



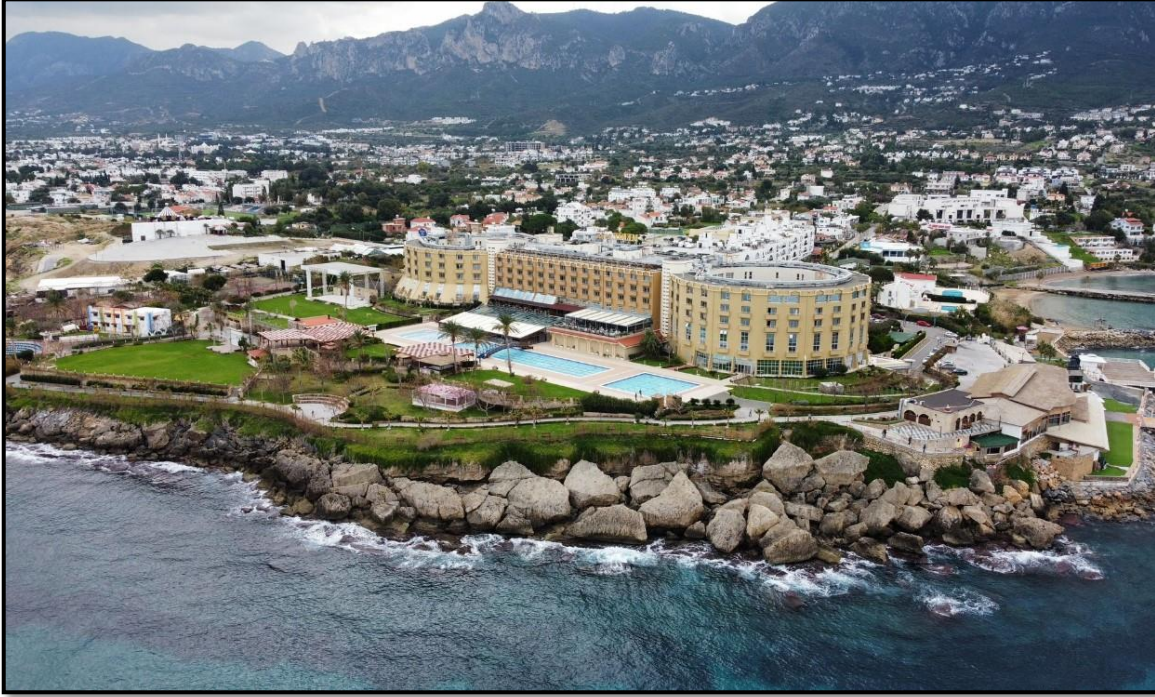
NET KURUMSAL GAYRİMENKUL DEĞERLEME VE DANIŞMANLIK A.Ş.

Real Estate Appraisal Report



Private 2022 - 1213

December, 2022



Claimant	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
Issued By	Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş.
Report Date	30.12.2022
Report No	Private 2022-1213
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 of Construction" registered in TRNC Kyrenia District, Karaoğlanoğlu Town or Village, Kuzguncuk Location, Plot XII, Plan No 10 E1 E2, Parcel 91/5 on 30.12.2022 in Turkish Lira.

➤ This report consists of Fifty Two (52) 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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EXECUTIVE SUMMARY

<u>Claimant</u>	Akfen Gayrimenkul Yatırım Ortaklığı A.Ş.
<u>Report No and Date</u>	Private 2022-1213 / 30.12.2022
<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>	Kervansaray Location, Karaoglanoglu, Mersin 10, Kyrenia / Turkish Republic of Northern Cyprus
<u>Land Registry Details</u>	Kyrenia District, Karaoğlanoğlu Town or Village, Kuzguncuk Location, Plot XII, Plan No 10 E1 E2, Parcel 91/5
<u>Actual Use (Current Status)</u>	The real estate subject to the report is used as a hotel.
<u>Zoning Status</u>	According to the examinations made at the Nicosia City Planning Department and the zoning status letter; it is located in the area defined as "Coastline" in the Kyrenia 2nd Region Comprehensive Order.
<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>	1.973.754.000,00 TL (One Billion Nine Hundred Seventy Three Million Seven Hundred Fifty Four Thousand Turkish Lira)
<u>18% VAT Included Fair Market Value</u>	2.329.029.720,00 TL
<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: 4041213
<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 30.12.2022 and a final report with the report no. Private 2022-1213 was issued on 30.12.2022.

1.2 Purpose of Appraisal

This report is a Real Estate Appraisal Report prepared upon the request of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. for the determination of the fair market value (in Turkish Lira) of the "Right of Construction" registered in TRNC Kyrenia District, Karaoğlanoğlu Town or Village, Kuzguncuk Location, Plot XII, Plan No 10 E1 E2, Parcel 91/5. 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 30.12.2022 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

It was signed on 13.10.2022 between 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

For the real estate subject to appraisal, our company prepared a report on 31.12.2021 with the report number Private 2021-1802 with a value of **1.221.200.000,00 TL - -83.175.000 Euro** and on 30.06.2022 with the report number Private 2022-622 with a value of **1.651.110.000,00 TL - -95.055.000 Euro**.

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 : 6.000.000 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
Telephone : 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. for the determination of the fair market value (in Turkish Lira) of the "Right of Construction" registered in TRNC Kyrenia District, Karaoğlanoğlu Town or Village, Kuzguncuk Location, Plot XII, Plan No 10 E1 E2, Parcel 91/5. No limitations have been imposed by the customer.

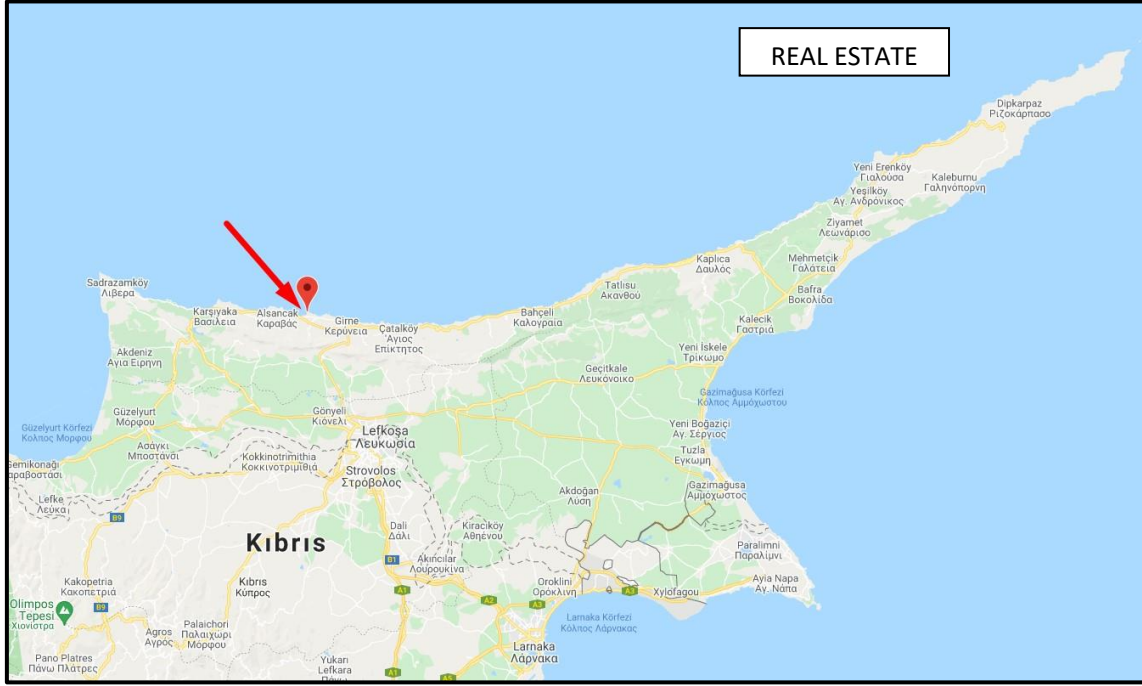
2.4 Scope of Work

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.

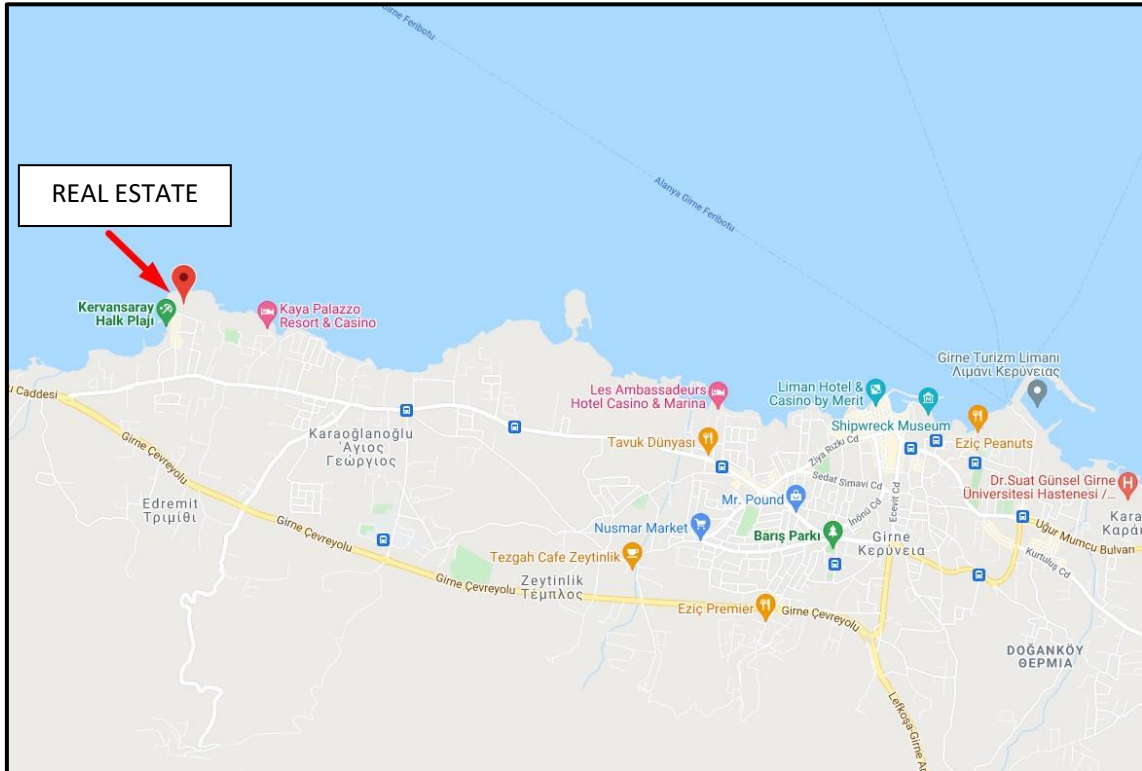
3. DETAILS ON THE LEGAL STATUS OF THE REAL ESTATE

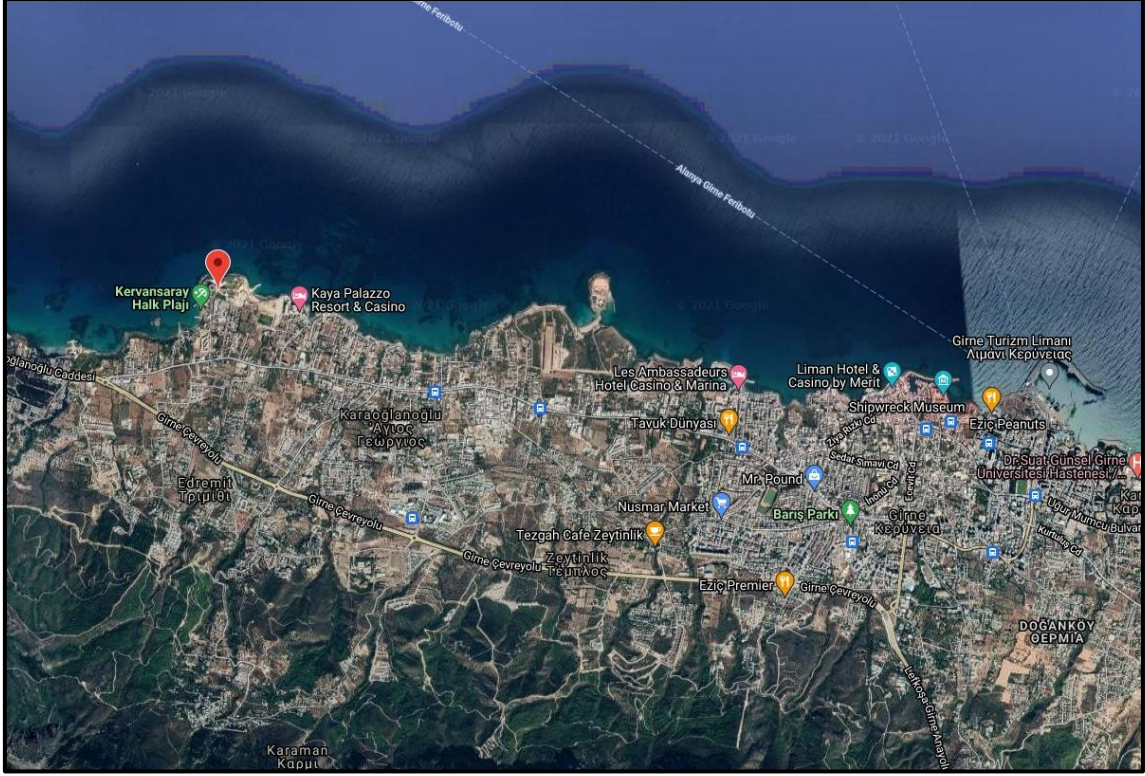
3.1 Details about the Place, Location, Definition and Environmental Organization of the Real Estate

The real estate subject to the report is located at Kervansaray Location, Karaođlanođlu, Mersin 10, Kyrenia / Turkish Republic of Northern Cyprus. In order to reach the real estate, proceed on Karaođlanođlu Street in the west direction from Kyrenia city center and turn right from this road to Ömer Kurt Street. The real estate is located approximately 500 m ahead. The immediate surroundings of the real estate continue its development in the field of tourism and residence. The real estate is located approximately 6 km from Kyrenia city center and approximately 50 km from Ercan Airport.



Coordinates: Latitude: 31.115623 - Longitude: 27.439023





3.2 Land Registries of the Real Estate

Land Registry Details of the Main Real Estate

CITY	: KYRENIA
TOWN-VILLAGE	: KARAOĞLANOĞLU
LOCALITY	: KUZGUNCUK
LAYOUT NO	: XII
MAP NO	: 10 E1 E2
PARCEL NO	: 91/5
COUNTERSTOCK NO	: 31
AREA	: 30 Acres, 1 Feerin, 2000 Square Feet (*)
QUALIFICATION	: Devoid Land
OWNER	: Ministry of Finance of TRNC

Land Registry Details of Right of Construction

LANDLORD	: T. R. N. C. Ministry of Finance, State Real Estate and Materials Department
TENANT	: Akfen Gayrimenkul Ticareti ve İnşaat A.Ş.
DURATION OF RENT	: 49 years from 01.08.2003 until 31.07.2052.
ANNUAL RENT	: Filed in file no. D-294/2008.

Note: 1 acre=1337,8037800057044 m², 1 feerin= 334,4509400013988 m², 1 foot square=0.09290304 m²dir. In addition, 1 acre=4 feerin, 1 feerin=3.600 foot square. (40.654,37 m² in total according to Türkiye's Area Measurement Units)

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

At the TRNC Land Registry and Cadastre Offices, we are not able to examine the land registry.

According to the "Real Estate Research Document" and mortgage official deeds seen by us from the TRNC Land Registry and Cadastre Office Kyrenia City Land Registry Office but not delivered to us, the following information is available on the real estate;

Mortgage: A mortgage dated 15.11.2015 has been established in favor of Fiba Banka A.Ş. for 42.000.000 EURO.

Mortgage: A mortgage dated 16.11.2015 has been established in favor of Credit Europe Bank for 21.000.000 EURO.

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.)

The real estate has not been subject to purchase and sale in the last three years.

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

According to the examinations made at the Nicosia City Planning Department and the zoning status letter of the same department dated 18.11.2015, the parcel subject to appraisal is located in the area defined as "Coastline" in the Kyrenia 2nd Region Comprehensive Order.

Pursuant to sub-paragraph (d) of paragraph 10 of Article 10 of the Kyrenia II Region Comprehensive Order, before the entry into force of the Municipalities (Amendment) Law No. 14/2008, developments for Tourism Planning purposes on the coastline in the parts of the parcels and/or lands with sufficient roads in the areas within the municipality boundaries, except for the area of 50 meters from the land direction, measured from the point where the water can rise the most from the land, are considered within the scope of the "Brown Zone", which is the neighboring zone rule, and pursuant to sub-paragraph (a) of paragraph 2 of Article 12 of the "Kyrenia II Region Comprehensive Order", in accordance with the 2003 Hotels Regulation and/or the legislation to be issued in its place, developments for tourism accommodation purposes that have received a positive opinion from the Tourism Planning Department can be made with the conditions that the Construction Total Area Ratio does not exceed 0,60/1, the construction Floor Area Ratio does not exceed 20%, the Number of Building Floors does not exceed 4 (four), and the Total Height of the Building does not exceed 15,24 meters (50 feet).

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 Kyrenia 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 aforesaid right of construction is registered in favor of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. In the official deed examined regarding the right of construction, it was registered that the independent and permanent right of construction was established for 49 years as of 01.08.2003 (until 31.07.2052).

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. Kyrenia Municipality building license, Kyrenia Municipality Approval Certificate, which replaces the certificate of occupancy, and approved projects were examined in Kyrenia Municipality.

Kyrenia Municipality Building, Road Allocation, Partition License: It was given on 27.02.2004 "According to the approved projects and specifications, for the construction of restaurants, shops, cooling storages, pool and administrative rooms, hotel service technical rooms, social usage areas on the basement floor, 50 (fifty) bedrooms, administrative buildings, social areas, pool, 4 (four) floor offices on the ground floor, 70 bedrooms, 1 floor office on the first floor, 70 bedrooms, 4 floor offices on the second floor, 2 king rooms, 48 bedrooms, 4 floor offices on the third floor".

Kyrenia Municipality Building, Road Allocation, Partition License: Its subject is "According to the approved project and specifications, during the construction of the building, which has received a license from our Municipality dated 27/02/2004 and numbered 3095, cancellation of the swimming pool as shown in the site plan and building a new swimming pool, changing the location of the amphitheater, building an additional garbage room, a treatment plant and a prefabricated warehouse on the relevant parcel, and construction of a touristic hotel consisting of 2 (two) basement floors, 4 (four) meeting halls, 4 (four) restaurants, rest, changing and shower rooms, toilets, transformer and generator room, water tank and 299 rooms (606 beds) on the ground + 1st + 2nd + 3rd + 4th floors on the relevant parcel".

Kyrenia Municipality Approval Certificate (Final Approval): Dated 07.04.2008. This certificate is the equivalent of the Occupancy Permit.

Architectural Project: Dated 14.01.2008 and numbered 03/965.

3.9 Information About the Building Inspection Institution (Trade Name, Address, etc.) Performing Inspections in accordance with the Law No. 4708 on Building Inspection dated 29/6/2001, in relation to the Projects Appraised, and the Inspections it Carried Out Regarding the Appraised Real Estate

The real estate subject to appraisal is not subject to the building inspection law.

3.10 If appraisal is performed on the basis of a specific project, detailed information about the project and an explanation that the plans and the value in question are entirely related to the current project and that the value to be found may be different if a different project is implemented

There is a building used as a hotel on the parcel in question. The appraisal has been made regarding the current project and legal documents prepared and approved for this real estate. A different project appraisal has not been made.

3.11 Information on the Energy Efficiency Certificate of the Real Estate, If Any

There is an energy identification certificate for the real estate in question.

4. PHYSICAL PROPERTIES OF THE REAL ESTATE

4.1 Analysis of the Area Where the Real Estate is Located and the Data Used

The **Turkish Republic of Northern Cyprus (TRNC)** or Northern Cyprus is a de facto state in the northern part of the Mediterranean island of Cyprus. Its existence is not recognized by any country except Türkiye. It is considered by the international community and organizations such as the United Nations and the European Union as the Turkish-occupied territory of the Republic of Cyprus since the Turkish Cyprus Operation in 1974. Embargoes are imposed on the Turkish Republic of Northern Cyprus by the international community in areas such as economy, transportation and sports. Due to the embargoes, it has become economically dependent on Türkiye. The Turkish Republic of Northern Cyprus is supported economically, politically and militarily by Türkiye. Since 2001, there has been a rapid growth in the economy; however, the country has started to experience economic difficulties since the late 2000s.



After the Cyprus Operation, the Turkish Federated State of Cyprus was established in 1976. On November 15, 1983, the parliament of the Turkish Federated State of Cyprus exercised its right to self-determination and declared the Turkish Republic of Northern Cyprus with a unanimous decision. Founding president Rauf Denktaş read the declaration of the establishment of the TRNC. The establishment of the Turkish

Republic of Northern Cyprus drew the reaction of the Republic of Cyprus, Greece and many other states, as well as the United Nations Security Council. The Security Council condemned the independence decision with a resolution adopted on November 18. On May 13, 1984, the Security Council defined the declaration of the Turkish Republic of Northern Cyprus as a separatist movement in its Resolution 550.

Its territory extends to Dipkarpaz in the north, Güzelyurt in the west and Akıncılar in the south. There is a United Nations-controlled buffer zone between the territory of the Turkish Republic of Northern Cyprus and the Republic of Cyprus. The important settlements of the Turkish Republic of Northern Cyprus are the capital Nicosia, Kyrenia, Famagusta, Guzelyurt and Iskele. TRNC does not receive much precipitation due to its Mediterranean climate. It is generally hot and dry. The coastal shores of Cyprus have been visited by Chelonia mydas and Caretta caretta turtles for about a hundred million years. These creatures come to the beaches of the Turkish Republic of Northern Cyprus between May and August to lay their eggs. There are also natural caves in the north of the island. There are around 85 natural caves such as İncirli Cave with its stalactites and stalagmites, Sütünlü Cave in İnönü.

The Turkish Republic of Northern Cyprus is administratively divided into six districts (Nicosia, Famagusta, Kyrenia, Kyrenia, Güzelyurt, Iskele and Lefke) and 12 sub-districts. The highest level administrator in the district administration is the district governor, who reports to the Ministry of Interior and is appointed with the approval of the Minister of Interior, the Prime Minister and the President of the Republic. The district with the smallest area and population is Lefke, while Nicosia has the largest population and Famagusta the largest area. There are twenty-eight municipalities as local governments. The economy of Northern Cyprus is dominated by the service sector (69% of GDP in 2007), which includes the public sector, trade, tourism and education. The education sector earned \$400 million in 2011, while industry contributes 22% of GDP and agriculture 9%. The economy of Northern Cyprus is based on the free market and in 2014 the country ranked first in Europe for new business start-ups.

Tourism, one of the biggest revenues of the Turkish Republic of Northern Cyprus, plays a major role in the country. The country's climate provides opportunities for vacation all year round. Rainfall is heavy in December and January and the average sea temperature is 20°C for over six months. The Turkish Republic of Northern Cyprus is famous for its spring wildflowers and the scent of orange, lemon and grapefruit blossom that fills the air.

The beaches of the Turkish Republic of Northern Cyprus are a convenient and safe place to swim in the Mediterranean. Most resorts have modern swimming pools and beautiful beaches for the cool waters of the eastern Mediterranean.

In the interior of the island, south of the Beşparmak Mountains, lies the vast Mesarya plain, Ercan Airport and the country's capital Nicosia. The historic center of Nicosia is surrounded by a 5.5 km long city wall, which is still intact. The gate at the entrance was built by the Ottomans. Along the eastern coast lies the historic, developed city of Famagusta, and next to it the ancient city of Salamis. The Karpaz peninsula, the largest peninsula of the island, is the spawning ground for green turtles. There are special areas here and entry and exit is forbidden.

Kyrenia is the administrative center of the Kyrenia city of the Republic of Cyprus and the Kyrenia district of the Turkish Republic of Northern Cyprus, of which it is de facto a part. The city of Kyrenia and its surroundings is the tourism capital of Northern Cyprus. Until the Cyprus Operation in 1974, the majority of the city's population was Greek Cypriots, but as a result of the operation, the Greek Cypriots in Kyrenia migrated. Especially since the early 2000s, there has been a rapid population growth and construction in the city. The city is bordered by the Kyrenia Mountains to the south and the Mediterranean Sea to the north. The ancient harbor in the center of the city is right next to Kyrenia Castle. Along the harbor there are restaurants, bars and open-air cafeterias popular with both locals and tourists. According to some sources, the city was founded by the Achaeans in the 10th century BC. Strabo wrote that the city was founded by Cepheus, the legendary king of Tegea, who belonged to the Achaeans. Nevertheless, it was not until the 4th century BC, under Persian rule, that the area became a permanent settlement. During the Arab attacks in the 7th century AD, Kyrenia Castle was built. In 1191, during the Third Crusade, the English king Richard I fought Isaacos Komnenos and besieged and captured the castle. In the years that followed, the castle was fortified during the Lusignan rule. In 1373, the castle was destroyed by Genoese attacks. In 1489, Kyrenia came under

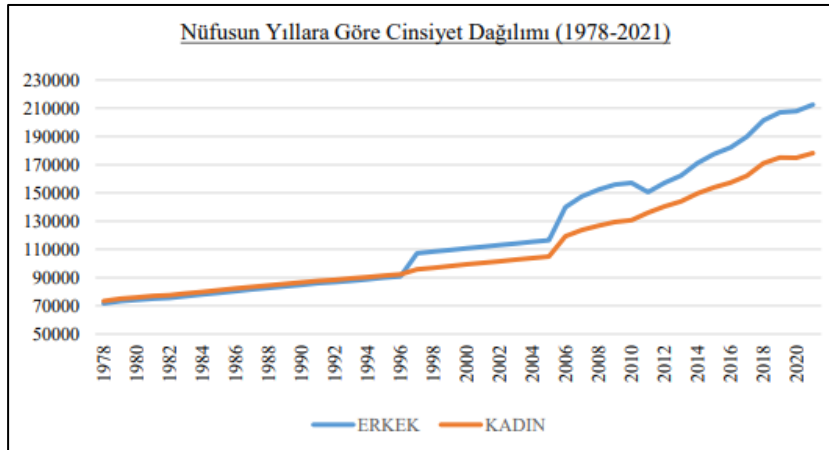
Venetian control along with the whole island and major changes were made to the castle during this period. On July 9, 1570, during the Cyprus Expedition of the Ottoman Empire, the city surrendered voluntarily. The population of the area within the municipal boundaries of the city was 2922 in 1946 and 3498 in 1960. According to the 1960 Cyprus census, 2802 of this population were Greek Cypriots and 696 were Turks. The area came under Turkish control during the 1974 Cyprus Operation by the Turkish Armed Forces on the orders of Turkish Prime Minister Bülent Ecevit. Most of the city's Greek population fled during the operation; those who did not flee were held at the Dome Hotel until October 1975, when they were evacuated. In total, 2,650 Greek Cypriots emigrated. In 1975, Turkish Cypriots migrated from Limassol and a number of villages in the south and settled in the city. The main historical sites in Kyrenia are the ancient harbor and Kyrenia Castle, which dominates the harbor. Originally built in the 7th century during the Byzantine period, the castle underwent structural changes and new parts were built during the Lusignan and Venetian periods. Today the castle reflects the traces of all three periods with elements including the Byzantine church, tower, Lusignan guard room, dungeons and Venetian towers, cistern and armory. In the Sunken Ship Museum inside the castle, which is organized as a museum, a ship that sank in 300 BC, that is, during the Hellenistic period, is exhibited together with the finds on board.

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;

In the last census conducted in the TRNC on December 4, 2011, the Total Population was calculated as 286.257 and according to the 2021 Year-End Projection Population, the Total Population was calculated as 390.745. In the 2021 projection, the male proportion of the population was calculated as 54,4 percent and the female proportion as 45,6 percent.



Δ CPI/Inflation Indexes;

Tablo - 1 : 2015=100 Temel Yılı Tüketici Fiyatları Endeksi
Ana Mal ve Hizmet Gruplarında Meydana Gelen Endeks Değerleri ve Değişim Oranları
2022 Ekim Ayı Sonuçları

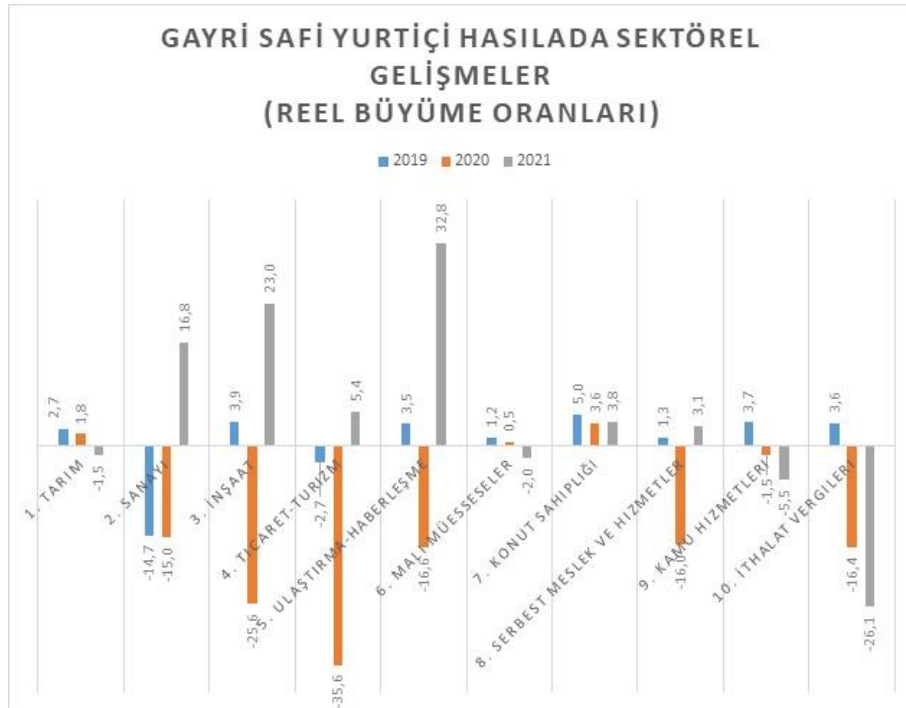
Ana Gruplar	Endeks Değerleri			Ekim 2022	Bir Önceki Aya Göre Değişim Oranı (%)	Bir Önceki Yılın Aralık Ayına Göre Değişim Oranı (%)	Bir Önceki Yılın Aynı Ayına Göre Değişim Oranı (%)
	Ekim 2021	Aralık 2021	Eylül 2022				
1. Gıda ve Alkolstüz İçecekler	282.99	360.21	616.19	653.00	5.97	81.28	130.75
2. Alkollü İçecekler ve Tütün	219.47	239.63	359.20	362.79	1.00	51.40	65.30
3. Giyim ve Ayakkabı	230.66	269.78	355.45	456.91	28.54	69.36	98.09
4. Konut, Su, Elektrik, Gaz, ve Diğer Yakıtlar	222.25	253.69	476.10	476.13	0.01	87.68	114.23
5. Mobilya, Ev aletleri ve Ev Bakım Hizmetleri	363.97	440.28	744.04	770.90	3.61	75.09	111.80
6. Sağlık	301.79	331.19	515.64	526.29	2.07	58.91	74.39
7. Ulaştırma	289.68	394.42	638.82	656.62	2.79	66.48	126.67
8. Haberleşme	169.02	213.25	246.08	250.41	1.76	17.43	48.15
9. Eğlence ve Kültür	203.47	231.77	623.80	652.32	4.57	181.45	220.60
10. Eğitim	274.09	308.52	467.89	469.40	0.32	52.15	71.26
11. Lokanta ve Oteller	283.04	339.27	725.65	724.94	-0.10	113.68	156.13
12. Çeşitli Mal ve Hizmetler	245.33	275.94	433.65	444.24	2.44	60.99	81.08
Genel	260.82	316.93	556.65	575.67	3.42	81.64	120.72

Kaynak: İstatistik Kurumu

The 2015=100 base year Consumer Prices General Index, which is published by the TRNC Statistical Institute every month according to the retail prices compiled from pre-selected retail outlets in order to monitor developments in consumer prices, changed by 3,42% compared to the previous month, 81,64% compared to December of the previous year and 120,72% compared to the same month of the previous year.

	EKİM 2021	EKİM 2022
Bir önceki aya göre değişim oranı (%)	3.23	3.42
Bir önceki yılın Aralık ayına göre değişim oranı (%)	20.23	81.64
Bir önceki yılın aynı ayına göre değişim oranı (%)	23.63	120.72

Δ GDP/Growth Indices;



Considering the real growth rates of sectors in GDP at constant prices, the highest growth rate in 2021 was recorded in the "Transportation and Communication" sector with 32,8%, followed by the "Construction" sector with 23,0% and the "Industry" sector with 16,8%. Considering the shares of sectors in GDP at current prices; Public Services 15,5%, Self-employment and Services 14,2% (Self-employment 6,6%, Higher Education 7,6%), Trade-Tourism 13,8% (Wholesale and Retail 10,4%, Hotel Management and Restaurants 3,4%), Transport-Communications 9,2%, Financial Institutions 8,9%, Agriculture 8,3%, Imports 7,8%, Construction 7,5%, Industry 7,5%, Home Ownership 7,3%. (KKTC İK)

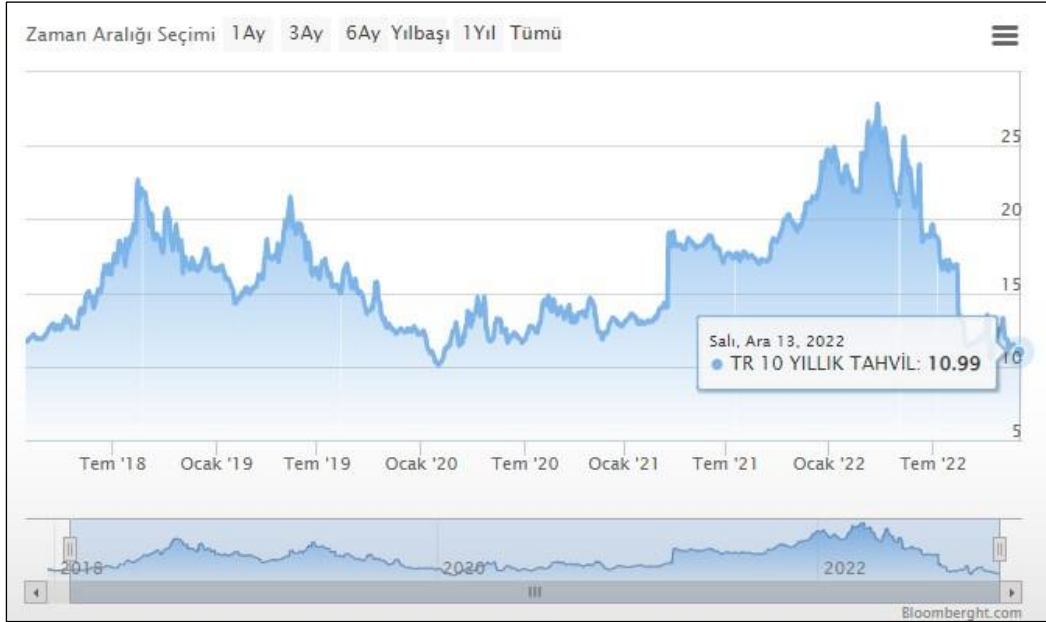


Sektörlerin GSYH İçerisindeki Payları

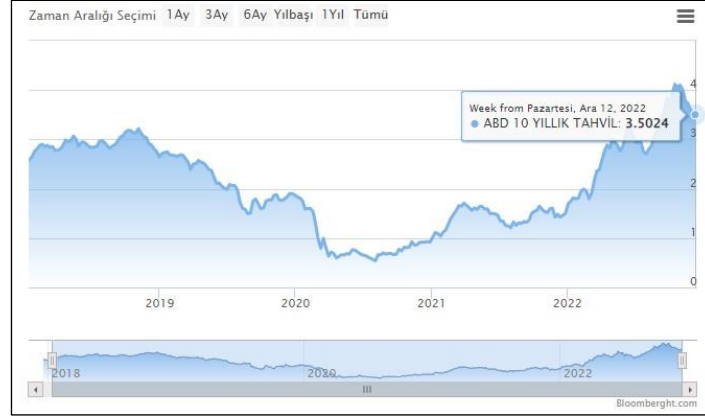
(Cari Fiyatlarla,
%)

Sektörler	2016	2017	2018	2019	2020	2021
1. Tarım	5,6	4,5	6,2	5,5	6,0	8,3
1.1. Bitkisel	2,7	1,9	2,3	2,6	2,8	4,2
1.2. Hayvancılık	2,5	2,1	3,5	2,5	2,7	3,8
1.3. Ormancılık	0,0	0,0	0,0	0,0
1.4. Balıkçılık	0,3	0,5	0,4	0,4	0,4	0,3
2. Sanayi	9,2	9,7	8,4	7,8	9,6	7,5
2.1. Taşocakçılığı	0,7	0,9	1,0	0,9	1,3	2,2
2.2. İmalat Sanayi	3,7	3,3	3,0	2,8	2,5	2,2
2.3. Elektrik-Su	4,8	5,5	4,4	4,1	5,8	3,1
3. İnşaat	4,4	5,8	5,9	5,8	9,6	7,5
4. Ticaret-Turizm	19,7	20,1	20,8	22,2	12,8	13,8
4.1. Toptan ve Perakende Ticaret	10,9	11,1	11,2	10,5	10,3	10,4
4.2. Otelcilik ve Lokantacılık	8,7	9,0	9,6	11,7	2,5	3,4
5. Ulaştırma-Haberleşme	8,3	8,0	7,3	7,3	6,4	9,2
6. Mali Müesseseler	7,7	6,9	8,1	8,0	7,9	8,9
7. Konut Sahipliği	4,6	4,5	4,9	5,2	6,3	7,3
8. Serbest Meslek ve Hizmetler	14,5	15,7	15,8	13,2	12,9	14,2
8.1. Serbest Meslekler	6,3	6,4	6,6	6,4	6,1	6,6
8.2. Yükseköğretim	8,2	9,3	9,2	6,8	6,8	7,6
9. Kamu Hizmetleri	15,9	15,1	13,4	16,1	19,4	15,5
10. İthalat Vergileri	10,2	9,7	9,2	9,0	9,1	7,8
GSYH	100,0	100,0	100,0	100,0	100,0	100,0

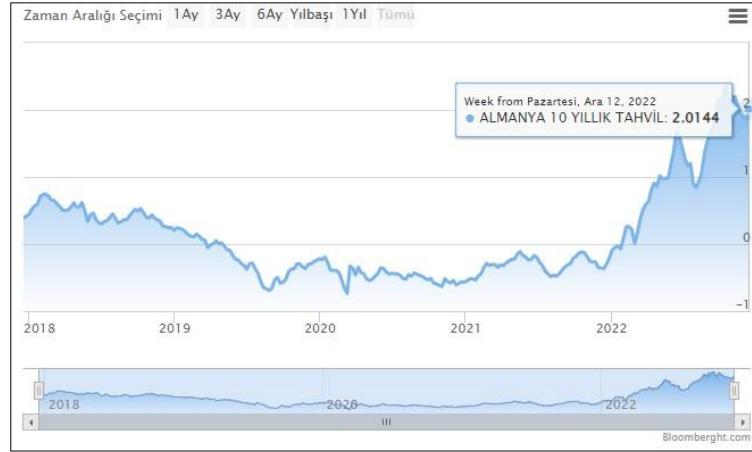
Δ TR and USD and EURO 10-Year Government Bonds Exchange;



While the bond rates, which are TR 10-year GDDS, were around 10% in the last 10 years, they started to increase during the third quarter of 2021 and reached 27% as of the 1st Quarter of 2022. Afterwards, it entered a downward trend and is at an average of 11% as of the report date. (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 0,6% as of August 2020. After this period, it has progressed with an increase and is at an average of 3,5% as of the report date. (Graph: Bloomberght.com)

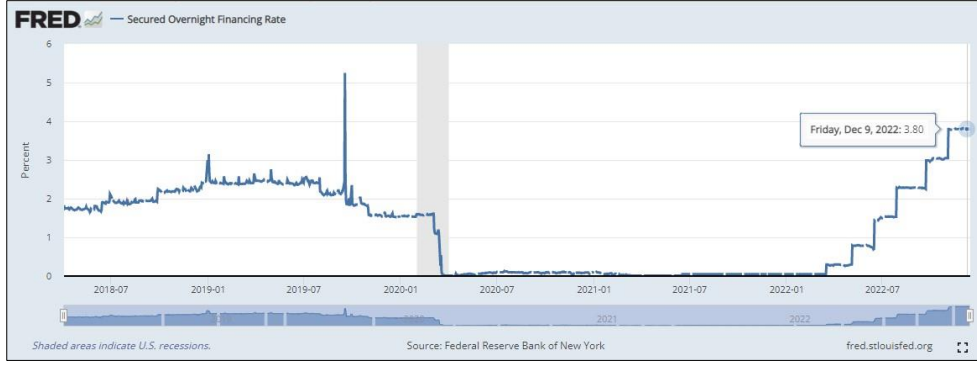


In May 2019, the Euro 10-year German Bund fell below 0 and continued in a positive direction at the end of January 2022. The increase has continued in recent months and has averaged 2% as of the report date. (Graph: Bloomberght.com)

Reference Interest Rate Change;



The chart above, prepared with the Turkish Lira Reference Interest Rates application published by Istanbul Stock Exchange, shows the TR reference interest rates over the years. As seen, the TR annual reference rate continues its course in the range of 9-12% in 2022.

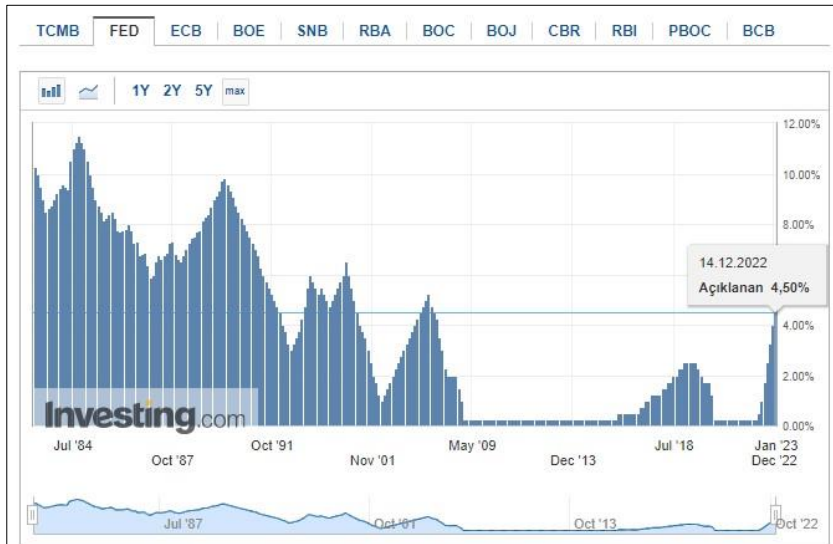


The chart above, prepared with the USD Reference Interest Rates application published by the ICE, shows the USD reference interest rates over the years. USD 12-month reference interest rate is at the level of 0,5% as of 30.06.2021. As seen, the USD reference interest rate started to increase as of April and reached 3,5-4% on the report date in 2022.

Δ CBRT and FED Interest Rate Change;



According to the latest data announced by the Central Bank of the Republic of Türkiye, the interest rate is 10,50%. This rate, which varied between 5,0% and 7,5% on average between 2010 and 2018, rose to above 20,00% as of May 2018 and fell below 10,00% as of 2020. It was set at 14% as of December and continued at this level for a long time. It started to decline as of August and is at the level of 9% as of the report date.



According to the latest data announced by the US Federal Reserve, the interest rate is 0.25%. While it reached up to 2,50% as of 2017-2019, the interest rate gradually decreased and came below 0,50% as of 2022. It started to increase again as of April and is at 4,50% as of December.

Δ Real Estate and Construction Sector in Türkiye;

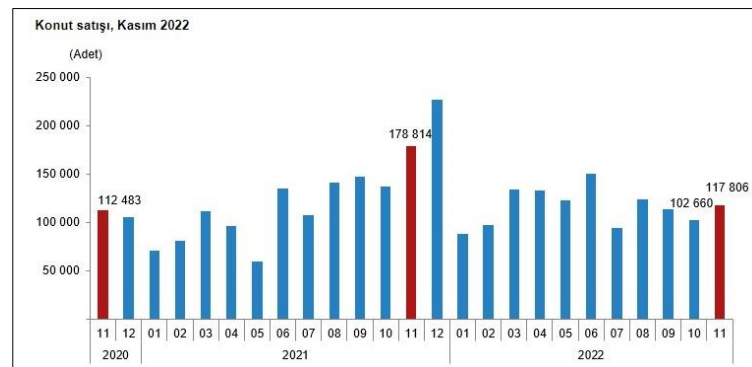
As in many other economies, the construction sector in Türkiye is not only a leading indicator in terms of the general economy, but also a driving force of growth. The acceleration and deceleration in the construction sector takes place earlier than the general economy. However, apart from the recent 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.

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.

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.

As of 2022, house sales in Türkiye decreased by 34,1% in November compared to the same month of the previous year and became 117 thousand 806. Istanbul had the highest share in house sales with 19 thousand 687 house sales and 16,7%. Istanbul was followed by Ankara with 9 thousand 367 house sales and 8,0% share, and Antalya with 7 thousand 902 house sales and 6,7% share. The provinces with the lowest number of house sales were Hakkari with 34 houses, Ardahan with 47 houses and Bayburt with 58 houses.

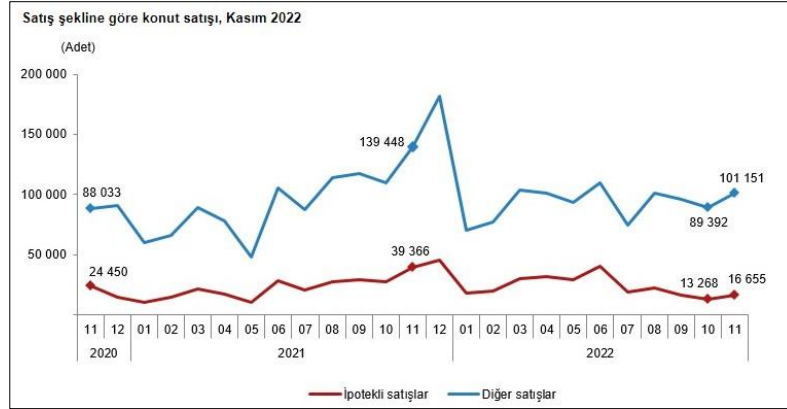


In January-November period, house sales increased by 1,0% compared to the same period of the previous year and realized as 1 million 277 thousand 659. Mortgaged house sales in Türkiye decreased by 57,7% in November compared to the same month of the previous year and became 16 thousand 655. The share of mortgaged sales in total house sales was realized as 14,1%. In January-November period, mortgaged house sales increased by 3,7% compared to the same period of the previous year and became 258 thousand 524.

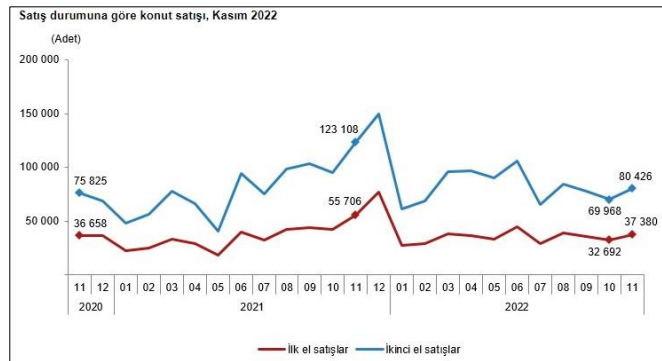
5 thousand 133 of the mortgaged sales in November and 70 thousand 170 of the mortgaged sales in January-November period were realized as first-hand sales.

Konut satış sayısı, Kasım 2022	Kasım			Ocak - Kasım		
	2022	2021	Değişim (%)	2022	2021	Değişim (%)
	Satış şekline göre toplam satış	117 806	178 814	-34,1	1 277 659	1 265 353
İpotekli satış	16 655	39 366	-57,7	258 524	249 270	3,7
Diğer satış	101 151	139 448	-27,5	1 019 135	1 016 083	0,3
Satış durumuna göre toplam satış	117 806	178 814	-34,1	1 277 659	1 265 353	1,0
İlk el satış	37 380	55 706	-32,9	382 190	384 776	-0,7
İkinci el satış	80 426	123 108	-34,7	895 469	880 577	1,7

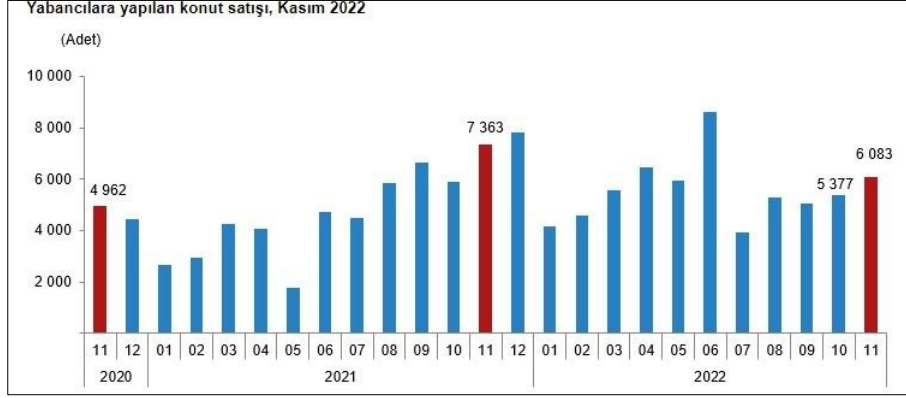
The number of first-hand house sales in Türkiye decreased by 32,9% in November compared to the same month of the previous year and became 37 thousand 380. The share of first-hand house sales in total house sales was 31,7%. In the January-November period, first-hand house sales decreased by 0,7% compared to the same period of the previous year and realized as 382 thousand 190.



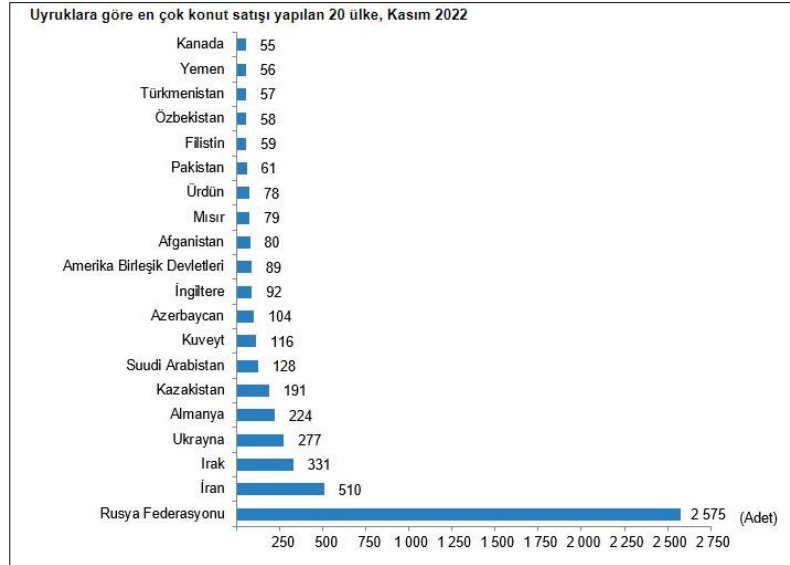
Second-hand house sales in Türkiye decreased by 34,7% in November compared to the same month of the previous year and became 80 thousand 426. The share of second-hand house sales in total house sales was 68,3%. In the January-November period, second-hand house sales increased by 1,7% compared to the same period of the previous year and realized as 895 thousand 469.



In November, house sales to foreigners decreased by 17,4% compared to the same month of the previous year and became 6 thousand 83. In November, the share of house sales to foreigners in total house sales was 5,2%. Antalya ranked first in house sales to foreigners with 2 thousand 616 house sales. Antalya was followed by Istanbul with one thousand 733 house sales and Mersin with 567 house sales. In the January-November period, house sales to foreigners increased by 20,4% compared to the same period of the previous year and became 61 thousand 104.



In November, Russian Federation citizens bought 2 thousand 575 houses from Türkiye. Russian Federation citizens were followed by Iran with 510 houses, Iraq with 331 houses and Ukraine with 277 houses.



Compared to the same quarter of the previous year, in the third quarter of 2022, the number of buildings, the number of flats and the area of buildings for which building permits were issued by municipalities decreased by 8,0%, 3,8% and 4,7%, respectively. The total area of the buildings for which building permits were issued by municipalities in the third quarter of 2022 was 31,8 million m², of which 16,4 million m² was residential, 9,0 million m² was non-residential and 6,4 million m² was common use area.



Δ Tourism Sector in TRNC:

In parallel with the importance of tourism in the world, tourism is one of the main sectors in the development of the TRNC economy. To emphasize the importance of tourism for the world economy, it would be appropriate to state that it is the fastest growing sector in the world, growing at an average rate of 7,4 percent over the past four decades. In addition, the tourism sector provides employment opportunities for more than 130 million people worldwide. In order to increase the contribution of tourism to the economy, it is necessary to identify target groups and types with comparative advantage according to the conditions of the country and to work in this regard. This academic approach is implicit in the concept of tourism. That is to say, when we define tourism as the sum of the relationships and events arising from travel and residence outside the place of permanent residence and travel and residence without the purpose of earning and the activity arising from the complex combination of material and psychological factors; the relationships and events and material and psychological factors within this definition determine the types of tourism that may have a comparative advantage according to the possibilities of the country. The TRNC tourism sector, which covers an area of 3,355 km on the island of Cyprus, has been identified as the priority sector of the economy within the scope of state policy and has assumed the role of locomotive in development, citing its geographical location and favorable climatic conditions as well as its natural beauties, rich archaeological remains, historical assets, wide and clean beaches and its structure free from environmental problems (DPÖ 1 993:2). Despite the prioritized structure of the tourism sector in the country, there are significant problems in terms of improving and developing the sector and increasing tourism demand. These problems primarily include the lack of recognition of the TRNC as an independent state, the lack of a physical plan for transportation and tourism planning and the implementation of a master plan, the lack of solutions to infrastructure problems such as water and electricity, the lack of an effective and autonomous tourism organization for tourism management and supervision, the lack of coordination with other sectors such as transportation and education, and the lack of adequate financing for tourism investments. Despite the major problems in the tourism sector, tourism is a priority sector for development in the TRNC economy due to its foreign exchange impact and contribution to the balance of payments, income generation and employment generation, and its contribution to the development of sectors such as construction, trade, agriculture and industry.

As in the world, tourism types are becoming increasingly diversified in the TRNC. "Special Interest Tourism" is a type of tourism that complements the tourism movement in which the "sea-sand-sun" trilogy is the most common, but is also gaining importance as an alternative element. This type of tourism is also called "alternative tourism". Since special interest tourism or alternative tourism directly appeals to people's curiosity or special interests and is a type of tourism that can be participated in all year round, it spreads over a wide area and increases its importance day by day. In

other words, special interest tourism or alternative tourism goes beyond the limits of the summer period, which is limited to the sea-sand-sun trilogy of tourism, and brings new markets to the tourism industry by spreading over 12 months depending on the type. As seen in the example of the individual who takes the first step into space tourism, these markets may consist of a single person or include a small or large number of people. This gives the tourism industry a colorful horizon with competition.

TOURISM STATISTICS JANUARY-MAY 2022

1.YATAK KAPASİTESİ :

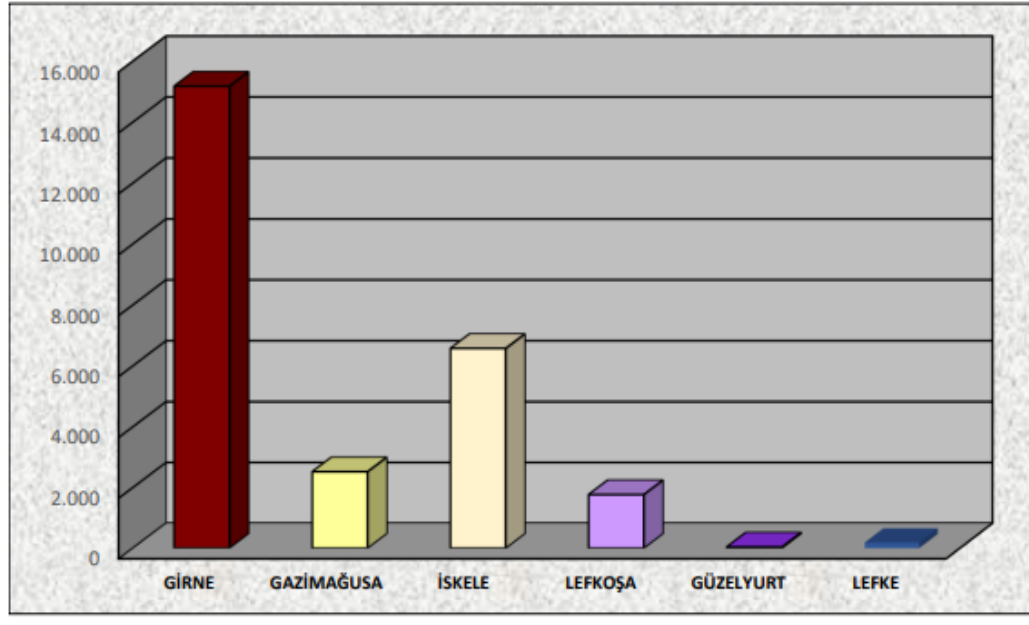
Tablo 1. Turistik yatak kapasitesinin aylara göre dağılımı.
(2021-2022 mukayeseli)

AYLAR	YATAK KAPASİTELERİ		DEĞİŞİM %
	2021	2022	
OCAK	25.802	26.258	1,8
ŞUBAT	25.802	26.258	1,8
MART	25.948	26.258	1,2
NİSAN	26.068	26.258	0,7
MAYIS	26.088	26.258	0,7

Tablo 2.Faaliyette olan turistik konaklama tesisi sayısı ile yatak kapasitesinin bölgelere göre dağılımı.

BÖLGELER	TESİS SAYISI	% Payı	YATAK SAYISI	% Payı
GİRNE	82	49	15.178	58
GAZİMAĞUSA	21	12	2.520	9
İSKELE	35	21	6.572	25
LEFKOŞA	23	14	1.766	7
GÜZELYURT	1	1	38	0
LEFKE	6	3	184	1
TOPLAM	168	100	26.258	100

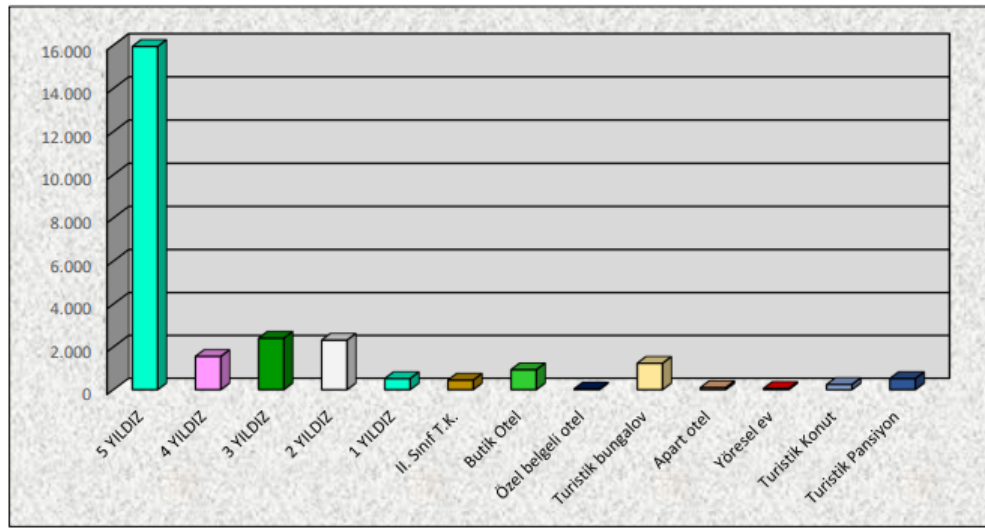
Grafik 2. Faaliyette olan turistik yatak kapasitesinin bölgelere göre dağılımı.



Tablo 3. Faaliyette olan turistik konaklama tesisi sayısı ile yatak kapasitesinin sınıflara göre dağılımı.

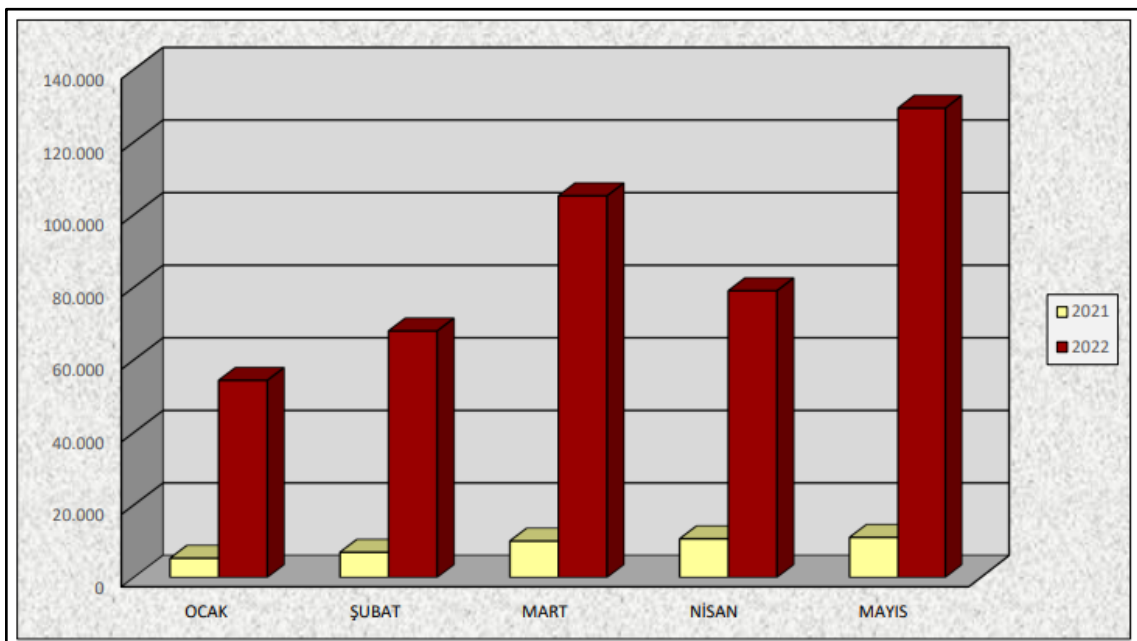
TESİS SINIFI	TESİS SAYISI	% Payı	YATAK SAYISI	% Payı
5 Yıldızlı otel	23	14	15.940	61
4 Yıldızlı otel	5	3	1.550	6
3 Yıldızlı otel	17	10	2.400	9
2 Yıldızlı otel	25	15	2.311	9
1 Yıldızlı otel	13	8	515	2
II. Sınıf T.K.	3	2	442	2
Butik Otel	9	5	930	3
Özel belgeli otel	1	1	34	0
Turistik bungalov	21	12	1.230	5
Apart otel	2	1	96	0
Yöresel Ev	2	1	54	0
Turistik Konut	6	4	238	1
Turistik Pansiyon	41	24	518	2
TOPLAM	168	100	26.258	100

Grafik 3. Turistik yatak kapasitesinin sınıflara göre dağılımı.



While in January-May 2021, the number of passengers arriving to our country by air and sea was 43.990 (excluding TRNC nationals), this figure increased by 890,9% to 435.904 in January-May 2022. There was an increase of 1411,8% among Turkish nationals and 350,5% among other foreign nationals.

AYLAR	TC			DİĞER YABANCI			TOPLAM YOLCU		
	2021	2022	%	2021	2022	%	2021	2022	%
OCAK	3.079	45.065	1363,6	2.216	9.293	319,4	5.295	54.358	926,6
ŞUBAT	2.307	52.582	2179,2	4.641	15.385	231,5	6.948	67.967	878,2
MART	3.639	79.811	2093,2	6.393	25.380	297,0	10.032	105.191	948,6
NİSAN	5.688	57.120	904,2	4.973	21.926	340,9	10.661	79.046	641,5
MAYIS	7.686	104.061	1253,9	3.368	25.281	650,6	11.054	129.342	1070,1
TOPLAM	22.399	338.639	1411,8	21.591	97.265	350,5	43.990	435.904	890,9



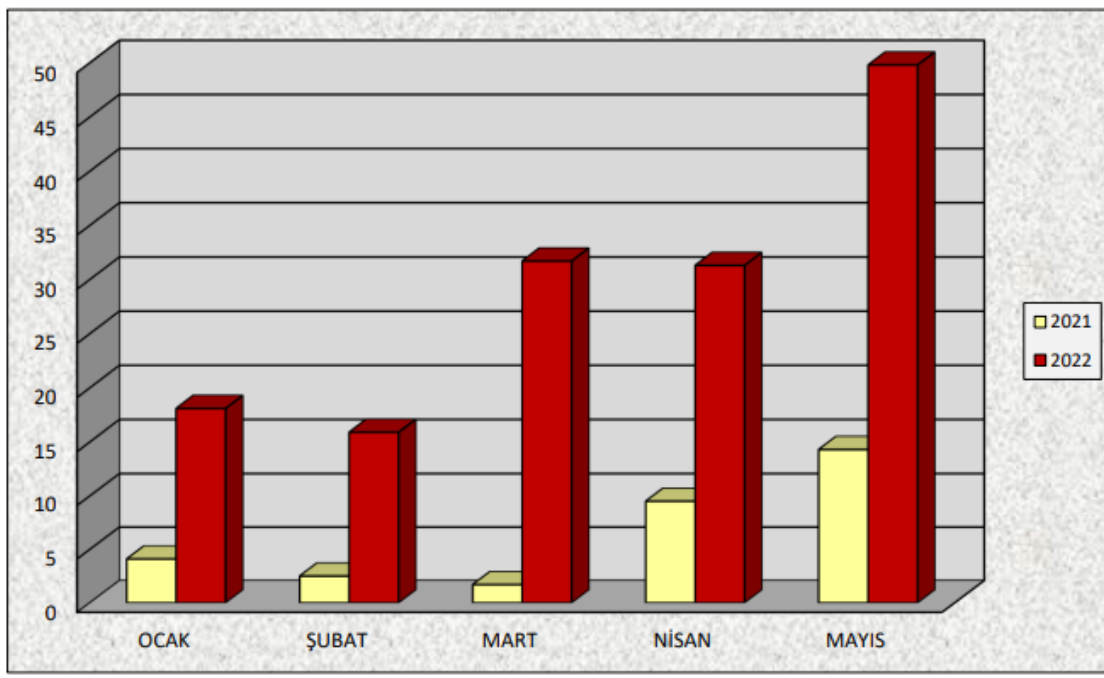
Tablo 9. Turistik konaklama tesislerinde uyruklara göre konaklayan kişi sayısı.
(Ocak-Mayıs 2022, 2021 mukayeseli)

UYRUK	2021	% Pay	2022	% Pay	DEĞİŞİM %
TC	9.085	69	216.150	72	2279,2
DİĞER YABANCI	1.441	11	66.407	23	4508,4
TOPLAM	10.526	80	282.557	95	2584,4
KKTC	2.564	20	16.322	5	536,6
GENEL TOPLAM	13.090		298.879		2183,3

Tablo 11. Turistik konaklama tesislerinde doluluk oranının aylara göre dağılımı.
(2021-2022 mukayeseli)

AYLAR	2021	2022	DEĞİŞİM %
OCAK	4,1	18,1	341,5
ŞUBAT	2,5	15,9	536,0
MART	1,7	31,7	1764,7
NİSAN	9,5	31,3	229,5
MAYIS	14,3	49,8	248,3
ORTALAMA	8,5	29,6	248,2

Grafik 8. Turistik konaklama tesislerinde doluluk oranının aylara göre dağılımı.
(2021-2022 mukayeseli)



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 a land with a surface area of 40.654,37 m² according to the metric measurement unit. The real estate is currently operating as a 5-star hotel under the Merit Park Hotel brand.

According to its project, the real estate consists of A, B, C blocks. A Block consists of 2 basement floors, ground floor and 3 normal floors, B Block consists of ground floor and 3 normal floors, and C Block consists of ground floor and 3 normal floors. According to its project, it has a total gross usage area of approximately 34.392 m², including approximately 3.216 m² on the 2nd basement floor, 8.112 m² on the 1st basement floor, 5.499 m² on the ground floor, 5.325 m² on the ground mezzanine floor, 3.731 m² on the 1st normal floor, 3.731 m² on the 2nd normal floor, and 4.778 m² on the 3rd normal floor.

While the hotel building has 299 rooms according to its project, it was observed during the on-site inspection that some rooms were merged and currently has 286 rooms. These rooms consist of 253 standard rooms, 6 disabled rooms, 27 suites, 4 deluxe rooms, and 6 king rooms.

The 2nd basement floor of the real estate is used as a Casino. This area consists of halls, cloakroom, bar, casino, offices, technical volumes, etc. for the needs. The floors in the casino sections of this area are carpeted and the floors in the wet areas are granite covered. Walls are decor plaster, doors are wooden joinery, and windows are PVC joinery. This area has two entrances from inside and outside the hotel.

1st basement floor consists of cold storage, main restaurant, kitchen, meeting rooms, foyer area, laundry, staff dining hall, staff offices. The walls are wallpapered and plastered. Floors are partially carpeted in meeting rooms and halls and ceramic covered in other areas.

The ground floor consists of entrance hall, reception, lobby, restaurant, hairdresser, offices, accommodation rooms, spa center, indoor swimming pool, Turkish bath, steam room, fitness and changing rooms.

There are accommodation units and technical volumes on the other floors.

Room volumes are between 23 m² and 36 m² in standard rooms. Each room has a bathroom and bathroom areas are between 5-6 m². Suite rooms are approximately 45 m², deluxe suites are approximately 67 m² and the king suite is approximately 150 m². The floors in the accommodation rooms are carpeted and the walls are covered with wallpaper. Bathroom areas have ceramic tiled floors and walls. The bathroom has a Hilton sink, bathtub and toilet bowl. Floor halls on the room floors are carpeted.

The hotel has an indoor swimming pool of approximately 113 m², an outdoor swimming pool of approximately 996 m², a restaurant area of 928 m². There are also 2 tennis courts and an amphitheater area.

The hotel has a treatment plant and sea water is purified and offered for use. The treatment plant has a usage area of approximately 392 m², water tank approximately 248 m², amphitheater and changing rooms approximately 195 m², transformer building approximately 216 m², rest rooms, WC and shower areas approximately 320 m².

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

In the examination carried out on site, it was seen that the buildings were compatible with their architectural project in terms of their general lines. Unlike its project, some accommodation rooms have been combined.

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 building 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

The real estate in question is currently operated as Merit Park Hotel.

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] In the region where the real estate subject to the appraisal is located, near the ring road, a land zoned for E:0,35 2-storey residence with a surface area of 7.359 m² is for sale at a bargain price of 33.210.000 TL (1.500.000 GBP).

Note: The real estate subject to the appraisal is advantageous in terms of location and construction conditions compared to the precedent.

Respondent: 0533 841 00 99

[P:2 Land for Sale] In the region where the real estate subject to the appraisal is located, a land zoned for E:0,35 2-storey residence with a surface area of 4.000 m² is for sale at a bargain price of 14.390.000 TL (650.000 GBP).

Note: The real estate subject to the appraisal is advantageous in terms of location and construction conditions compared to the precedent.

Respondent: 0533 841 00 99

[P:3 Land for Sale] In the region where the real estate subject to the appraisal is located, a land declared to be zoned for E:2,00 10-storey tourism conditions and a surface area of 10.600 m² is for sale at a bargain price of 310.000.000 TL (14.000.000 GBP).

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

Respondent: 0532 260 44 22

[P:4 Land for Sale] In the region where the real estate subject to the appraisal is located, near the sea, a land zoned for E:0,35 2-storey residence and a surface area of 8.697 m² is for sale at a bargain price of 25.460.000 TL (1.150.000 GBP).

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

Respondent: 0533 865 78 74

[P:5 Land for Sale] In the region where the real estate subject to the appraisal is located, near the sea, a land zoned for E:0,35 2-storey residence and a surface area of 9.366m² is for sale at a bargain price of 18.820.000 TL (850.000 GBP).

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

Respondent: 0533 882 33 52

PRECEDENT ADJUSTMENT TABLE										
Content	Precedent 1		Precedent 2		Precedent 3		Precedent 4		Precedent 5	
Gross area (m ²)	7.359,00m ²		4.000,00m ²		10.600,00m ²		8.697,00m ²		9.366,00m ²	
Sales price	33.210.000 TL		14.390.000 TL		310.000.000 TL		25.460.000 TL		18.820.000 TL	
m ² unit price	4.513 TL		3.598 TL		29.245 TL		2.927 TL		2.009 TL	
Room for negotiation	10%	-	10%	-	10%	-	10%	-	10%	-
Location and other goodwill	20%	+	50%	+	0%	+	100%	+	100%	+
Zoning Status Goodwill	50%	+	50%	+	50%	-	50%	+	50%	+
Area goodwill	30%	-	40%	-	30%	-	30%	-	30%	-
Discounted unit price	5.867 TL		5.396 TL		2.925 TL		6.148 TL		4.220 TL	
Average Unit Price	4.911TL/m ²									

(Alternative Hotels)

HOTELS THAT CAN BE ALTERNATIVES FOR THE REAL ESTATE			
NAME OF HOTEL	NUMBER OF STARS	OVERNIGHT PRICE PER HEAD	DISTANCE TO THE REAL ESTATE SUBJECT TO APPRAISAL
KAYA PALAZZO	5	4.500 TL	1 km
MERİT CYRİSTAL COVE	5	5.000 TL	3 km
LORD'S PALACE HOTEL	5	3.250 TL	5 km
ROCKS HOTEL	5	3.000 TL	5 km

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

In the research conducted in the region where the real estate is located, land precedents with tourism zoning and different zoning status were found for sale in a similar / different location. Based on these precedents in the region, the zoning status, location, coastline frontage, land structure, infrastructure, landscaping, etc. of the parcel were taken into consideration and the value of the real estate was appraised.

In line with this information, it has been concluded that the sales prices of the land per square meter can be between 4,000 TL and 6,000 TL. While it is advantageous that the parcel in question has a coastal front, its unit price is low due to its large surface area compared to its precedents.

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 4,919 TL/m² in the light of the corrections in the precedents.

Land Value : 40,654.37 m² x 4,919.52 TL/m² = ~200,000,000.00 TL

As a result of the market approach method, the total value of the land (excluding VAT) was appraised as **200,000,000.00 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, the 2022 Approximate Unit Costs of Buildings table and the "Table of Depreciation Rates" published by the Ministry of Environment and Urbanization were not used.

While determining the unit cost of the building, the construction quality of the buildings on the parcel, depreciation and up-to-date data on the building costs were taken into account.

During the on-site examination, it was seen that the structures were manufactured with luxury materials and quality workmanship.

The building qualities of the immovable between the social areas, administrative parts, technical areas and accommodation units have been taken into consideration. In the valuation phase, the cost calculation of these areas was made separately.

Δ Result of Cost Approach

BUILDING VALUE				
QUALIFICATION	CONSTRUCTION AREA (m ²)	UNIT COST (TL/m ²)	DEPRECIATION (%)	VALUE
Hotel-Casino Areas	31241	15000	7	435.820.000,00 ₺
Auxiliary Buildings	2156	9000	7	18.050.000,00 ₺
Pool, Environmental Layout, Infrastructure Costs, External Miscellaneous				3.130.000,00 ₺
TOTAL				457.000.000,00 ₺

* As a result, a total value of **657.000.000,00 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 right of construction established on the said real estate is as follows.

Right of Construction Period and Rate Table	
Right of Construction Establishment Date	1.08.2003
Right of Construction Period	49 Years
Right of Construction Period on a Day Basis	17897
Right of Construction Expiry Date	31.07.2052
Appraisal Date	30.12.2022
Remaining Right of Construction Usage Period as of the Appraisal Date on a	10806
Percentage of Remaining Use Period of Right of Construction	60,38
Appreciated Full Ownership Land Unit Value	4.919,52 ₺
Land Area	40654,37
Total Land Value	200.000.000,00 ₺
Ratio of Right of Construction Value	0,67
Percentage of Remaining Use Period of Right of Construction	60,38
Unit Value of the Land That is the Basis for Right of Construction	1.990,13 ₺
Land Area	40654,37
Total Value of the Land That is the Basis for Right of Construction	80.907.638,15 ₺

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 unit value that constitutes the basis for the right of construction 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 right of construction has been calculated as;

Land Value: ~80.910.000,00 TL and Building Value: 457,000,000.00 TL, a total of ~490,910,000.00 TL. The right of construction value of the real estate was appraised as **490.910.000,00 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/55 Years).

30.12.2022 Dated Turkish Central Bank Exchange Rate for 1 EURO: 19.9349 TL, and the current value of the real estate is:

490.910.000 TL / 19,9349 Eur/TL = ~24.625.656 Euro.

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 5C 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 5C building.

Indoor Area		Unit Value (TL/m ²)		Insurance Value
33.397 m ²	x	10.300 TL/m ²	=	343.989.100 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 Precedent Information Used in Estimating Cash Inflows and Outflows, Source of This Information and Other Assumptions

The information used below has been determined by taking into account the data of Merit Park Hotel.

Merit Park Hotel;

Merit Park Hotel operates 365 days a year with a bed and breakfast concept. The hotel currently has 286 accommodation rooms. There is also a Casino within the hotel and this area is open to guests outside the hotel.

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.

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

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

* During the studies, the Euro-based 5-year value of long-term, Eurobonds with Euro value was obtained as the risk-free rate of return. In determining these rates, the return rates of the most liquid bonds were determined as the risk-free rate of return.

** The discount rates were determined by taking the risk premium as the sum of the risk-free rates of return and the country risks arising from the irregularities in exchange rates at around 3-4%. In the income analysis, the discount rate was taken as 11,5% with the sum of the risk-

free rate of return and the risk premium. Since the net income will not change in rental income, the total risk rate was taken as 2-3% and the discount rate was taken as 9,5%.

Δ Assumptions Used in Income Analysis

- Merit Park Hotel subject to appraisal consists of 286 accommodation rooms in total. The number of active days of the real estate has been determined as 365.
- Although the hotel was negatively affected by the pandemic process, it continued to be open due to the strict management of the TRNC during the pandemic process. According to the researches conducted in the region and verbal information received about the immovable property, it has been learned that the occupancy rates of the hotels in the region are approximately 85% throughout the year, except for the pandemic period. Increasing room occupancy rates as of the 3rd quarter of 2021 have also been taken into consideration. It was assumed that it will be 75,50% for 2022 as the pandemic effect continues to decrease, and that the 81,65% occupancy rate reached with 5% increases in the first year will continue throughout the projection.
- The prices of accommodation units vary according to the sea view, room type, etc., and the average room price has been determined as 150 Euro, taking into account the data for 2022. This price is expected to increase as 5% in the first 5 years, 3% between the 5th and 10th years, and 1% in the following years.
- Considering the performance of the facility, the other income ratio was determined. As a result of the research we conducted with the information and data obtained from the hotel operator, it has been predicted that the other income ratio will be approximately 15% of the total room income of the hotel.
- All of the Cyprus hotels have a casino, and the casino in the real estate appeals to a very large segment considering its size and its recognition in the country and in the world. In the researches conducted, the income of the casinos varies and considering the fact that Cyprus is preferred in general due to the casinos, it has been concluded that the casino income will be equal to the Net hotel income and added to the cash flow as equivalent to the net hotel income.
- Gross operating profit is calculated by deducting department expenses and operating expenses from total income. Hotel GOP (Gross Operating Profit Ratio) Ratios were kept constant at 40% in the first year and 45,02% in the following 5 years, after an increase of 3% due to the continued decrease in the effects of the pandemic. It has been seen that this predicted GOP ratio is reasonable for the continuation of the operation period.
- The parcel has a property tax of 1600 Euro per year, which is projected to remain constant each year.
- The renovation cost is included in the projection as 1% of the gross income.
- The annual land rent is determined as 15.875,72 USD for 2023 according to the relevant rental contract. This price has been added to the projection assuming that it will increase each year at the rate of increase in the Euro zone (~3%).
- 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.
- The discount rate is taken as 11,50% in the income projection as stated in the relevant article of the report.
- It is assumed that all payments are made in advance.

Δ Assumptions Used in Rent Analysis

- Merit Park Hotel subject to appraisal consists of 286 accommodation rooms in total. The number of active days of the real estate has been determined as 365.
- According to the contract signed between the operator company and Akfen Gayrimenkul Ticareti ve İnşaat A.Ş., the rent to be paid by the operator company for the years 2021 and 2022 has been calculated as 4.750.000 EURO. In the following years, it is accepted that the rent will increase annually in accordance with the contract at the rate of Euroboror or 3%, whichever is lower. A projection has been created by assuming that the Eurobor rate will increase by a minimum of 0,01%.
- The parcel has a property tax of 1600 Euro per year, which is projected to remain constant each year.
- Pursuant to the contract concluded in the rental projection, it has been made with the belief that 5% of the 1% renovation cost will be reflected to Akfen GYO AŞ.
- The annual land rent is determined as 15.875,72 USD for 2023 according to the relevant rental contract. This price has been added to the projection assuming that it will increase each year at the rate of increase in the Euro zone (~3%).
- 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.
- The discount rate is taken as 9,5% in the rental income projection as stated in the relevant article of the report.
- It is assumed that all payments are made in advance.

MERİT PARK GİRNE
Otel Geliri Üzerinden İndirgenmiş Nakit Akışı

Değerleme Yılı	0,5	1,5	2,5	3,5	4,5	5,5	6,5	7,5	8,5	9,5	10,5	11,5	12,5	13,5	14,5	15,5
Periyot Period	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Villalar Years	1.01.2023	1.01.2024	1.01.2025	1.01.2026	1.01.2027	1.01.2028	1.01.2029	1.01.2030	1.01.2031	1.01.2032	1.01.2033	1.01.2034	1.01.2035	1.01.2036	1.01.2037	1.01.2038
Toplam Oda Sayısı Total Number of Rooms	286	286	286	286	286	286	286	286	286	286	286	286	286	286	286	286
Faal Gün Sayısı The Number of Operative Days	365	366	365	365	365	366	365	365	365	366	365	365	365	366	365	365
Doluluk Oranı Occupancy Rate	75,50%	79,28%	81,65%	81,65%	81,65%	81,65%	81,65%	81,65%	81,65%	81,65%	81,65%	81,65%	81,65%	81,65%	81,65%	81,65%
Oda Fiyatı (€) Room Price (€)	150,00 €	157,50 €	165,38 €	173,64 €	182,33 €	187,80 €	193,43 €	199,23 €	205,21 €	211,37 €	213,48 €	215,61 €	217,77 €	219,95 €	222,15 €	224,37 €
Konaklama Gelir Toplamı Total Accommodation Income	11.822.167,50 €	13.069.649,09 €	14.096.205,75 €	14.800.426,92 €	15.540.448,27 €	16.050.515,58 €	16.486.861,57 €	16.981.467,42 €	17.490.911,44 €	18.064.996,70 €	18.195.795,17 €	18.377.753,12 €	18.561.530,65 €	18.798.508,00 €	18.934.617,42 €	19.123.963,59 €
Diğer Gelir Toplamı Total Other Income	1.773.325,13 €	1.960.447,36 €	2.114.430,86 €	2.220.064,04 €	2.331.067,24 €	2.407.577,34 €	2.473.029,24 €	2.547.220,11 €	2.623.636,72 €	2.709.749,50 €	2.729.369,28 €	2.756.662,97 €	2.784.229,60 €	2.819.776,20 €	2.840.192,61 €	2.868.594,54 €
Toplam Brüt Gelir Total Gross Income	13.595.492,63 €	15.030.096,46 €	16.210.636,61 €	17.020.490,96 €	17.871.515,51 €	18.458.092,92 €	18.959.890,80 €	19.528.687,53 €	20.114.548,15 €	20.774.746,20 €	20.925.164,44 €	21.134.416,09 €	21.345.760,25 €	21.618.284,20 €	21.774.810,03 €	21.992.558,13 €
Brüt Faaliyet Karı Oranı - GOP Oranı Gross Operating Profit Rate	40,00%	41,20%	42,44%	43,71%	45,02%	45,02%	45,02%	45,02%	45,02%	45,02%	45,02%	45,02%	45,02%	45,02%	45,02%	45,02%
Brüt Faaliyet Karı - GOP Gross Operating Profit	5.438.197,05 €	6.192.399,74 €	6.879.145,75 €	7.439.500,01 €	8.045.819,26 €	8.309.833,43 €	8.535.742,84 €	8.791.815,12 €	9.055.569,58 €	9.352.790,74 €	9.420.509,03 €	9.514.714,12 €	9.609.861,26 €	9.732.551,55 €	9.803.019,48 €	9.901.049,67 €
İşletme Gideri Oranı OpEx Rate	60,00%	58,80%	57,56%	56,29%	54,98%	54,98%	54,98%	54,98%	54,98%	54,98%	54,98%	54,98%	54,98%	54,98%	54,98%	54,98%
İşletme Gider Toplamı Total Operating Expense	8.157.295,58 €	8.837.696,72 €	9.331.490,86 €	9.580.990,95 €	9.825.696,25 €	10.148.259,49 €	10.424.147,96 €	10.736.872,40 €	11.058.978,57 €	11.421.955,46 €	11.504.655,41 €	11.619.701,97 €	11.735.898,99 €	11.885.732,65 €	11.971.790,55 €	12.091.508,46 €
Yenileme Maliyeti (%) Renovation Cost	135.954,93 €	150.300,96 €	162.106,37 €	170.204,91 €	178.715,16 €	184.580,93 €	189.598,91 €	195.286,88 €	201.145,48 €	207.747,46 €	209.251,64 €	211.344,16 €	213.457,60 €	216.182,84 €	217.748,10 €	219.925,58 €
Emlak Vergisi Bedeli Property Tax Fee	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €
Bina Sigorta Bedeli Buildibg Insurance Cost	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
Arsa Kira Bedeli (\$) Land Rental Cost	\$15.875,72	\$16.351,99	\$16.842,55	\$17.347,83	\$17.868,26	\$18.404,31	\$18.956,44	\$19.525,13	\$20.110,89	\$20.714,21	\$21.335,64	\$21.975,71	\$22.634,98	\$23.314,03	\$24.013,45	\$24.733,85
Arsa Kira Bedeli (€) Land Rental Cost	14.890,92 €	15.337,65 €	15.797,78 €	16.271,71 €	16.759,86 €	17.262,66 €	17.780,54 €	18.313,95 €	18.863,37 €	19.429,27 €	20.012,15 €	20.612,51 €	21.230,89 €	21.867,82 €	22.523,85 €	23.199,57 €
Net Gelir Toplamı Total Net Income	5.285.751,21 €	6.025.161,13 €	6.699.641,61 €	7.251.423,39 €	7.848.744,25 €	8.106.389,85 €	8.326.763,40 €	8.576.614,30 €	8.833.960,73 €	9.124.014,01 €	9.189.645,24 €	9.281.157,45 €	9.373.572,77 €	9.492.900,89 €	9.561.147,52 €	9.656.324,52 €
Casino Kira Geliri Casino Rental Income	5.285.751,21 €	6.025.161,13 €	6.699.641,61 €	7.251.423,39 €	7.848.744,25 €	8.106.389,85 €	8.326.763,40 €	8.576.614,30 €	8.833.960,73 €	9.124.014,01 €	9.189.645,24 €	9.281.157,45 €	9.373.572,77 €	9.492.900,89 €	9.561.147,52 €	9.656.324,52 €
Nakit Akışı Cash Flow	10.571.502,41 €	12.050.322,26 €	13.399.283,22 €	14.502.846,78 €	15.697.488,49 €	16.212.779,70 €	16.653.526,79 €	17.153.228,60 €	17.667.921,45 €	18.248.028,01 €	18.379.290,48 €	18.562.314,90 €	18.747.145,54 €	18.985.801,78 €	19.122.295,05 €	19.312.649,05 €
İndirgeme Oranı Discount Rate	11,50%	11,50%	11,50%	11,50%	11,50%	11,50%	11,50%	11,50%	11,50%	11,50%	11,50%	11,50%	11,50%	11,50%	11,50%	11,50%
İndirgenmiş Nakit Akışı Discounted Cash Flow	10.011.502,94 €	10.234.964,96 €	10.206.912,66 €	9.908.119,21 €	9.618.188,19 €	8.909.343,65 €	8.207.664,24 €	7.582.010,30 €	7.004.047,57 €	6.487.908,24 €	5.860.607,47 €	5.308.491,92 €	4.808.385,83 €	4.367.352,36 €	3.945.067,50 €	3.573.398,12 €

16,5	17,5	18,5	19,5	20,5	21,5	22,5	23,5	24,5	25,5	26,5	27,5	28,5	29,5
16	17	18	19	20	21	22	23	24	25	26	27	28	29
1.01.2039	1.01.2040	1.01.2041	1.01.2042	1.01.2043	1.01.2044	1.01.2045	1.01.2046	1.01.2047	1.01.2048	1.01.2049	1.01.2050	1.01.2051	1.01.2052
286	286	286	286	286	286	286	286	286	286	286	286	286	286
365	366	365	365	365	366	365	365	365	366	365	365	365	213
81,65%	81,65%	81,65%	81,65%	81,65%	81,65%	81,65%	81,65%	81,65%	81,65%	81,65%	81,65%	81,65%	81,65%
226,61 €	228,88 €	231,17 €	233,48 €	235,81 €	238,17 €	240,55 €	242,96 €	245,39 €	247,84 €	250,32 €	252,82 €	255,35 €	257,91 €
19.315.203,23 €	19.561.802,81 €	19.703.438,81 €	19.900.473,20 €	20.099.477,93 €	20.356.090,45 €	20.503.477,44 €	20.708.512,21 €	20.915.597,34 €	21.182.629,35 €	21.336.000,84 €	21.549.360,85 €	21.764.854,46 €	12.828.145,59 €
2.897.280,48 €	2.934.270,42 €	2.955.515,82 €	2.985.070,98 €	3.014.921,69 €	3.053.413,57 €	3.075.521,62 €	3.106.276,83 €	3.137.339,60 €	3.177.394,40 €	3.200.400,13 €	3.232.404,13 €	3.264.728,17 €	1.924.221,84 €
22.212.483,71 €	22.496.073,23 €	22.658.954,63 €	22.885.544,18 €	23.114.399,62 €	23.409.504,01 €	23.578.999,06 €	23.814.789,05 €	24.052.936,94 €	24.360.023,75 €	24.536.400,97 €	24.781.764,98 €	25.029.582,63 €	14.752.367,43 €
45,02%	45,02%	45,02%	45,02%	45,02%	45,02%	45,02%	45,02%	45,02%	45,02%	45,02%	45,02%	45,02%	45,02%
10.000.060,17 €	10.127.732,17 €	10.201.061,38 €	10.303.071,99 €	10.406.102,71 €	10.538.958,71 €	10.615.265,37 €	10.721.418,03 €	10.828.632,21 €	10.966.882,69 €	11.046.287,72 €	11.156.750,59 €	11.268.318,10 €	6.641.515,82 €
54,98%	54,98%	54,98%	54,98%	54,98%	54,98%	54,98%	54,98%	54,98%	54,98%	54,98%	54,98%	54,98%	54,98%
12.212.423,54 €	12.368.341,06 €	12.457.893,26 €	12.582.472,19 €	12.708.296,91 €	12.870.545,31 €	12.963.733,68 €	13.093.371,02 €	13.224.304,73 €	13.393.141,06 €	13.490.113,25 €	13.625.014,39 €	13.761.264,53 €	8.110.851,61 €
222.124,84 €	224.960,73 €	226.589,55 €	228.855,44 €	231.144,00 €	234.095,04 €	235.789,99 €	238.147,89 €	240.529,37 €	243.600,24 €	245.364,01 €	247.817,65 €	250.295,83 €	147.523,67 €
1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	931,15 €
0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
\$25.475,87	\$26.240,15	\$27.027,35	\$27.838,17	\$28.673,32	\$29.533,52	\$30.419,52	\$31.332,11	\$32.272,07	\$33.240,23	\$34.237,44	\$35.264,56	\$36.322,50	\$37.412,17
23.895,55 €	24.612,42 €	25.350,79 €	26.111,32 €	26.894,66 €	27.701,50 €	28.532,54 €	29.388,52 €	30.270,17 €	31.178,28 €	32.113,63 €	33.077,03 €	34.069,35 €	20.422,06 €
9.752.439,78 €	9.876.559,02 €	9.947.521,04 €	10.046.505,23 €	10.146.464,06 €	10.275.562,17 €	10.349.342,84 €	10.452.281,62 €	10.556.232,67 €	10.690.504,18 €	10.767.210,08 €	10.874.255,91 €	10.982.352,93 €	6.472.638,93 €
9.752.439,78 €	9.876.559,02 €	9.947.521,04 €	10.046.505,23 €	10.146.464,06 €	10.275.562,17 €	10.349.342,84 €	10.452.281,62 €	10.556.232,67 €	10.690.504,18 €	10.767.210,08 €	10.874.255,91 €	10.982.352,93 €	6.472.638,93 €
19.504.879,55 €	19.753.118,03 €	19.895.042,08 €	20.093.010,46 €	20.292.928,12 €	20.551.124,34 €	20.698.685,69 €	20.904.563,24 €	21.112.465,33 €	21.381.008,35 €	21.534.420,16 €	21.748.511,82 €	21.964.705,86 €	12.945.277,87 €
11,50%	11,50%	11,50%	11,50%	11,50%	11,50%	11,50%	11,50%	11,50%	11,50%	11,50%	11,50%	11,50%	11,50%
3.236.741,09 €	2.939.852,08 €	2.655.582,61 €	2.405.387,76 €	2.178.762,72 €	1.978.909,52 €	1.787.550,23 €	1.619.129,98 €	1.466.576,42 €	1.332.045,52 €	1.203.231,51 €	1.089.859,95 €	987.169,37 €	521.798,46 €

Exchange Rate 30.12.2022 CBRT (1\$)	₺18,6983
Exchange Rate 30.12.2022 CBRT (1€)	₺19,9349

Valuation Table			
Risk-free Rate of Return	7,30%	7,30%	7,30%
Risk Premium	3,70%	4,20%	4,70%
Discount Rate	11,00%	11,50%	12,00%
Total Present Value (€)	147.477.355,24 €	141.436.562,36 €	135.804.895,81 €
Approximate Present Value (€)	147.480.000,00 €	141.440.000,00 €	135.800.000,00 €
Present Value (TL)	₺2.939.946.328,97	₺2.819.523.726,99	₺2.707.257.017,48
Approximate Present Value (TL)	₺2.939.950.000,00	₺2.819.520.000,00	₺2.707.260.000,00

MERİT PARK GİRNE

Değerleme Yılı	0,5	1,5	2,5	3,5	4,5	5,5	6,5	7,5	8,5	9,5	10,5	11,5	12,5	13,5	14,5
Periyot Period	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Yıllar Years	1.01.2023	1.01.2024	1.01.2025	1.01.2026	1.01.2027	1.01.2028	1.01.2029	1.01.2030	1.01.2031	1.01.2032	1.01.2033	1.01.2034	1.01.2035	1.01.2036	1.01.2037
Projeksiyona Esas Yıllık Kira Bedeli Annual Rental Fee Based on Projection	4.892.500,00 €	5.039.275,00 €	5.190.453,25 €	5.242.357,78 €	5.294.781,36 €	5.347.729,17 €	5.401.206,47 €	5.455.218,53 €	5.509.770,72 €	5.564.868,42 €	5.620.517,11 €	5.676.722,28 €	5.733.489,50 €	5.790.824,40 €	5.848.732,64 €
Yenileme Maliyeti (%5 Sözleşme) Renovation Cost	1.359,55 €	1.503,01 €	1.621,06 €	1.702,05 €	1.787,15 €	1.845,81 €	1.895,99 €	1.952,87 €	2.011,45 €	2.077,47 €	2.092,52 €	2.113,44 €	2.134,58 €	2.161,83 €	2.177,48 €
Emlak Vergisi Bedeli Property Tax Fee	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €
Bina Sigorta Bedeli Building Insurance Cost	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
Arsa Kira Bedeli (\$) Land Rental Cost	\$15.875,72	\$16.351,99	\$16.842,55	\$17.347,83	\$17.868,26	\$18.404,31	\$18.956,44	\$19.525,13	\$20.110,89	\$20.714,21	\$21.335,64	\$21.975,71	\$22.634,98	\$23.314,03	\$24.013,45
Arsa Kira Bedeli (€) Land Rental Cost	14.890,92 €	15.337,65 €	15.797,78 €	16.271,71 €	16.759,86 €	17.262,66 €	17.780,54 €	18.313,95 €	18.863,37 €	19.429,27 €	20.012,15 €	20.612,51 €	21.230,89 €	21.867,82 €	22.523,85 €
Net Gelir Toplamı Total Net Income	4.874.649,53 €	5.020.834,34 €	5.171.434,41 €	5.222.784,02 €	5.274.634,35 €	5.327.020,71 €	5.379.929,94 €	5.433.351,71 €	5.487.295,89 €	5.541.761,68 €	5.596.812,44 €	5.652.396,32 €	5.708.524,04 €	5.765.194,75 €	5.822.431,31 €
Nakit Akışı Cash Flow	4.874.649,53 €	5.020.834,34 €	5.171.434,41 €	5.222.784,02 €	5.274.634,35 €	5.327.020,71 €	5.379.929,94 €	5.433.351,71 €	5.487.295,89 €	5.541.761,68 €	5.596.812,44 €	5.652.396,32 €	5.708.524,04 €	5.765.194,75 €	5.822.431,31 €
İndirgeme Oranı Discount Rate	9,50%	9,50%	9,50%	9,50%	9,50%	9,50%	9,50%	9,50%	9,50%	9,50%	9,50%	9,50%	9,50%	9,50%	9,50%
İndirgenmiş Nakit Akışı Discounted Cash Flow	4.658.395,28 €	4.381.821,82 €	4.121.693,78 €	3.801.479,47 €	3.506.136,52 €	3.233.752,14 €	2.982.530,17 €	2.750.818,43 €	2.537.104,56 €	2.339.988,45 €	2.158.204,04 €	1.990.536,91 €	1.835.892,91 €	1.693.258,93 €	1.561.707,32 €

15,5	16,5	17,5	18,5	19,5	20,5	21,5	22,5	23,5	24,5	25,5	26,5	27,5	28,5	29,5
15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
1.01.2038	1.01.2039	1.01.2040	1.01.2041	1.01.2042	1.01.2043	1.01.2044	1.01.2045	1.01.2046	1.01.2047	1.01.2048	1.01.2049	1.01.2050	1.01.2051	1.01.2052
5.907.219,97 €	5.966.292,17 €	6.025.955,09 €	6.086.214,64 €	6.147.076,78 €	6.208.547,55 €	6.270.633,03 €	6.333.339,36 €	6.396.672,75 €	6.460.639,48 €	6.525.245,87 €	6.590.498,33 €	6.656.403,32 €	6.722.967,35 €	6.790.197,02 €
2.199,26 €	2.221,25 €	2.249,61 €	2.265,90 €	2.288,55 €	2.311,44 €	2.340,95 €	2.357,90 €	2.381,48 €	2.405,29 €	2.436,00 €	2.453,64 €	2.478,18 €	2.502,96 €	1.475,24 €
1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	1.600,00 €	931,15 €
0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
\$24.733,85	\$25.475,87	\$26.240,15	\$27.027,35	\$27.838,17	\$28.673,32	\$29.533,52	\$30.419,52	\$31.332,11	\$32.272,07	\$33.240,23	\$34.237,44	\$35.264,56	\$36.322,50	\$37.412,17
23.199,57 €	23.895,55 €	24.612,42 €	25.350,79 €	26.111,32 €	26.894,66 €	27.701,50 €	28.532,54 €	29.388,52 €	30.270,17 €	31.178,28 €	32.113,63 €	33.077,03 €	34.069,35 €	20.422,06 €
5.880.221,14 €	5.938.575,36 €	5.997.493,06 €	6.056.997,95 €	6.117.076,91 €	6.177.741,46 €	6.238.990,58 €	6.300.848,92 €	6.363.302,76 €	6.426.364,01 €	6.490.031,60 €	6.554.331,07 €	6.619.248,11 €	6.684.795,05 €	6.767.368,58 €
5.880.221,14 €	5.938.575,36 €	5.997.493,06 €	6.056.997,95 €	6.117.076,91 €	6.177.741,46 €	6.238.990,58 €	6.300.848,92 €	6.363.302,76 €	6.426.364,01 €	6.490.031,60 €	6.554.331,07 €	6.619.248,11 €	6.684.795,05 €	6.767.368,58 €
9,50%	9,50%	9,50%	9,50%	9,50%	9,50%	9,50%	9,50%	9,50%	9,50%	9,50%	9,50%	9,50%	9,50%	9,50%
1.440.372,47 €	1.328.462,52 €	1.225.244,24 €	1.130.046,26 €	1.042.242,11 €	961.258,70 €	886.565,38 €	817.676,25 €	754.137,93 €	695.535,66 €	641.485,39 €	591.635,49 €	545.657,82 €	503.252,22 €	465.268,14 €

Döviz Kuru 30.12.2022 TCMB (1\$)	₺18,6983
Döviz Kuru 30.12.2022 TCMB (1€)	₺19,9349

Değerleme Tablosu			
Risksiz Getiri Oranı	7,30%	7,30%	7,30%
Risk Primi	1,70%	2,20%	2,70%
indirgeme oranı	9,00%	9,50%	10,00%
Toplam Bugünkü Değer (€)	59.133.668,28 €	56.582.161,32 €	54.215.904,25 €
Yaklaşık Bugünkü Değer (€)	59.130.000,00 €	56.580.000,00 €	54.220.000,00 €
Bugünkü Değer (TL)	₺1.178.823.763,71	₺1.127.959.727,77	₺1.080.788.629,54
Yaklaşık Bugünkü Değer (TL)	₺1.178.820.000,00	₺1.127.960.000,00	₺1.080.790.000,00

Rental Value Analysis			
Risk-free Rate of Return	4,20%	4,20%	4,20%
Risk Premium	4,80%	5,30%	5,80%
Discount Rate	9,00%	9,50%	10,00%
Present Rental Value (€)	4.488.532,11 €	4.892.500,00 €	4.447.727,27 €
Approximate Present Rental Value (€)	4.490.000,00 €	4.890.000,00 €	4.450.000,00 €
Present Rental Value (TL)	₺89.507.701,00	₺97.481.661,00	₺88.710.305,00
Approximate Present Value (TL)	₺89.510.000,00	₺97.480.000,00	₺88.710.000,00

DETAILS OF FINAL VALUE	
Market Value Determined by Income Discount Analysis	141.440.000,00 €
Market Value Determined by Direct Capitalization Analysis	141.440.000,00 €
Final Value of the Real Estate	141.440.000,00 €
Exchange Rate 30.12.2022 CBRT (1€)	19,9349 ₺
Turkish Lira Equivalent Market Value:	₺2.819.592.256,00
Approximate Turkish Lira Equivalent Market Value:	₺2.819.592.000,00
Final Annual Rental Value of the Real Estate (€)	4.890.000,00 €
Final Annual Rental Value of the Real Estate (TL)	₺97.481.661,00
Approximate Turkish Lira Equivalent Annual Rental Value	₺97.480.000,00

Δ Result of Income Approach

Since the real estate subject to the report is an income generating property that is currently actively used, a discounted cash flow has been applied and a value has been achieved as a result.

Such achieved value is the sum of the present values of the discounted cash flows.

** The exchange rate used in the table has been determined by taking into account the CBRT data valid as of 15:30 on 30.12.2022.

Considering the DCF data, the appraised value of the real estate is 99.010.000 Euro, approximately **1.973.754.000,00 TL**, as a result of bringing the total revenues obtained during the right of construction period to the present.

5.4 Other Determinations and Analyzes

Δ Determined Rental Values

The real estate subject to the appraisal is used as Merit Park Hotel. Currently, the rent to be paid for the year 2023 has been determined as 4.890.000 Euro/year according to the contract signed with the relevant company.

Δ Precedent Share Ratios in Projects to be Constructed Through Revenue Sharing or Flat For Land Method

The real estate subject to the appraisal is currently used as a hotel. Considering that the real estate in question will not be subject to revenue sharing or flat for land, no study has been carried out in this regard.

Δ Wasteland and Project Values of Land on Which Projects are Developed

The real estate subject to the appraisal is currently used as a hotel. There is no project development work on it.

Δ Most Efficient and Best Use Value Analysis

Considering the characteristics of the region and environment where the real estate in question is located, we believe that the current usage situation is the most effective and efficient.

Appraisal Analysis of Common or Divided Parts

The entire real estate in question has been appraised. No common or divided part appraisal has been made.

6. EVALUATION OF THE RESULTS OF THE ANALYZES

6.1 Harmonization of Different Appraisal Methods and Analysis Results and Explanation of the Methods Followed for This Purpose and Its Reasons

The appraisal study for the real estate subject to the report was analyzed separately as stated in the relevant parts of the report. The land value was determined by the market analysis method (precedent comparison) and the building value was determined by the cost approach method. Value formations were supported with the Cost and Income method. For the income method, direct capitalization and discounted cash flow projections were used. Since the property in question is a Hotel and is actually operated and is in a direct income generating property class, the result obtained from the discounted cash flow projections on the basis of the final valuation income method has been accepted as the basis.

6.2 Factors Affecting the Value of Real Estate – SWOT Analysis

Δ Positive Features

- The majority of the accommodation units in the hotel benefit from sea view
- The facility was built with high-level workmanship and material quality
- High occupancy rate of the facility from the first period
- Coastal frontage
- Appealing to high-income customers

Δ Negative Features

- Availability of alternative hotels

Δ Opportunities

- The brand value of the region

Δ Threats

- The possibility that the negative picture in economic developments will continue with exchange rate fluctuations

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 Hotel, 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 parcel subject to the appraisal belongs to the Treasury of Finance and there is a hotel facility on which the right of construction has been established for 49 years. In the official contract regarding the right of construction, it is seen that the independent and permanent right of construction has a duration of 49 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 this contract, there is no obstacle to the transfer the right of construction.

The right of construction will start on 01.08.2003 and will expire on 31.07.2052. In return for the established right of construction, it was agreed that the construction of the facility would commence within one month from the date of project approval and that the facility would be put into service within 3 years and 4 months upon completion of the construction. According to the contract; "The annual rent will be 8.790 USD/year for the first year, and the rent for the second and subsequent years will be increased by 3% each year in accordance with the rules of Article 0 of Law No 63/93 and the regulations made under this law."

6.9 Opinion on Whether the Nature of the Real Estate in the Title Deed, its Actual Use and the Quality of its Inclusion in the Portfolio are Compatible with Each Other, and Opinion on Whether There is Any Objection in its Inclusion in the Portfolio

The properties of the real estate subject to the appraisal in the title deed and the actual use are compatible with each other. Pursuant to subparagraph (ç) of paragraph 1 of Article 22 of the 7th Section of the "Communiqué No. III-48.1 on Principles Regarding Real Estate Investment Companies" numbered for Real Estate Investment Partners (**Amended:RG-2/1/2019-30643**) In addition to the lands and lands they own, they can develop real estate projects or invest in projects by establishing a right of construction on lands belonging to other people with which revenue sharing or land sales contracts in return for flat have been concluded. In projects to be carried out jointly with one or more parties within the framework of the provisions of the contract to be concluded, if there is no objective

of acquiring property in favor of the partnership, the contractual rights of the partnership must be secured by a guarantee deemed appropriate by the Board. In case the counterparty to the contract is the Housing Development Administration, İller Bankası A.Ş., municipalities and their subsidiaries, affiliates and/or companies that have the privilege to nominate candidates for the board of directors, the guarantee requirement in this paragraph shall not apply.”, it has been concluded that there is no obstacle for the real estate to be included in the portfolio of GYO with its properties in the title deed. In addition, the owner of the "right of construction" that is the subject of the appraisal is Akfen Gayrimenkul Ticareti ve İnşaat A.Ş. and according to the "d" clause of the Article 28 of the Capital Markets Board's Communiqué on Principles Regarding Real Estate Investment Trusts, Real Estate Investment Trusts may participate in companies established in Türkiye where the value of real estate or rights based on real estate constitutes at least 75% of the total assets included in the financial statements of the company to be participated. The participation to be made by the partnerships to the operating companies cannot be more than 10% of the total assets included in the financial statements of the partnerships prepared and announced to the public at the end of the accounting period.

However, since the issues of the communiqué “The value of real estate or rights based on real estate should constitute at least 75% of the total assets included in the financial statements of the company to be participated” and "The participation to be made by the partnerships to the operating companies should not exceed 10% of the total assets included in the financial statements of the partnerships prepared and announced to the public at the end of the accounting period" is out of the scope of real estate appraisal studies, no study has been carried out on compliance with these provisions.

For this reason, within the framework of the Capital Markets Board legislation, there is no obstacle for Akfen Gayrimenkul Ticareti ve İnşaat A.Ş. to be included in the portfolio of Akfen Gayrimenkul Yatırım Ortaklığı as an "affiliate" or the right of construction on the main real estate as a "right based on real estate".

7. CONCLUSION

7.1 Conclusion Sentence of The Responsible Appraiser

This appraisal report, which includes the minimum elements within the scope of CMB legislation, has been prepared by us upon the request of Akfen Gayrimenkul Yatırım Ortaklığı A.Ş. for the determination of the fair market value (in Turkish Lira) of the "Right of Construction" in relation to the 5-star hotel located on the land with an area of 30 acres, 1 feerin, 2000 square foot (40.654,37 m²) in Kyrenia City, Karaođlanođlu Town or Village, Kuzguncuk Location, Plot XII, Plan No 10 E1 E2, Parcel No 91/5.

The Fair Market Value of the real estate subject to the appraisal on the date of appraisal has been determined considering all factors such as the opinion formed in line with the examination and research carried out in the real estate area and throughout the region, the development trend of the district and the region, the zoning status and construction conditions of the real estate and its usage function, the area of the land, its geometric shape, topography, the honor and importance of the neighborhood, the organization style of its surroundings, its distance to the city center and the central locations in its region, its frontage to the main road, boulevard or street, transportation and environmental characteristics, current economic conditions, and by taking into account all positive and negative factors, such as whether it can find a buyer according to the neighborhood it is in, and if it finds, the degree of ratio.

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 market 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; **1.973.754.000,00 TL** and in text **One Billion Nine Hundred Seventy Three Million Seven Hundred Fifty Four Thousand Turkish Lira.**

Monthly Lease Amount of Real Estate has been determined as: **7.620.000 TL/month.**

Final Value	
Report Date	30.12.2022
Value of Real Estate (Excluding VAT)	2.819.592.000,00 ₺
Value of Real Estate (Including VAT)	3.327.118.560,00 ₺
Value of Real Estate (Excluding VAT)	141.440.000,00 €
Value of Real Estate (Including VAT)	166.899.200,00 €
Annual Rental Value of Real Estate (Excluding VAT)	97.480.000,00 ₺
Annual Rental Value of Real Estate (Including VAT)	115.026.400,00 ₺
Annual Rental Value of Real Estate (Excluding VAT)	4.890.000,00 €
Annual Rental Value of Real Estate (Including VAT)	5.770.200,00 €

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\$:18.6983 TL and 1 Euro: 19.9349 TL.

Burak BARIŞ Appraiser CMB License No: 406713	Raci Gökcehan SONER Controller CMB License No: 4041213	Erdeniz BALIKÇIOĞLU Responsible Appraiser CMB License No: 401418

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 Real Estate Research Certificate,

Δ Official Documents,

Δ Photos of Real Estate,

Δ CMB License Certificates and Professional Experience Certificates


Sermaye Piyasası
Lisanslama Sicil ve Eğitim Kurulunu

Tarih : 12.07.2017 No : 406713

GAYRİMENKUL DEĞERLEME LİSANSI

Sermaye Piyasası Kurulu'nun "Sermaye Piyasasında Faaliyette Bulunanlar İçin Lisanslama ve Sicil Tutmaya İlişkin Esaslar Hakkında Tebliğ"i (VII-128.7) uyarınca

Burak BARIŞ

Gayrimenkul Değerleme Lisansını almaya hak kazanmıştır.


Levent HANLIOĞLU
LİSANSLAMA VE SİCİL MÜDÜRÜ


Tuba ERTUGAY YILDIZ
GENEL MÜDÜR




Sermaye Piyasası
Lisanslama Sicil ve Eğitim Kurulunu

Tarih : 13.07.2015 No : 404622

GAYRİMENKUL DEĞERLEME LİSANSI

Sermaye Piyasası Kurulu'nun "Sermaye Piyasasında Faaliyette Bulunanlar İçin Lisanslama ve Sicil Tutmaya İlişkin Esaslar Hakkında Tebliğ"i (VII-128.7) uyarınca

Raci Gökcehan SONER

Gayrimenkul Değerleme Lisansını almaya hak kazanmıştır.


Levent HANLIOĞLU
LİSANSLAMA VE SİCİL MÜDÜRÜ


Tuba ERTUGAY YILDIZ
GENEL MÜDÜR



TSPAKB TÜRKİYE SERMAYE PİYASASI
ARACI KURULUŞLARI BİRLİĞİ

Tarih : 04.08.2010

No : 401418

GAYRİMENKUL DEĞERLEME UZMANLIĞI LİSANSI

Sermaye Piyasası Kurulu'nun Seri: VIII, No:34 sayılı "Sermaye Piyasasında Faaliyette Bulunanlar İçin Lisanslama ve Sicil Tutmaya İlişkin Esaslar Hakkında Tebliğ"i uyarınca

Erdeniz BALIKÇIOĞLU

Gayrimenkul Değerleme Uzmanlığı Lisansını almaya hak kazanmıştır.


İlkey ARIKAN
GENEL SEKRETER




E.Nevzat ÖZTANGUT
BAŞKAN



MESLEKİ TECRÜBE BELGESİ

Belge Tarihi: 02.08.2019


Belge No: 2019-01.1374

Sayın Erdeniz BALIKÇIOĞLU

(T.C. Kimlik No: 29039108440 - Lisans No: 401418)

Sermaye Piyasası Kurulu tarafından gayrimenkul değerlendirme alanındaki tecrübenin kontrolüne ilişkin belirlenen ilke ve esaslar çerçevesinde "Sorumlu Değerleme Uzmanı" olmak için aranan 5 (beş) yıllık mesleki tecrübe şartını sağladığınız tespit edilmiştir.


Doruk KARŞI
Genel Sekreter


Encan AYDOĞDU
Başkan



MESLEKİ TECRÜBE BELGESİ

Belge Tarihi: 27.02.2019

Belge No: 2019-01.1066

Sayın Raci Gökcehan SONER

(T.C. Kimlik No: 43933302186- Lisans No: 404622)

Sermaye Piyasası Kurulu tarafından gayrimenkul değerlendirme alanındaki tecrübenin kontrolüne ilişkin belirlenen ilke ve esaslar çerçevesinde "Sorumlu Değerleme Uzmanı" olmak için aranan 5 (beş) yıllık mesleki tecrübe şartını sağladığınız tespit edilmiştir.


Doruk KARŞI
Genel Sekreter


Şinasi BAYRAKTAR
Başkan



MESLEKİ TECRÜBE BELGESİ

Belge Tarihi: 26.08.2020

Belge No: 2019-02.6851

Sayın Burak BARIŞ

(T.C. Kimlik No: 12946205852 - Lisans No: 406713)

Sermaye Piyasası Kurulu tarafından gayrimenkul değerlendirme alanındaki tecrübenin kontrolüne ilişkin belirlenen ilke ve esaslar çerçevesinde "Gayrimenkul Değerleme Uzmanı" olmak için aranan 3 (üç) yıllık mesleki tecrübe şartını sağladığınız tespit edilmiştir.


Doruk KARŞI
Genel Sekreter


Encan AYDOĞDU
Başkan