In the observations made from the outside, it has been seen that the exterior is classically plastered and painted, the windows are PVC joinery, and the buildings are in a very well-maintained condition.

4.5 If Any, Information on the Situations Contrary to the License Regarding the Existing Building or the Project Under Construction

The real estate was seen from the outside and no on-site inspection could be made. In the observations made from the outside, it was seen that the buildings were in harmony with the architectural project in terms of general lines.

4.6 Information on Whether Changes Made in Licensed Buildings Require Re-Licensing within the Scope of Article 21 of the Zoning Law No. 3194

There is no production in the existing buildings that would require a new license.

4.7 Information on the Purpose for which the Real Estate is Used as of the Appraisal Date, If the Real Estate Is a Land, Whether There is Any Building on it and If There is, for What Purpose These Buildings are Used

Such real estate is used as a student dormitory.

5. APPRAISAL METHODS USED

UDS Defined Value Basis – Market Value:

Market value is the estimated amount required to be used in the exchange of an asset or liability as of the appraisal date, as a result of appropriate marketing activities, in a non-collusive transaction between a willing seller and a willing buyer, in which the parties have acted with knowledge, prudence and without coercion. The definition of market value should be applied in accordance with the following conceptual framework:

(a) The term “estimated amount” means the price expressed in money for the asset in a non-collusive market transaction. Market value is the most probable price that can be reasonably obtained in accordance with the definition of market value in the market as of the appraisal date. This price is the best price that can be reasonably obtained by the seller and the most advantageous price that can be obtained by the buyer in reasonable terms. This estimate does not include in particular any special considerations or concessions granted by any party associated with the sale, an estimated price that has been increased or decreased based on special terms or conditions, such as a non-standard financing, sell-and-lease agreement, or any element of value simply for a particular owner or buyer.

(b) The expression "to be exchanged" refers to a situation where the value of an asset or liability is an estimated value rather than a predetermined amount or actual selling price. This price is the price in a transaction that satisfies all elements of the market value definition as of the appraisal date;

(c) The expression "as of the appraisal date" requires that the value be determined as of a specific date and be specific to that time. The estimated value may not be accurate or appropriate at another time, as markets and market conditions may change. The appraisal amount reflects the market situation and conditions only as of the appraisal date, not at any other date;

(d) The expression "between a willing buyer" refers to a buyer who has acted with intent to buy, but not compelled. This buyer is not eager or determined to buy at any price. This buyer buys in accordance with current market realities and current market expectations, rather than in a virtual or hypothetical market that cannot be proven or predicted. A buyer who is deemed to exist will not pay a price higher than the market requires. The current owner of the asset is among those who make up the market.

(e) A "willing seller" means a seller who is not willing or compelled to sell at a particular price, or who does not insist on a price that is not considered reasonable by the current market. Regardless of the price, the willing seller is willing to sell the asset in open markets at the best price possible under market conditions as a result of appropriate marketing activities. The circumstances of the actual owner of the asset are not included in the foregoing because the willing seller is a hypothetical owner.

(f) The term "non-collusive transaction" refers to a transaction between parties for which there is no specific and special relationship, not parties such as the parent company and its subsidiary, or the landlord and the lessee, where the price may not reflect or raise the market price level. Market value transactions are assumed to be made between unrelated parties, each acting independently.

(g) The expression "as a result of appropriate marketing activities" means that the asset is put on the market and sold at the best price that can be obtained in accordance with the definition of market value if it is marketed in the most appropriate way. The method of sale is considered to be the most convenient method to obtain the best price in the market to which the seller has access. The time to market the asset is not a fixed period and may vary depending on the type of asset and market conditions. The only criterion here is that sufficient time must be allowed for the asset to attract the attention of a sufficient number of market participants. The time to market must occur before the appraisal date,

(h) The phrase "the parties acting with knowledge and prudence" assumes that the willing seller and willing buyer are reasonably informed about the market situation, the structure, characteristics, actual and potential uses of the asset as of the appraisal date. It is assumed that each party uses this information prudently to obtain the most advantageous price for their respective positions in the transaction. Prudence is evaluated not by the advantage of an experience, the benefit of which is understood later, but by taking into account the market conditions as of the appraisal date. For example, a seller who sells its assets at a price below the previous market levels in an environment of falling prices is not considered imprudent. In such cases, prudent buyers or sellers will act on the best market information available at the time, as would be the case with other transactions in which assets are exchanged under changing price conditions in markets.

(i) The expression "without coercion" means that each of the parties has taken action with the intention of doing this transaction without being forced or under pressure.

➤ The concept of market value is accepted as the price negotiated in an open and competitive market where *participants* are free. An asset's market can be an international or a local market. A market may consist of a large number of buyers and sellers, or a characteristically limited number of

market participants. The market in which the asset is assumed to be offered for sale is a market in which, in theory, the *asset* exchanged is normally exchanged.

↗ The market value of an *asset* reflects its most efficient and best use. The most efficient and best use is the highest legally permissible and financially profitable use of an asset's potential. The most efficient and best use may be a continuation of the current use of an asset or some alternative use. This is determined by the intended use for the asset when calculating the price a *market participant* will offer for the asset.

↗ The nature and source of appraisal inputs *should* reflect the basis of value, which should ultimately be relevant to the *appraisal purpose*. For example, different approaches and methods can be used to determine market value, provided that market-derived data are used. The market approach, by definition, uses market-derived inputs. In order to determine market value using the income approach, it is *necessary* to use the inputs and assumptions adopted by the *participants*. In order to determine market value using the cost approach, it is *necessary* to determine the cost and appropriate wear rate of an asset with equivalent use through market-based cost and wear analyzes.

↗ For the *asset* being appraised, the most valid and most appropriate appraisal method or methods *should* be determined according to the available data and market-related conditions. Each approach or method used *should* provide an indication of market value if it is based on properly analyzed and market-derived data.

↗ Market value does not reflect attributes of an *asset* that are not available to other buyers in the market and that have value to a particular owner or buyer. Such advantages may be *related* to the physical, geographical, economic or legal characteristics of an *asset*. Since market value assumes that there is a willing buyer, not a specific willing buyer, at a given date, it necessitates ignoring all such elements of value.

Appraisal Methods

Care must be taken to ensure that appraisal approaches are appropriate and relevant to the content of the assets being appraised. The three approaches described and explained below are the basic approaches used in appraisal. All of these are based on the principles of price equilibrium, utility expectation, or substitution economics. The main appraisal approaches are given below:

(A) Market Approach (B) Income Approach (C) Cost Approach

Each of these basic appraisal approaches includes different and detailed application methods.

The purpose of choosing appraisal approaches and methods for an asset is to find the most appropriate method for certain situations. It is not possible for one method to be suitable for every situation. The following are taken into account as a minimum in the selection process:

(a) the terms and purpose of the appraisal task and the appropriate value basis(s) and assumed use(s) identified; (b) the strengths and weaknesses of possible appraisal approaches and methods; (c) the relevance of each method in terms of the nature of the asset and the approaches and methods used by the participants in the relevant market; (d) the availability of reliable information necessary for the application of the method(s).

5.1 Market Approach

Δ Explanatory Information on the Market Approach, Reasons for Using This Approach for the Appraisal of the Subject Real Estate

The market approach refers to the approach in which the indicative value is determined by comparing the *asset* with the same or comparable (similar) *assets* for which price information is available. It is deemed necessary to apply the market approach and to give important and/or

significant weight to it in the following situations: (a) the subject asset has been recently sold at a fair value basis, (b) the subject asset or substantially similar assets are actively traded, and/or (c) there are frequent and/or recent observable transactions involving substantially similar assets.

If comparable market information is not identical or significantly related to the asset, the *appraiser should* conduct a comparative analysis of the qualitative and quantitative similarities and differences between the comparable *assets* and the subject *asset*. Adjustment based on this comparative analysis will often be necessary. These adjustments *should* be reasonable and *appraisers* should include in their reports the rationale for the adjustments and how they were quantified.

The market approach usually uses market multipliers derived from comparable assets, each with different multipliers. Selecting the appropriate multiplier from the specified range requires an evaluation that takes into account both qualitative and quantitative factors.

Δ Precedent Information for which Price Information is Determined and Source of This Information

[P:1 Land for Sale] The land with E:0.75 Hmax: free construction conditions and a surface area of 14,662 m² (The precedent has expropriation for the road. The remaining surface area after expropriation is approximately 13,000 m².) in the region where the real estate subject to the appraisal is located, in a Non-Residential Urban Working Area, is for sale with a bargain at a price of 30,000,000 TL.

Note: The real estate subject to the appraisal is disadvantageous in terms of zoning status.

Yörükoğlu Gayrimenkul: 0242 316 42 00

[P:2 Land for Sale] In the region where the real estate subject to the appraisal is located, a land with Housing Area E:0.70 zoning status and a surface area of 535 m² is for sale with a bargain at a price of 650,000 TL.

Note: The real estate subject to the appraisal is advantageous in terms of zoning status compared to the precedent.

Respondent: 0532 627 77 91

[P:3 Land for Sale] In the region where the real estate subject to the appraisal is located, a land with Housing Area E:1.00 zoning status and a surface area of 1,335 m² is for sale with a bargain at a price of 5,000,000 TL.

Note: The real estate subject to the appraisal is advantageous in terms of zoning status compared to the precedent.

Owner: 0532 275 24 98

[P:4 Land for Sale] In the region where the real estate subject to the appraisal is located, a land with Housing Area E:1.00 zoning status and a surface area of 2,500 m² is for sale with a bargain at a price of 8,500,000 TL.

Note: The real estate subject to the appraisal is advantageous in terms of zoning status compared to the precedent.

Owner: 0531 270 09 81

PRECEDENT ADJUSTMENT TABLE								
Content	Precedent 1		Precedent 2		Precedent 3		Precedent 4	
Gross area (m ²)	13.000,00m ²		535,00m ²		1.335,00m ²		2.500,00m ²	
Sales price	30.000.000 TL		650.000 TL		5.000.000 TL		8.500.000 TL	
m ² unitprice	2.308 TL		1.215 TL		3.745 TL		3.400 TL	
Room for negotiation	5%	-	5%	-	5%	-	5%	-
Location and other goodwill	0%	-	20%	+	30%	-	30%	-
Zoning status goodwill	50%	-	30%	-	30%	-	30%	-
Discounted unit price	1.038 TL		1.033 TL		1.311 TL		1.190 TL	
Average Unit Price	1.143TL/m ²							

Δ Sketches Extracted from the Virtual Environment Maps of the Used Precedents, Showing the Proximity to the Real Estate Subject to the Appraisal



Δ Detailed Explanation on How the Precedents are Taken into Consideration, Adjustments to the Precedent Information, Detailed Explanations on the Reason for Making the Adjustments and Other Assumptions

The real estate subject to the appraisal is located within the Isparta City Hospital Campus. The land on which the real estate is located is 'Health Facility' zoned. The real estate subject to the easement right is located in the 31,848 m² part of this land. According to the researches carried out in the region where the real estate is located, there is no precedent land with the same zoning status. In the immediate vicinity of the real estate, there are generally 'Residential' and 'Non-Residential Urban Working Area' zoned parcels. During the appraisal phase, the land precedents in question were examined and a discount was made from these precedents and the value was appraised.

In line with this information, it has been concluded that the sales prices of the land per square meter can be between 1000 TL and 1500 TL.

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*This Report has been signed in accordance with the "Electronic Signature Law" No. 5070. Its accuracy can be confirmed from the appraisal company which prepared the report.

Δ Result of Market Approach

In line with the information written above, all kinds of positive/negative factors such as the location, zoning status, land structure, road frontage, ease of transportation etc. of the real estate in question were taken into account, and the land unit value of the real estate was appraised as 1256 TL/m² in the light of the corrections in the precedents.

Block 9, Parcel 112 (31,848 m² part) Land Value: 31,848 m² x 1256 TL/m² = ~40,000,000.00 TL

As a result of the market approach method, the total value of the land (excluding VAT) was appraised as 40,000,000.00 TL, taking into account the title deed area of the real estate.

5.2 Cost Approach

Δ Explanatory Information on the Cost Approach, Reason for Using This Approach for the Appraisal of the Subject Real Estate

The cost approach is the approach in which the indicative value is determined by applying the economic principle that a buyer will not pay more for a given asset than the cost of acquiring another asset of equal utility, whether acquired by purchase or construction, unless there are factors such as time, inconvenience and risk that cause unnecessary burden. In this approach, the indicative value is determined by calculating the current replacement cost or reproduction cost of an *asset* and deducting any depreciation that occurs in physical deterioration and other forms. It is deemed necessary to apply the cost approach and to give important and/or significant weight to it in the following situations: (a) participants can reconstitute an asset with substantially the same utility as the subject asset, without legal restrictions, and the asset can be reconstituted in such a short time that participants are not willing to pay a significant premium for prompt use of the subject asset;

(b) the asset does not directly generate income and the unique nature of the asset makes the income or market approach impossible and/or (c) the value basis used is primarily based on replacement cost, such as for example replacement value.

There are three main cost approach methods: (a) replacement cost method: the method by which indicative value is determined by calculating the cost of a similar asset providing equivalent benefits. (b) reproduction cost method: the method by which the indicative value is determined by calculating the cost required to reproduce the asset. (c) collection method: the method in which the value of the asset is calculated by adding the value of each of its components.

Δ Precedent Information Used in Determining the Value of the Land and the Source of This Information, Adjustments, Other Assumptions and Result

The current market conditions have been taken into account as a result of the corrections made with the precedents determined in the market approach and the explanations, taking into account all distinctive factors such as the area of the parcel in question, its location in the region where it is located, its distance to the main arterial roads, its frontage, geometric shape and topographic features.

Based on all these conditions and the corrections in the precedents found by the researches, the opinions of the real estate agents who dominate the region and the historical data, the unit value above has been appraised for the parcel in question.

Δ Information Used in Determining Building Costs and Other Costs, Source of This Information and Assumptions

While determining the building value of the said real estate, it has been assessed by taking into account the classes of the existing buildings determined according to the on-site determinations

from the 2021 Approximate Unit Costs of Buildings table published by the Ministry of Environment and Urbanization.

Δ Result of Cost Approach

YAPI DEĞERİ				
NİTELİK	İNŞAAT ALANI (m2)	BİRİM MALİYET (TL/m2)	YIPRANMA PAYI (%)	DEĞER
YURT BİNALARI (A BLOKLAR)	57592	2970	8	157.370.000,00 ₺
SOSYAL TESİSLER (B BLOKLAR)	8994	2970	8	24.580.000,00 ₺
NİZAMİYE BİNASI	100	1800	10	170.000,00 ₺
Çevre Düzeni, Altyapı Maliyetleri, Harici Müteferrik İşler vs.				880.000,00 ₺
TOPLAM				183.000.000,00 ₺

* As a result, a total value of 183,000,000.00-TL was appraised as the land and building value of the real estate according to the cost method.

The calculation table of the basis for the lease right established on the said real estate is as follows.

Easement Right Period and Rate Table	
Easement Establishment Date	5.03.2015
Easement Period	27 YEARS
Easement Period on a Day Basis	9980
Easement Expiry Date	1.07.2042
Appraisal Date	31.12.2021
Remaining Usage Period for Easement on a Day Basis as of Appraisal Date	7487
Percentage of Remaining Usage Period for Easement	75,02
Determined Full Ownership Land Unit Value	1.255,97 ?
Land Area	31848,00
Total Land Value	40.000.000,00 ?
Ratio of Easement Value	0,6666
Percentage of Usage Period for Easement	75,02
Land Unit Value Basis for Easement	628,09 ?
Land Area	31848,00
Total Land Value Basis for Easement	20.003.343,49 ?

While calculating the value of the real estate, the market approach value and the unit value of the land that is the basis for full ownership were found, and the land value that constitutes the basis for the easement right was achieved by the method of calculating the right of construction, as shown in the table above. Thus, the fair market value of the real estate subject to the report according to the cost method based on the lease right has been calculated as;

Land Value: ~20,000,000.00 TL and Building Value: 183,000,000.00 TL, a total of 203,000,000,00 TL. The easement value of the real estate was appraised as 183,000,000.00-TL with this method.

Right of Construction Value: Calculation has been made over the Market Value of the Land x 2/3 (Right of Construction Multiplier) x (Remaining Years/49 Years).

Δ Building Values Basis for Insurance

The building value basis for insurance is stated assuming that it will be rebuilt over the building class specified in the building permit and occupancy certificate. The real estate has a construction class of 5A in the occupancy and license certificate. For this reason, the building value basis for insurance has been determined by considering the unit cost of the 5A building.

Indoor Area		Unit Price (TL/m ²)		Insurance Value
66,691 m ²	x	2970 TL/m ²	=	198,072,270.00-TL

5.3 Income Approach

Δ Explanatory Information on the Income Approach, Reason for Using This Approach for the Appraisal of the Subject Real Estate

The income approach allows the indicative value to be determined by converting future cash flows into a single current value. In the income approach, the value of the asset is determined based on the present value of the income, cash flows or cost savings generated by the asset. It is deemed necessary to apply the income approach and to give important and/or significant weight to it in the following situations:

(a) The ability of the asset to generate income is a very important factor affecting the value from the perspective of the participant, (b) Reasonable estimates of the amount and timing of future income associated with the subject asset exist, but with few relevant market precedents, if any.

→ Discounted Cash Flows (DCF) Method:

In the DCF method, estimated cash flows are discounted to the appraisal date, resulting in the present value of the *asset*. It is also described as yield capitalization (reduction) of income. In some cases involving long-lived or indefinite-lived *assets*, the DCF *may include* the continuing value that represents the *asset's* value at the end of its exact forecast period. In other cases, the value of the *asset* may be calculated using a stand-alone sustained value that does not have an exact forecast period.

Residual value, which is a current approach to the application of discounted cash flow analysis, is the value calculated for the real estate investor based on the assumption that the real estate is sold after the anticipated operating period. In the residual value calculation made with the help of the capitalization rate, TIP 1 (International Valuation Standards Council (IVSC)'s Technical Information Paper 1 (TIP 1) Discounted Cash Flow) in July 2013 is the use of the income of the year following the last period, as in the current valuation studies carried out internationally. It is thought that the investor who will purchase the real estate at the end of the projection period will decide on the purchase price according to the income of the next year. Taking the income of the year following the last period as a basis in the residual value calculation is a factor that affects the resulting value. In other words, residual value is the cash flows from the last year of the project's anticipated modeling period to infinity, discounted to the last year predicted.

The basic steps of the DCF method are as follows:

(a) selecting the type of cash flow that best suits the nature of the subject asset and the appraisal task (for example, pre-tax or post-tax cash flows, total cash flows or equity cash flows, real or nominal cash flows, etc.),

(b) determining, if any, the most appropriate exact period for estimating cash flows,

(c) preparing cash flow forecasts for the period in question.

(d) determining whether the continuing value at the end of the exact forecast period (if any) is appropriate for the subject asset, and then determining the continuing value appropriate to the nature of the asset;

(e) determining the appropriate discount rate,

(f) applying the discount rate to the estimated cash flows, including the continuing value, if any.

→ **Direct Capitalization Method:**

It is the method in which the all-risk or overall capitalization rate is applied to a representative single period income. The value of the real estate is calculated by dividing the net income to be generated by the real estate for that period (year) by a capitalization rate formed according to the current real estate market conditions. This capitalization rate can be determined by the relationship between sales and income levels in comparable real estates. The concept of Net Income should be noted here. After the effective gross income, which includes the income to be obtained from all sources, the potential gross income of the property and the expected gaps / losses from it, net operating income should be obtained by eliminating the effective gross income from operating expenses and other expenses. Potential Gross Rental Income: It is the amount of income obtained in cases where all the rentable units of the real estate are rented and the rental prices are collected as unregistered.

• Total annual potential income / Capitalization rate = Value

Δ Detailed Explanation and Reasons for How the Discount Rate is Calculated

While determining the discount rate, the collection method within the scope of UDES was taken as a basis and the items listed below were taken into account.

- Risks related to projections of used cash flows,
- Type of asset appraised,
- Ratios implicitly involved in transactions in the market,
- The geographic location of the asset and/or the location of the market in which it will be traded,
- The life of the asset and the consistency of the inputs,
- Type of cash flow used,

$$\text{Discount Rate} = \text{Risk-Free Rate of Return}^* + \text{Risk Premium}^{**}$$

* The risk-free rate of return is determined by considering the returns of 10-year government bonds. According to the examinations, the risk-free rate of return on government bonds for the last 10 years is around 14%.

** The risk premium, on the other hand, has been determined by taking into account the sector risk of around 2-2.5% and the country risk of around 2.5% over the determined risk-free rates of return.

Accordingly, the discount rate was taken as 19%.

Δ Precedent Information Used in Estimating Cash Inflows and Outflows, Source of This Information and Other Assumptions

The real estate subject to the appraisal has been leased out by Isparta Yurt Yatırımları A.Ş. to the Higher Education Credit and Dormitories Institution of the Ministry of Youth and Sports, with the relevant lease contract to be used as a student dormitory.

According to this contract;

- Student admission to the building is the starting date of lease.

TROY ÇEVREYİ TERECUME VE EĞİTİM
DANIŞMANLIK HİZ. TİC. LTD. ŞTİ

Turan Güneş Bulvarı No: 44/7 Çankaya/ANK

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Segmentler V.D. 850 047 0140

I hereby confirm that I have translated this
letter based on the original document.

Certified Translation

NET KURUMSAL
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Emniyet Mh. Sınır Şk.No:17/1 Yenimahalle/ANK
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Tic Sic No:2015/0938900019

- The monthly rental price of the buildings for the period between 17.09.2018-17.09.2019 is 985,465 TL including withholding tax and excluding VAT, and after a 15% discount, it is 837,645.25 TL including withholding tax and excluding VAT.
- The rent increase will be determined by increasing it at the PPI rate compared to the same month of the previous year.
- Student admission to the building is the starting date of lease.
- Lease taxes, duties and fees belong to the lessee.
- Building taxes belong to the lessee.

Δ Data Used in Discounted Cash Flow Statement

- As a result of the increases made from the beginning of the contract until today, the monthly rental price in September 2021 was determined as 1,518,646.29 TL excluding VAT. This amount will increase in September every year, and the increases will be determined according to WPI-CPI ratios in agreement with KYK.
- Considering the current economic conditions, the rental price determined in September 2021 has been increased by 28% in September 2022, 25% in 2023, 22% in 2024, 18% in 2025, 15% in 2026 and, taking into account the economic risks and the development of the country, 11% in the following years.
- It is foreseen that there will be 4% general operating expenses over the total gross income.
- According to the easement agreement, the rental price of the easement to be paid for 2022 is 100,000 TL per month. This amount has been added to the projection by assuming that it will increase at the same rate as the rent increase rates determined in the rent to be paid by KYK in September 2022.
- The annual insurance cost has been determined as 118.000 TL for the year 2022, and this amount has been added to the projection assuming that it will increase at the same rate as the rent increase rates determined in the rent to be paid by KYK.
- In addition, it is assumed that there will be 1% other expenses for unforeseen expense items.
- Tax and VAT are not included in the studies within the scope of International Appraisal Standards.
- A more realistic net present value was obtained by taking the mid-year factor (0.5) into account in net present value calculations.
- It is assumed that all payments are made in advance.

	10,5	11,5	12,5	13,5	14,5	15,5	16,5	17,5	18,5	19,5	20,5
10		11	12	13	14	15	16	17	18	19	20
1.01.2032		1.01.2033	1.01.2034	1.01.2035	1.01.2036	1.01.2037	1.01.2038	1.01.2039	1.01.2040	1.01.2041	1.01.2042

₺84.324.071,69	₺93.599.719,57	₺103.895.688,73	₺115.324.214,48	₺128.009.878,08	₺142.090.964,67	₺157.720.970,78	₺175.070.277,57	₺194.328.008,10	₺215.704.088,99	₺239.431.538,78
₺84.324.071,69	₺93.599.719,57	₺103.895.688,73	₺115.324.214,48	₺128.009.878,08	₺142.090.964,67	₺157.720.970,78	₺175.070.277,57	₺194.328.008,10	₺215.704.088,99	₺239.431.538,78

₺3.372.962,87	₺3.743.988,78	₺4.155.827,55	₺4.612.968,58	₺5.120.395,12	₺5.683.638,59	₺6.308.838,83	₺7.002.811,10	₺7.773.120,32	₺8.628.163,56	₺9.577.261,55
₺5.552.581,42	₺6.163.365,37	₺6.841.335,56	₺7.593.882,48	₺8.429.209,55	₺9.356.422,60	₺10.385.629,08	₺11.528.048,28	₺12.796.133,59	₺14.203.708,29	₺15.766.116,20
₺464.057,45	₺524.384,92	₺592.554,96	₺669.587,11	₺756.633,43	₺854.995,77	₺966.145,23	₺1.091.744,10	₺1.233.670,84	₺1.394.048,05	₺1.575.274,29
₺843.240,72	₺935.997,20	₺1.038.956,89	₺1.153.242,14	₺1.280.098,78	₺1.420.909,65	₺1.577.209,71	₺1.750.702,78	₺1.943.280,08	₺2.157.040,89	₺2.394.315,39

₺74.091.229,23	₺82.231.983,30	₺91.267.013,76	₺101.294.534,18	₺112.423.541,20	₺124.774.998,06	₺138.483.147,93	₺153.696.971,30	₺170.581.803,26	₺189.321.128,20	₺210.118.571,34
----------------	----------------	----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------

19,00%	19,00%	19,00%	19,00%	19,00%	19,00%	19,00%	19,00%	19,00%	19,00%	19,00%
₺11.926.793,65	₺11.123.736,91	₺10.374.730,48	₺9.676.137,54	₺9.024.565,90	₺8.416.851,60	₺7.850.043,52	₺7.321.389,05	₺6.828.320,78	₺6.368.444,04	₺5.939.525,22

Valuation Table

Risk-free Rate of Return	14,00%	14,00%
Risk Premium	4,50%	5,50%
Discount Rate	18,50%	19,50%
Present Value (TL)	₺264.775.756,98	₺246.534.078,87
Approximate Present Value (TL)	₺264.780.000,00	₺246.530.000,00

I hereby confirm that I have translated this letter based on the original document.

Certified Translator

Carla Escobedo

TROY ŞEŞİP, TERCİHİ VE FAKULTE

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NET KURUMSAL

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Şirket Sic. No: 256696

Yatırım Sic. No: 256696

Δ Negative Features

- Distant to the university

Δ Opportunities

- High student potential of the universities in the city

Δ Threats

- The fact that students in the city generally prefer dormitories close to the campus.
- The current pandemic conditions make the distance education model widespread

6.3 Reasons for not Including Some of the Minimum Issues and Information in the Report

All minimum issues and information required for the appraisal study are included in the report.

6.4 Opinion on Whether the Legal Requirements are Fulfilled and Whether the Permits and Documents Required To Be Obtained Pursuant to Legislation are Full and Complete

As a result of the researches and examinations carried out in the relevant institutions, it has been seen that all legal documents and information required for the real estate are available and that the legal requirements are fulfilled. As of the appraisal date, it has been learned that there are no unfavorable situations such as legal restrictions, decisions, etc.

6.5 Opinion on Encumbrances and Mortgages on the Real Estate, if Any

Explanations regarding the encumbrance examination of the subject real estate are given under the heading 3.3.

6.6 Information on Whether the Real Estate Subject to the Appraisal is Subject to a Limitation on the Transferability of the Real Estate Except in Cases of Mortgage or Any Encumbrances that will Directly and Significantly Affect the Value of the Real Estate

As stated in this article, there is no limitation or restriction regarding the transfer of the real estate.

6.7 If the Subject of the Appraisal is Land, Information on Whether Any Savings have been Made for the Development of a Project Although Five Years have Passed from Its Purchase

The real estate subject to the appraisal is a 'Student Dormitory', and there is no work to develop a project as a result of the building on it.

6.8 If the Subject of the Appraisal is the Right of Construction or Timeshare, Information on Whether There are Any Limitations on the Transfer of the Right of Construction and Timeshare, Except for the Provisions of Special Laws, in the Contracts that Raise These Rights

The real estate subject to the appraisal is used as a dormitory and is operated in accordance with the easement agreement. In the official contract regarding the easement, it is seen that the independent and permanent right of construction has a duration of 27 years, that the right of easement can be transferred to third parties, that, at the end of the period, the building subject to the right of easement will pass to the owner of the real estate free of charge. According to the said contract, there is no obstacle to the transfer of the right of construction.

7.2 Final Assessment

While appraising the real estate, all the positive and negative factors specified in the relevant articles in the report were taken into account. As a result of the examinations, the data obtained and the results of the methods used were concluded in a meaningful way.

The result obtained as a result of the 'Income Method' has been determined as the final value, on the grounds that it shows the market value more accurately, taking into account the title deed and actual nature of the real estate in terms of the region and location where it is located, in line with the purpose and scope of use. Thus;

As of the appraisal date, the current market value of the real estate, which was determined according to the Income Method, is as follows;

In numbers; **255,400,000.00-TL** and in text **Two hundred fifty five million four hundred thousand Turkish Lira.**

Total Sales Value Including 18% VAT: 301,372,000.00-TL..

As of the appraisal date, the rental price calculation of the real estate for 18% over monthly turnover has been determined by taking into account the cash flow data.

Monthly Lease Amount of Real Estate has been determined as: **1,518,646.29 TL/month.**

Monthly Rental Value including 18% VAT: 1,792,002.62 TL..

1. *These values are for the cash sale of the real estate.*
2. *The final value represents the VAT Excluded value.*
3. *This report is a whole with its annexes.*
4. *The final assessment cannot be separated from the content of the report.*
5. *CBRT Foreign Exchange Buying Rate as of the appraisal date 1\$:12.9775 TL and 1€: 14.6823 TL.*

<p>Burak BARIŞ Appraiser CMB License No: 406713</p>	<p>Raci Gökcehan SONER Supervisor CMB License No: 404622</p>	<p>Erdeniz BALIKÇIOĞLU Responsible Appraiser CMB License No: 401418</p>
		

8. DECLARATION OF CONFORMITY

We declare the accuracy of the following items for the report prepared;

- The findings presented in the report are correct to the best of our knowledge.
- The analysis, opinion and conclusions reported are limited to the stated assumptions and conditions only.
- The report consists of impartial and unbiased professional analyzes, opinions and conclusions.
- We have no current or potential interest in the real estate that is the subject of the report.
- We have no prejudices regarding the real estate subject to this report or related parties.
- The fee for the service we provide as an appraiser is not dependent on any part of the report.
- The appraisal was carried out according to ethical rules and performance standards.
- Appraiser(s) have vocational training requirements.
- The Appraiser(s) have experience in the location of the real estate and the content of the report.
- The property, which is the subject of the report, was personally inspected and the necessary examinations were made in the relevant public institutions.
- Except for the Appraiser(s) mentioned in the report, no one has any professional assistance in the preparation of this report.
- The study was developed in accordance with the scope of business requirements and reported in accordance with International Appraisal Standards.

→ This report has been prepared specifically for customer request. It cannot be used, copied or reproduced by third parties other than the relevant person and the purpose for which it was prepared.

9. ANNEXES OF THE REPORT

Δ Encumbrance Documents,

Δ Photos of Real Estate,

Δ CMB License Certificates and Professional Experience Certificates