



AKMERKEZ GYO A.Ş.

PROPERTY RENTAL VALUATION REPORT

Akmerkez SM_Movie Theater
2021/AKMERKEZGYO/001

EXECUTIVE SUMMARY

REPORT DETAILS

Client	: Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş.
Prepared By	: Ter Ra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
Underlying Agreement	: Dated 15 March 2021 and 001 registry numbered
Valuation Date	: 06/21/2021
Report Date	: 06/25/2021
Report Preparation Period	: 4 business days
Report No	: 2021/AKMERKEZGYO/001
Ownership Rights Valued	: Full ownership
Subject	: This report prepared at the request of Akmerkez GYO A.Ş. in order to appraise the monthly market rental value in Turkish Liras of the movie theater.

INFORMATION ABOUT PROPERTY

Address of the Property	: Akmerkez Alışveriş Merkezi, Kültür Mahallesi, Nispetiye Caddesi, No: 54, movie theater (7 individual units) Beşiktaş/İSTANBUL
Summary of Title Deed	: Individual units No's 413, 414, 415, 416, 417, 418 and 420, Terrace floor, Shopping Block, registered in title deed at parcel No 1, Lot No 83, Map Section No 76, Arnavutköy Neighborhood, Beşiktaş Town, Istanbul City
Owner	: Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş.
Current Use	: See Report / 5.4. General Features Of Individual Units
Examination of Title Deed	: There is no restrictive encumbrance established on the properties. (See Report / 4.2.1. Examination of Title Deed Records)
Zoning Status	: On Implementary Land Use Plan, scale 1/1000, designated as "Tourism Facility (Hotel-Motel-SM) Area" on which hotel, motel, SM can be built.
The Most Efficient and the Best Use	: Business premises

VALUE APPRAISED FOR THE PROPERTY

	Excl. VAT	Incl. VAT
Monthly Market Rental Value of Movie Theater	TRY 73,100	TRY 86,258

AUTHOR(S)

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SECTION 1 REPORT DETAILS

- Report Date and Number** : This valuation report is prepared by our company for Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. with report number 2021/AKMERKEZGYO/001 on the date of 06/25/2021.
- Names of Report Authors and Name of the Appraisal Expert-In-Charge** : Alican KOÇALI – CMB License No: 401880 (Appraisal Expert In Charge)
Nurettin KULAK - CMB License No: 401814 (Appraisal Expert In Charge)
- Valuation Date** : For this valuation report, Appraisal Experts of our company started their works on 06/21/2021 upon which they prepared this report on the date of 06/25/2021. In this period, in situ surveys, including investigations at the title deed offices, and office works were carried out.
- Date and Number of Underlying Agreement** : This valuation report is prepared by and between our company and Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. on the basis of the provisions of underlying agreement No 001 of 15 March 2021 which sets out the rights and obligations of the parties.
- Disclosure as to whether this report is prepared within the scope of Article 1 of Applicable Communiqué** : This report is prepared within the scope of the International Valuation Standards 2017 in accordance with Decision of Capital Market Board Decision-Making Body No 25/856 of 06/22/2017 pursuant to the provisions of "Communiqué on Property Valuation Companies Operating in Capital Market", Series No III-62.3, of Capital Market Board, "the Minimum Requirements for the Contents of Valuation Reports", annexed to said Communiqué, and the "Communiqué on the Valuation Standards in Capital Market", Series No III-62.1 of 02/01/2017. This report is prepared within the scope of paragraph 2 of Article 1 of Communiqué, No III-62.3, of Capital Market Board.
- Information about Recent Three Valuations Made by Our Company for Subject Property, if any** : There are four valuation reports prepared by our company for the subject property according to CMB legislation, and information about the recent three valuation report are provided as an attachment to this report.

SECTION 2 INFORMATION ABOUT COMPANY AND CLIENT

2.1. INFORMATION ABOUT COMPANY

COMPANY TITLE	: Terra Gayrimenkul Değerleme ve Danışmanlık A.Ş.
COMPANY ADDRESS	: Küçükbakkalköy Mahallesi, Sevda Sokak, Seven Tower, No: 1, Kat: 5, Ofis: 4, Ataşehir / İSTANBUL
PHONE NUMBER	: +90 (216) 784 41 10
FAX NUMBER	: +90 (216) 784 41 20
DATE OF INCORPORATION	: 08/13/2014
PAID-IN CAPITAL	: TRY 1,000,000
TRADE REGISTRY NO	: 934372
CMB LICENSE DATE	: Company is included in "List of Property Valuation Companies" of Capital Market Board (CMB) of Prime Ministry on 12/03/2014.
BRSA LICENSE DATE	: Company is licensed on 02/24/2015 by Banking Regulation and Supervision Agency (BRSA) to provide the service "valuation of properties, property projects and the benefits and rights related to a property".
BUSINESS SUBJECT	: To carry out on-site identification and valuation of the properties, property projects and rights and benefits related to properties as well as securities, owned by any public or private, real or legal persons and institutions, to issue any reports, analyses and feasibility studies in order to appraise their values as well as submit opinion reports in the cases of the issues.

2.2. INFORMATION ABOUT CLIENT

COMPANY TITLE	: Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş.
COMPANY ADDRESS	: Kültür Mahallesi, Nispetiye Caddesi, Akmerkez, No: 56/1 Beşiktaş/İSTANBUL
PHONE NUMBER	: +90 (212) 282 01 70
FAX NUMBER	: +90 (212) 282 01 15
REGISTRATION DATE	: 12/08/1989
PAID-IN CAPITAL	: TRY 37,264,000
REGISTERED CAPITAL CEILING	: TRY 75,000,000
TRADE REGISTRY NO	: 260139-207711
BUSINESS SUBJECT	: To engage in the purposes and subjects set out in the regulations of Capital Market Board in regards to Real Estate Investment Partnerships, and mainly invest in real estates, property-based capital market instruments, real estate projects and property-based securities and other areas as written in its Articles of Association.

2.3. SCOPE OF THE CUSTOMER REQUEST, AND RESTRICTIONS, IF ANY, AND SCOPE OF THE WORK

This report is prepared at the request of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. for determination of the monthly market rental value in Turkish Liras of the movie theater comprised of 7 individual units within the scope of the International Valuation Standards 2017 in accordance with Decision of Capital Market Board Decision-Making Body No 25/856 of 06/22/2017 pursuant to the provisions of "Communique on Property Valuation Companies Operating in Capital Market", Series No III-62.3, of Capital Market Board, "the Minimum Requirements for the Contents of Valuation Reports", annexed to said Communique, and the "Communique on the Valuation Standards in Capital Market", Series No III-62.1 of 02/01/2017. This report is prepared within the scope of paragraph 2 of Article 1 of Communique, No III-62.3, of Capital Market Board.

This valuation report may not be used for the purposes other than its intended purpose. No restrictions required by client in valuation of the property.

SECTION 3 DEFINITION OF VALUE, VALIDITY CONDITIONS AND CONFORMITY STATEMENT

3.1. VALUE DEFINITION AND VALIDITY CONDITIONS

Market Rent: An estimated price, as of valuation date, deemed necessary for benefit to be obtained as a result of leasing property ownership rights through a non-collusive lease transaction concluded between a willing landlord and willing tenant acting in an informed and prudent manner, free of any pressure, under proper leasing conditions following proper marketing practices.

In this valuation study, the validity of following issues is assumed:

- With respect to the type of the property, it is assumed that there is an existing market.
- Tenant and landlord act in a reasonable and logical manner.
- Parties have full knowledge about the property and act in a manner that will provide the maximum benefit to themselves.
- A reasonable period is allowed for the lease of the property.
- Payment made in cash or done with similar instruments in advance.
- The funding which may be required during the property lease transaction is transacted over the market interest rates.
- The most likely value under the reasonable conditions is appraised for the property.
- Valuation value is found as of, and valid for, the valuation date.

3.2. CONFORMITY DECLARATION

We hereby confirm, to the best of our knowledge and belief, that:

- The findings provided in this report are true to the best of our knowledge.
- Analyses and conclusions provided in this report are restricted only to the specified assumptions and conditions and reflect personal, objective and unbiased professional analyses, opinions and results.
- We do not have any current or future interests in regards to property of this valuation report. We do not have any personal interest or bias against parties to this report.
- The service provided, and fee received in return, by us are not preconditioned to the development and notification of results that will result in favor of the purpose of the client or such pre-defined results, or to the occurrence of a subsequent event that is directly related to the planned use of this valuation.
- Appraisal Expert conducted the valuation in accordance with ethical guidelines and performance standards.
- People engaged in the preparation of this report have the requisite professional educational background.
- Subject property is personally surveyed and reviewed on site. People engaged in the valuation study have prior experience on the location and type of the property being appraised.
- Except for persons stated in the report, no other person has provided professional assistance in preparation of this report.
- Our report is prepared in strict compliance with the principles and rules of accountability, independence, acceptance and transfer of the work, professional care and diligence, non-disclosure obligations as required by relevant communicate of the Capital Market Board. In our company, regular audits are conducted to verify if these principles and rules are constantly observed in accordance with "Quality Assurance System".

SECTION 4 INFORMATION ABOUT LEGAL STATUS OF PROPERTY

4.1. INFORMATION ABOUT TITLE DEEDS, PLAN, PROJECT, LICENSE, DIAGRAM ETC. DOCUMENTS OF PROPERTY

4.1.1. STATUS OF PROPERTY

OWNER	: Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş.
PROVINCE	: İstanbul
TOWN	: Beşiktaş
NEIGHBORHOOD	: Arnavutköy
SECTION NO	: 76
LOT NO	: 83
PARCEL NO	: 1
MAIN PROPERTY'S TYPE	: Masonry Building of Four Blocks (*)
LAND AREA	: 22,557 m ²
JOURNAL NO	: 8535
TITLE DEED DATE	: 07/28/2009

(*) Converted into flat ownership.

LIST OF THE SUBJECT INDIVIDUAL UNITS							
ITEM NO	BLOCK NAME	IND. UNIT NO	FLOOR NO	FUNCTION	LAND SHARE	VOLUME NO	PAGE NO
1	Mall	413	Terrace	Shop	50400/25600000	28	2730
2	Mall	414	Terrace	Shop	20800/25600000	28	2731
3	Mall	415	Terrace	Shop	4800/25600000	28	2732
4	Mall	416	Terrace	Shop	31600/25600000	28	2733
5	Mall	417	Terrace	Shop	38000/25600000	28	2734
6	Mall	418	Terrace	Shop	4000/25600000	28	2735
7	Mall	420	Terrace	Movie Theater 2-3	191600/25600000	28	2737

4.1.2. EXAMINATION OF TITLE DEED REGISTRY

According to the "Title Deed Records" documents obtained from the Webtapu Portal System on 03/17/2021, the following annotations are found out with respect to the subject properties.

On all individual units, collectively:

Declarations section:

- Management Plan: Dated 03/03/1994.

4.1.3. CADASTRAL EXAMINATION

The cadastral borders, area and location of the subject property is identified through map sections at Beşiktaş Cadastral Office and via online parcel query system at <https://parselsorgu.tkgm.gov.tr>.

4.1.4. ZONING INFORMATION ABOUT PROPERTY

The following details are provided on the zoning status letter issued by Zoning and Urbanization Directorate of Beşiktaş Metropolitan Municipality (No 24864664-115-E.6527/11883 - date 12/11/2020);

- Parcel 1, Lot 83, Section 76, Kültür Neighborhood, Beşiktaş Town is classified as "**Tourism Facility (Hotel + Motel + SM)**" area according to the Amended Master Land Use Plan, Scale 1/1500, approved on 07/22/2011, and Implementary Land Use Plan, Scale 1/1000, approved on 02/07/2013.
 - In addition to the building façade contour, specified in the Architectural Project, Approval Date: 02/16/1994, and provided not to expand the area of occupation, and only for purposes of aesthetics and urban design, it is permissible to apply curtain walls in various formats but not to protrude beyond 1.20 meter from building side, and +13,40 above the top elevation, make alterations inside the building, and build transparent skylights but not to protrude beyond + 5.00 meter above maximum permissible building height, except for rising blocks, with the preliminary project to be approved by Town Municipality.
 - It is prohibited to enlarge the occupiable building area as indicated in the building occupation permit No 288 of 04/24/1999 of the building via alterations in the building and curtain wall applications.
 - In any application, the affirmative opinion shall be obtained from Regional Committee of Natural Heritage.
- As above information is in the nature of written information about zoning status, therefore, it does not include all information about plans, and no application can be made on this basis.

All information included in the plan notes are as follows:

- Plan approval border is delimited to 1 parcel, Lot 83, Section 76, Beşiktaş Town.
- The function of the area remaining in the plan approval border is OM (Tourism Facility Area) area. Hotel, motel and Shopping Mall can be built on OM area.
- As indicated in the Architectural Project, Approval Date: 02/16/1994, it is permissible to make building façade applications, and alterations in the building, and transparent skylight applications but not to protrude beyond 5.00 above the maximum permissible building height, except for rising blocks, provided that the preliminary project is amended, which will be approved by town municipality, for this purpose.
- It is prohibited to enlarge the occupiable building area as indicated in the building occupation permit No 228 of 04/24/1999 of the building via alterations in the building and curtain wall applications.
- The conditions of applicable zoning plan and the regulations shall apply to the matters not explicitly regulated here.
- In any application, the affirmative opinion shall be obtained from Regional Committee of Conservation of Natural Heritage.

4.1.5. INFORMATION ABOUT PROJECT, LICENSE, DIAGRAM ETC. DOCUMENTS OF PROPERTY

As a result of the investigation of archive files belonging to the parcel, on which subject properties are located, at the Archive of Zoning and Urbanization Directorate of Beşiktaş Municipality, the following information is accessed:

- **Architectural Projects:**
 - Architectural project No 10225, issued on 12/23/1987
 - Architectural project No 7008, issued on 10/19/1989
 - Architectural project No 7847, issued on 12/27/1990
 - Architectural project No 1672, issued on 04/11/1991
 - Architectural project No 691, issued on 02/16/1994 (construction servitude project)
 - Architectural project No 95/4304, issued on 09/08/1995
 - Alteration project, issued on 12/04/2003, an attachment to license No 2013/6122, issued on 12/06/2013
 - Architectural project No 2015/130, approval date: 02/24/2015

- **Building Licenses:**

- Building License No B3-28, issued on 01/15/1988, for a total area of 181,229 m², consisting of 49,504 m² for shop-store, 72,800 m² for business places, and 58,925 m² for hotel
- Property has following additional building licenses according to the official documents found in the file of the property.
 - Building license, issued on 10/23/1989
 - Building license, issued on 01/17/1991
 - Building license, issued on 06/19/1991
 - Building license, issued on 02/17/1994
 - Building license, issued on 09/13/1995
- Building alteration license No 2013/6122, issued on 12/06/2013 for 42,205 m² (business areas)
- Building alteration license No 2015/130 issued on 06/03/2015 for a total area of 42,205 m², consisting of 35,149.68 m² for office and business areas and 7,055.32 m² for common area

- **Building Occupation Permit Certificates:**

- Building Occupation Permit Certificate No 1153 issued on 03/16/1994, which certifies that 5 basement floors, ground floor and 2 low-ceiling shop floors are constructed and ready for occupation, and includes 474 individual units.
- Building Occupation Permit Certificate No 95/5102, issued on 10/24/1995, which certifies that alterations in the shop located in 2nd low-ceiling shop floor to convert it into movie theater completed and ready to use.
(Contains the sentence "2nd low-ceiling shop floor contains 94 shops and movie theaters.)
- Building Occupation Permit Certificate No 228, issued on 03/03/1999, which certifies the completion of the construction of Apart Otel G Block which contains 14 units at office block B3, 17 units at office unit E3, and 94 units at block G, and a mini golf venue at elevation of 13.70
- Building occupation permit certificate No 2016/565 issued on 12/19/2016 for a total area of 42,205 m², consisting of 35,149.68 m² for office and business areas and 7,055.32 m² for common area

- **Order to Stop Building Reports and Council Decisions**

- **Order to Stop Building Report, Item No 24 and Volume No 28, issued on 05/08/2009**
 - In contravention of Scaffolding License No 2009/880-408143-606 issued on 05/08/2009;
 - Pursuant to the letter No 4531, and the report annexed thereof, issued by Land Development Directorate of Metropolitan Municipality on 05/07/2009 as a result of the on-site inspections, which states that, in contravention of the Scaffolding License No 2009/880-408143-606 issued on 05/08/2009, the following items are observed to have been built along with the railing, flooring and siding at the shopping floors of the building which is in a usable condition;
 - The existing gallery spaces are covered partially,
 - An additional escalator leading up to top floor to shopping floors is built,
 - Terrace belonging to shopping block is partially covered with window walls by installing steel profiles.
 - Steel profiles belonging to glass curtain wall are installed on the external façade of the shopping block,
 - A roof structure is built using steel beams under the existing roofing of shopping block which interconnects 3 blocks,
 - Ad Billboards are installed on the external façade, therefore, the construction activities are suspended, and the terrace section of the shopping building is sealed off as a representative of all activities done in contravention of the scaffolding license.

- **Municipality Council Decision No K1-84-113-428351-151, issued on 05/26/2009**
 - Decided on demolition of constructions, as described in the Order to Stop Building, Item No 24, Volume No 28 issued on 05/08/2009, and make them aligned with project pursuant to Article 13 of Bosphorus Act No 2960.
- **Order to Stop Building Report, Item No 25 and Volume No 29, issued on 10/19/2009**
 - This order to stop building is issued and signed to form the basis of further legal proceedings for the alterations and additions, made in the shopping block of Akmerkez as indicated in the inspection report No 2009/5909 issued as a result of the on-site inspections carried out pursuant to the letter No M.34.0.İBB.0.13.24/2009/2088670 (TN) ibb:135111, issued by Land Development Directorate of Metropolitan Municipality on 10/06/2009.
- **Municipality Council Decision No K1-207-274-458821-317, issued on 11/17/2009**
 - Decided on making the constructions indicated in the order to stop construction report, Item No 25, Volume No 29, issued on 10/19/2009 aligned with the project and issue a license for other matters indicated in the report.
- **Demolishment Reports of Beşiktaş Municipality**
 - With respect to the aforementioned municipality council decision issued on 11/17/2009, there are demolition reports issued on 11/18/2009, 11/19/2009, 11/20/2009, 11/23/2009 and 11/24/2009, provided as an attachment to this report.
- **Order to Stop Building Report, Item No 35 and Volume No 0007, issued on 09/17/2015**
 - This Order to Stop Building Report is issued for observation that the common area, on the side of Nispetiye Street and Adnan Saygun Street, of Akmerkez AVM, shown as dismountable material in the approved architectural project, are made for private use by enclosing it with side partitions on the ground terraces and by closing the corridor passages. The total area used such in contravention of the project is 316.25 m².
- **Municipality Council Decision, Decision No 050.02.04-277, Record No 444, Release No 948039-484 issued on 11/03/2015**
 - Decided on demolition of constructions, as described in the Order to Stop Building, Item No 35, Volume No 0007 issued on 09/17/2015, and make them aligned with project pursuant to Article 13 of Bosphorus Act No 2960.
- **Municipality Council Decision, Decision No 050.02.04-278, Record No 445, Release No 948044-485 issued on 11/03/2015**
 - Decided on imposing a total fine of TRY 9,383.77 on Akmerkez GYO A.Ş. for the constructions indicated in the order to stop building report, Item No 0007, Volume No 35, issued on 09/17/2015, pursuant to Article 42 of Zoning Act No 3194.
- **Order to Stop Building Report, Item No 37 and Volume No 0049, issued on 07/05/2017**
 - This Order to Stop Building Report is issued for observation that the ground terraces, on the side of Nispetiye Street, of Akmerkez AVM, shown as dismountable material in the approved architectural project, are made for private use by enclosing it with side partitions on the ground terraces and by closing the corridor passages. The total area used such in contravention of the project is 419.21 m².

- **Municipality Council Decision No 2017/233, issued on 08/10/2017**
 - Decided on demolition of constructions, as described in the Order to Stop Building, Item No 37, Volume No 0049 issued on 07/05/2017, and make them aligned with project pursuant to Article 13 of Bosphorus Act No 2960.
- **Court Decisions Relating to Lawsuit Filed Against Order to Stop Building Reports and Municipality Council Decisions**
 - **2 court decisions are found out, which are issued during 2009 after Order to Stop Building Report, Item No 24 and Volume No 28, issued on 05/08/2009, and Municipality Council Decision No K1-84-113-428351-151, issued on 05/26/2009, and lawsuit names are provided below. (For Details / See Attachments: Court Decisions)**
 - Decision of Istanbul 6th Administrative Court, Docket No: 2009/1326, issued on 08/11/2009
 - Decision of Istanbul 6th Administrative Court, Docket No: 2009/1326, issued on 10/09/2009
 - **Many court decisions are found out, which were issued after Order to Stop Building Report, Item No 37 and Volume No 0049, issued on 07/05/2017, and Municipality Council Decision No 2017/233, issued on 08/10/2017, and lawsuit names are provided below. However, building registry documents were issued for disputed individual units while said lawsuits were pending. (For Details / See Attachments: Court Decisions)**
 - Decision of Istanbul 2nd Administrative Court, Docket No: 2018/35, issued on 01/11/2018
 - Decision of Istanbul 1st Administrative Court, Docket No: 2018/41, issued on 01/11/2018
 - Decision of Istanbul 9th Administrative Court, Docket No: 2018/40, issued on 01/12/2018
 - Decision of Istanbul 10th Administrative Court, Docket No: 2018/58, issued on 01/12/2018
 - Decision of Istanbul 13th Administrative Court, Docket No: 2018/82, Decision No: 2018/52, issued on 01/12/2018
 - Decision of 5th Administrative Chamber of Istanbul District Administrative Court, Appeal No: 2018/168 Y.D. issued on 02/06/2018
 - Decision of 5th Administrative Chamber of Istanbul District Administrative Court, Appeal No: 2018/224 Y.D. issued on 02/13/2018
 - Decision of 5th Administrative Chamber of Istanbul District Administrative Court, Appeal No: 2018/248 Y.D. issued on 02/14/2018
 - Decision of 5th Administrative Chamber of Istanbul District Administrative Court, Appeal No: 2018/354 Y.D. issued on 02/27/2018
 - Decision of Istanbul 2nd Administrative Court, Docket No: 2018/35, Decision No: 2018/621, issued on 03/27/2018
 - Referral Decision of Istanbul 10th Administrative Court, Docket No: 2018/58, issued on 04/18/2018, due to the relation
 - Decision of 5th Administrative Chamber of Istanbul District Administrative Court, Appeal No: 2018/1419 Y.D. issued on 07/03/2018
 - Decision of Istanbul 9th Administrative Court, Docket No: 2018/40, issued on 08/16/2018
 - Decision of 5th Administrative Chamber of Istanbul District Administrative Court, Appeal No: 2018/1756 Y.D. issued on 09/25/2018

- Decision of 5th Administrative Chamber of Istanbul District Administrative Court, Appeal No: 2018/1822 Y.D. issued on 10/02/2018
- Decision of Istanbul 1st Administrative Court, Docket No: 2018/669, issued on 10/02/2018
- Decision of Istanbul 1st Administrative Court, Docket No: 2018/929, issued on 10/02/2018
- Decision of Istanbul 1st Administrative Court, Docket No: 2018/930, issued on 10/02/2018
- Decision of Istanbul 1st Administrative Court, Docket No: 2018/41, issued on 10/15/2018
- Decision of 5th Administrative Chamber of Istanbul District Administrative Court, Appeal No: 2018/2153 Y.D. issued on 11/14/2018
- Decision of 5th Administrative Chamber of Istanbul District Administrative Court, Appeal No: 2018/2237 Y.D. issued on 11/21/2018
- Decision of 5th Administrative Chamber of Istanbul District Administrative Court, Appeal No: 2018/2239 Y.D. issued on 11/21/2018
- Decision of 5th Administrative Chamber of Istanbul District Administrative Court, Appeal No: 2018/2256 Y.D. issued on 11/28/2018
- Decision of Istanbul 1st Administrative Court, Docket No: 2018/41, Decision No: 2019/162, issued on 01/30/2019
- Decision of Istanbul 1st Administrative Court, Docket No: 2018/669, Decision No: 2019/163, issued on 01/30/2019
- Decision of Istanbul 1st Administrative Court, Docket No: 2018/930, Decision No: 2019/164, issued on 01/30/2019
- Decision of Istanbul 1st Administrative Court, Docket No: 2018/929, Decision No: 2019/165, issued on 01/30/2019
- Decision of Istanbul 9th Administrative Court, Docket No: 2018/40, Decision No: 2019/195, issued on 01/31/2019
- Decision of Fifth Administrative Chamber of Istanbul District Administrative Court, Docket No: 2019/2250, Decision No: 2019/2586, issued on 09/24/2019
- Decision of Istanbul 1st Administrative Court, Docket No: 2019/1723, Decision No: 2020/140, issued on 01/27/2020
- Decision of 6th Chamber of Court of Cassation, Docket No: 2019/10946, Decision No: 2020/9852, issued on 10/21/2020
- Decision of 6th Chamber of Court of Cassation, Docket No: 2020/2855, Decision No: 2020/9853, issued on 10/21/2020
- Decision of 5th Administrative Chamber of Istanbul District Administrative Court, Docket No: 2020/1005, Decision No: 2020/2471, issued on 12/30/2020
- Decision of 5th Administrative Chamber of Istanbul District Administrative Court, Docket No: 2020/1009, Decision No: 2020/2464, issued on 12/30/2020
- Decision of 5th Administrative Chamber of Istanbul District Administrative Court, Docket No: 2020/1004, Decision No: 2020/2465, issued on 12/30/2020

Lastly, the following table provides the issuance date, document number and application number of building registry documents obtained for Shopping Block on which subject individual units are located. In addition, the sketch map showing the relevant areas provided by Akmerkez GYO with respect to the building registry documents are provided as an attachment to this report.

BUILDING REGISTRY DOCUMENTS			
ISSUED ON	DOCUMENT NUMBER	APPLICATION NUMBER	APPLICATION AREA (m ²)
09/08/2018	OO6N73KG	1314191	383.80
09/26/2018	50NE0JBY	1832064	571.87
09/26/2018	BB82MHUA	1842688	261.65
09/26/2018	YK9ZZ5HR	1842798	444.10
09/26/2018	MD3KB3CI	1866466	267.97
09/26/2018	Y1T8ELMK	1866551	910.10
09/26/2018	ZZFIL8GI	1866790	326.90
09/26/2018	OA2ZFSH6	1867144	336.03
01/02/2019	NBR243D1	3724078	415.89
01/02/2019	G4T58TSM	3724357	415.89
01/02/2019	YML5JNPH	3724594	377.18
01/02/2019	5NRZY6PZ	3724740	775.55
01/04/2019	TLA5ARTL	3723782	121.95
01/04/2019	MZHJ6CF4	3725250	1,678.87
01/29/2019	715UPRRF	4907686	1,307.27
TOTAL			8,595.02

Sub-paragraph 3 of Article 6 "Usage Areas of Building Registry Document" of Regulation on Principles and Procedures for Issuance of Building Registry Document, promulgated in Official Journal No 30443 of 06/06/2018, provides for "**With respect to the buildings issued with Building Registry Document, the demolition decisions given pursuant to Act No 3194 and the uncollectible administrative fines shall be cancelled.**" Therefore, all order to stop building reports and municipality council decisions issued with respect to the properties before coming into force of the building registry documents have become moot and invalid.

There is no order to stop building reports and municipality council decisions issued before the coming into force of the building registry documents for the subject properties and the real estate they are located pursuant to Articles 32 and 42 of Zoning Act No 3194.

4.2. INFORMATION AS TO WHETHER ENCUMBRANCES ANY RESTRICTION OF TRANSFER EXIST WITH RESPECT TO THE PROPERTY

Management plan, lease annotation and outbuildings as indicated in the title deed records are not of restrictive nature and have no adverse impact on transfer and value of the property under the provisions of (c) and (j) of Article 22(1) of Communiqué on Principles of Real Estate Investment Partnerships.

Actual use of the properties conforms to the function of properties as indicated in the title deed records. As a result of our examination on the title deed records, we have the opinion and conclude that there is no risk against inclusion of the properties in the "buildings" title of a portfolio of Real Estate Investment Partnership under the provisions of capital market legislation.

4.3. INFORMATION ABOUT, IF ANY, THE ACQUISITION AND SALES TRANSACTIONS AND THE CHANGES IN LEGAL STATUS (CHANGES IN ZONING PLAN, EXPROPRIATION PROCEDURES ETC.) OF PROPERTIES IN THE RECENT THREE YEARS

4.3.1. CHANGES IN CADASTRAL STATUS

As a result of the examinations, no change is found out in the cadastral status of the parcel on which the subject properties are located in the last 3 years.

4.3.2. CHANGES IN OWNERSHIP

As a result of the examinations, no change is found out in the ownership of the parcel on which the subject properties are located in the last 3 years.

4.3.3. CHANGES IN ZONING STATUS

As a result of the examinations, no change is found out in the zoning status of the parcel on which the subject properties are located in the last 3 years.

4.3.4. CHANGES IN LEGAL STATUS

The archive file belonging to the parcel, on which subject properties located, retained at the archive of Zoning and Urbanization Directorate of Beşiktaş Municipality contains Order to Stop Building Report, Item No 24 and Volume No 28, issued on 05/08/2009; Municipality Council Decision No K1-84-113-428351-151, issued on 05/26/2009; Lawsuits filed against and many court decisions given with respect to the Order To Stop Building Report, Item No 37, Volume No 0049; and Municipality Council Decision No 2017/233 issued on 08/10/2017; and description about court decisions are provided in the "4.1.5. Information about Project, License, Diagram Etc. Documents of Property" section of this report. Lawsuits are currently pending and examples of the court decisions are provided as an attachment to this report. However, building registry documents were issued for disputed individual units while said lawsuits were pending.

4.4. INFORMATION ABOUT ZONING STATUS OF THE REGION IN WHICH PROPERTY IS LOCATED

Property is situated within the "**Tourism Facility (Hotel + Motel + SM) Area**". In the region, along the same axis of the property, there, in general, are parcels on which buildings with residential and business function are located.

4.5. DISCLOSURES ABOUT ORDERS TO STOP BUILDING, DEMOLISHMENT DECISIONS, BUILDING AT RISK REPORT ETC. WITH RESPECT TO THE PROPERTY

There are orders to stop building, and council decisions, details of which are provided in the "4.1.5. Information about Project, License, Diagram Etc. Documents of Property" section of this report. However, building registry documents are later obtained with respect to said decisions, and there is no adverse document (order to stop building decisions, demolition decisions and building at risk report) issued after the coming into force of building registry documents.

4.6. INFORMATION ABOUT AGREEMENTS MADE WITH RESPECT TO THE PROPERTY (PRELIMINARY SALES AGREEMENTS, FLAT-FOR-LAND AGREEMENTS AND REVENUE SHARING AGREEMENTS, ETC.)

No preliminary sales agreement, flat-for-land agreements and revenue sharing agreement made with respect to subject properties has been submitted to us.

4.7. INFORMATION ABOUT BUILDING LICENSES OBTAINED, AMENDMENT LICENSES, BUILDING OCCUPATION LICENSES OBTAINED FOR PROPERTIES AND PROPERTY PROJECTS, AND AS TO WHETHER THE ALL LICENSES AND PERMITS ARE OBTAINED PURSUANT TO APPLICABLE LEGISLATION, AND LEGAL DOCUMENTS ARE AVAILABLE IN FULL AND ACCURATELY

According to Article 22(1)(b) of the Communiqué on Principles of Real Estate Investment Partnerships, "For any kind of buildings and similar structures to be included in their portfolios, it is mandatory that the relevant building occupation permit has previously been obtained and relevant flat ownership has been established. However, in case structures such as hotel, shopping mall, business center, hospital, commercial warehouse, factory, office building and branches, owned solely or jointly, are fully or partly used only for earning lease revenue, it is deemed to be satisfactory to obtain relevant building occupation permit and that the type indicated in the relevant title deed certificate is appropriate to the current status of the property. Also, for satisfaction of the foregoing condition to obtain building occupation license, it is deemed sufficient to have obtained the building registry documents under the Provisional Article 16 of Zoning Act No 3194 of 03/05/1985."

Necessary licenses and permits have been obtained for the buildings located on the parcel pursuant to applicable legislation, and building registry documents have been issued as part of "zoning peace" pursuant to Provisional Article 16 of Zoning Act No 3194. Details about legal documents are provided in the "4.1.5. Information about Project, License, Diagram Etc. Documents of Property" section of this report.

4.8. INFORMATION ABOUT INSPECTIONS CONDUCTED ON THE PROJECTS RELATING TO THE SUBJECT PROPERTY BY CONSTRUCTION INSPECTION FIRM (TRADE TITLE, ADDRESS ETC.) WHICH CONDUCTED SAID INSPECTION PURSUANT TO CONSTRUCTION INSPECTION CODE NO 4708 OF 06/29/2001

Property being appraised is not at the stage of project. There are, on the parcel, buildings for which building occupation licenses and building registry documents are obtained, and existing buildings are not subject to the building inspection.

4.9. IF VALUATION IS CARRIED OUT PURSUANT TO A CERTAIN PROJECT, DETAILED INFORMATION ABOUT THE PROJECT AND EXPLANATION THAT THE SAID VALUE PERTAINING ONLY TO THE EXISTING PROJECT, AND DIFFERENT VALUES MAY BE CALCULATED IF A DIFFERENT PROJECT IS APPLIED

This valuation report is not prepared for a project valuation work.

4.10. INFORMATION ABOUT ENERGY EFFICIENCY CERTIFICATE OF THE PROPERTY, IF ANY

The building which contain the subject property have energy efficiency certificate, which is provided as an attachment to this report.

SECTION 5 PHYSICAL PROPERTIES OF PROPERTY

5.1. ANALYSIS OF THE REGION IN WHICH PROPERTY IS LOCATED, AND DATA USED

The subject properties include Movie Theater comprised of 7 individual units, contained in the Akmerkez Shopping Mall at Door Number 54, Kültür Neighborhood, Beşiktaş town, Istanbul city.

Access to Akmerkez Shopping Mall which contains the subject properties is via the Büyükdere Street along which Istanbul's the most important business centers, plazas, shopping malls and residence projects are located. Akmerkez Shopping Mall is situated on the right side of the Nispetiye Street, a continuation of the Aydar Street which remains at right side while travelling along the Büyükdere Street in the direction of Beşiktaş - Maslak.

Akmerkez Shopping Mall is surrounded by the adjacent Etiler Anatolian High School, and Municipality Estate, Levent Vocational and Technical Anatolian High School, Hisarüstü-Levent Subway Nispetiye station, and 7-8 story buildings which ground floors are used as business places, and regular floors as office or residence, and the villas and residential estates used by the families in high-revenue group.

The factors such as being located in the city center in a region with high rent revenue, ease of access, high customer attraction, high commercial potential of the vicinity and completed infrastructure positively affects the value of the properties.

Region is located within territory of Beşiktaş Municipality and has a completed infrastructure.



5.2. PHYSICAL, STRUCTURAL, TECHNICAL AND CONSTRUCTION PROPERTIES OF THE PROPERTY

5.2.1. TECHNICAL AND STRUCTURAL PROPERTIES OF THE BUILDING

CONSTRUCTION TYPE	Reinforced Concrete Framing
CONSTRUCTION ORDER	Discrete (Block)
AGE OF THE BUILDING	~ 28
NUMBER OF FLOORS	According to the approved architectural project and existing situation: Shopping Mall: 8 floors (5 Basements + Ground Floor + 2 Regular Floor) Residence: 23 floors Office: Block B3: 14 floors Office: Block E3: 17 floors
TOTAL CONSTRUCTION AREA OF BUILDING	181,229 m ² (according to building license dated 01/25/1988)
ELECTRICITY	City grid
GENERATOR	CAT brand - 3 units with 1,100 KVA capacity Cummins brand - 2 units with 1,000 KVA capacity, 2 units with 530 KVA capacity, 1 unit with 1,400 KVA capacity, AKSA brand - 1 unit with 400 KVA capacity
LIGHTNING ROD	Available (Faraday Cage)
HEATING/COOLING SYSTEM	Chiller group YORK, TRANE and DAIKIN branded 3 units centrifugal, 2 units water-cooling screw, 6 units air cooling, 2 units 4900 kw, 2 units 2092 kw, 2 units 2558 kw, 2 units 1433 kw, 1 units 870 kw capacity hot water boiler, and 2 units 2000 kw, 2 units 1400 kw, 3 units 490 kw, 3 units 540 kw and 1 units 300 kw capacity cooling group
AIR CONDITIONING PLANTS	A total of 43 units consisting of 33 units Flakt, 9 units Alarko, 1 unit Ventas branded air conditioners
ELEVATOR / ESCALATOR	31 units Buga Otis Elevator / 35 units Escalator
WATER-SEWERAGE SYSTEM	City grid
HOT WATER BOILER	7 units Selnikel brand, 2 units Buderus brand
WATER STORAGE	Available (A total capacity of 1.200 ton)
WATER BOOSTER	25 units Grundfos branded water booster
SECURITY	CCTV System (477 cameras and 30 DVR), Non-CCTV places (40 cameras and 3 DVR), card access system, 8 X-Ray devices, 8 door-type metal detectors, and 26 magnetic doors. Also, as part of the "Integrated Security Solutions System", 15 monitoring camera, 5 PTS monitoring camera, and connected intercom system and 4 automatic barriers connected to the system.
FIRE INSTALLATION	Entire building has water sprinkler system and hydrants). Electric rooms have FM 200 gas suppressors.
FIRE SYSTEM	Fire boards, smoke and heat detectors, fire phones and denunciation units
AUTOMATION SYSTEM	Honeywell Automation System (22 units automation board connected to the 27 units C-BUS communication line, and 114 controllers connected to them)
GARAGE	There is a garage available.

5.2.2. GENERAL PROPERTIES OF BUILDING

- Akmerkez complex is designed by Architect Fatih URAN - Di Design Group Development, and constructed by Yüksel İnşaat A.Ş. Construction of shopping mall and other blocks were completed in 1993 - 1994.
- Complex is constructed as reinforced concrete framing. Curtain walls are used on higher blocks.
- Akmerkez complex has been serving as multi-purpose shopping mall, office and residence since 18 December 1993.
- Sitting on a triangle area formed by two 14- and 17-floor office towers, one 23-floor residential building, and one 4-floor shopping mall, Akmerkez has a central and prestigious location with faces to the Nispetiye Street and Ulus Road in Etiler region.
- There are 14 offices in B Block among 2 office towers, called as Block B and E, all of which is owned by third parties. In Block E, all individual units except for Floor No 1 used as office, are owned by third parties.
- The block called as Block G and used for residential purposes has 23 floors, and only 27 of the residential individual units are owned by Akmerkez GYO A.Ş.
- Operations of Akmerkez is managed by Üçgen Bakım ve Yönetim Hizmetleri A.Ş. which is a tenant of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. and using a section of 1st Floor of Block E offices.
- Garages have commercial storages as an outbuilding to the individual units.
- Shopping Mall has 2 entrance gates at Ahmet Adnan Saygun Street, and 3 entrance gates at Nispetiye Street. The main entrances to the office blocks are located at the ground floor of the shopping mall. Main entrance of the residential block is located at Ahmet Adnan Saygun Street. Office and residential blocks are also accessible with security passes from the garages and shopping mall floors.
- As the shopping mall contained in the property is the first of its kind in our country, it became the one of the first projects which needed renovation. Therefore, it underwent renovation during 2013 - 2015.
- Access to the subject property is easy via public transportation and located at walk distance to the M6 Levent-Hisarüstü Subway Station.

5.2.3. SM BLOCK:

- The block which contains shops are 4-floors excluding garage. SM has a total lettable area of 33,054.52 m² under the ownership of Akmerkez GYO. There are a total of 445 individual units which ownership belongs to Akmerkez GYO A.Ş.
- There is a total storage area of 2,207.59 m² as of valuation date, which are located outside the commercial areas of SM, in the form of outbuilding (or not), mostly at basement floors. In Akmerkez, there is a shopping area of 1,227 m² sold to other parties, not owned by Akmerkez GYO A.Ş. During alteration, some shops are used by combining them fully or in part.
- Garage area is located across 4 basement floors under the Shopping Mall. According to the title deed records, 2nd and 3rd basement floors used as garage area are owned by Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş.

- Some individuals units are used in combination in order to provide shops larger areas of use in line with the current retailing trends.
- Grounds are coated with ceramic in circulation areas, and concrete in garage areas. Walls are painted with satin in circulation areas, and plastic in garage areas.
- Grounds are coated with ceramic in circulation areas, and concrete in garage areas.
- Exterior façade is aluminum joinery and glass.
- Lighting is spotlight in circulation areas, fluorescent in garage areas.
- At Akmerkez SM, rent includes general expenses, and no separate general expenses are charged to tenants.
- Also, in terms of the average lease areas, the leased volumes observed to have sizes below the average of the counterparts. In this respect, it is possible to say the number of tenants at Akmerkez SM is more than the number of shops at SMs of same size.

5.2.4. GENERAL FEATURES OF INDIVIDUAL UNITS

- The individual units in the Shopping Block are delivered to the tenants without fine constructions works (but with cement-finished floors, and grouted walls and ceilings). Each tenant can build decoration and alterations suitable to its own business activity provided that it follows the architecture of the facility with the permission of SM Management. Any kind of removable decoration material is procured by tenant.
- These structures in the indoor spaces are installed using simple construction methods, and, when necessary, these can be removed or restored to initial condition without damaging the static of the building. These structures are installed for only purposes of tenant, and can easily be restored to the initial conditions at the end of lease period, or when necessary.
- Provided below is the name, individual unit numbers and rent-basis gross areas of the subject movie theater, which will be constituted with the new building arrangements, for which appraisal has been requested.

NAME	FLOOR NAME	IND. UNIT NO	RENT-BASIS GROSS AREA (M ²)
Cinema Pink	Terrace	413-414-415-416-417-418-420B	1,075.10

- A part of the individual unit No 420 remains within the movie theater area, and detailed plan of the movie theater is enclosed herewith.

5.3. ADVERSE OR RESTRICTIVE FACTORS ON VALUATION

For the building which contains the subject properties, 15 "**Building Registry Documents**" are issued in accordance with Provisional Article 16 of Act No 3194. Pursuant to Act No 3194, Building Registry Document is valid until reconstruction of the building, or application of the urban transformation. In case of renewal of the buildings issued with Building Registry Document, provisions of applicable zoning legislation shall apply. The earthquake resistance and conformity of the building to scientific and craft norms and standards are under responsibility of the landlord.

5.4. INFORMATION ABOUT, IF ANY, ESTABLISHED INCONSISTENCIES WITH LICENSE IN RESPECT OF THE EXISTING BUILDING, OR PROJECT UNDER CONSTRUCTION

As a result of the examinations conducted on the archive file pertaining to the parcel on which subject properties are located at the zoning archive of Zoning Directorate of Beşiktaş Municipality, there are many orders to stop building reports and municipality decisions issued for the properties. However, building registry documents are later issued for areas claimed to be inconsistent, legalizing said inconsistencies. Detailed information about said reports and decisions, and the building registry documents issued later are provided in the "4.1.5. Information about Project, License, Diagram Etc. Documents of Property" section of this report.

5.5. INFORMATION AS TO WHETHER ALTERATIONS IN LICENSED BUILDINGS REQUIRE RE-LICENSING UNDER ARTICLE 21 OF ZONING ACT NO 3194.

Necessary licenses and permits have been obtained for the buildings located on the parcel pursuant to applicable legislation, and building registry documents have been issued as part of "zoning peace" pursuant to Provisional Article 16 of Zoning Act No 3194.

5.6. INFORMATION ABOUT ACTUAL USE OF THE PROPERTY, AND, IF LAND OR PLOT, IF THERE IS ANY BUILDING ON IT AND, IF EXISTS, ACTUAL USE OF THESE BUILDINGS

As of the valuation date, all buildings existing on the subject property have their building occupancy licenses and building registry documents, and actual use of them is consistent with their pre-defined functions.

SECTION 6 ANALYSIS OF MARKET DATA

6.1. ECONOMIC OUTLOOK

Having slumped down in the 2020 Q2 marked with the economic pause due to the COVID-19 pandemic, Turkish economy showed a strong recovery in the Q3. In 2020 Q3, seasonally and calendar adjusted Gross Domestic Product (GDP) has grown by 15.6% compared to the previous period, while calendar adjusted GDP has grown 6.5% year-by-year. According to non-adjusted data, GDP has been realized at the level of 6.7% which was above the average market expectation of 5.5%. This economic recovery is driven by the private industry consumption and investment expenditures, while net foreign demand restricted the growth. From the production side, sweeping increases have been observed. With these results, GDP has grown during January-September, 2020 by 0.5%, compared to the same period of 2019. Realized as 743.9 billion USD in the 2020 Q2 on the basis of annualized USD, GDP declined to the level of 736.10 billion USD in the 2020 Q3.

Inflation keeps its rising trend, driven also by rapid increases in the food prices, on top of the fluctuating exchange rates, as well as capacity restrictions brought by normalization period. Being 11.7% in September, annual inflation in general consumer price index (CPI) has risen up to 14.6% by December. In this period, rising trend sustained with the delayed effects of exchange rates on the core inflation indicators. In addition, annual inflation in the Domestic Producer Prices Index (D-PPI) reached to 18.2% in October, 23.1% in November, 25.1% in December, compared to 14.3% in September, which was mainly driven by the cost pressures led by developments in the foreign exchange rates and international commodity prices.

As an attempt to fend off inflationary risks, Central Bank raised the policy interest, while taking simplification steps in line with money policy. Having kept interests unchanged in its October meeting, Central Bank raised weekly repo interest from 10.25% to 15.00% in the November meeting, and then to 17% in December meeting. Moreover, funds started to be injected in the market through weekly repo auctions. At the same time, Central Bank went for the simplification by putting an end to the reserve requirement system which was based on the real credit growth and differentiated across industries. In this respect, to strengthen the fight with inflation, monetary transmission system was supported, while raising required reserves effectively and tightening the financial conditions.

Accordingly, central bank kept interests unchanged in the January meeting, while emphasizing, in its verbal guidance, which, if necessary, additional tightening steps could be taken, and firm position will be maintained for longer periods of time. Banking Regulation and Supervision Board began gradually revoking measures taken during the pandemic period. In this context, it decided to end the Asset Ratio (AR) application, effective as of year-end, while alleviating the restrictions on transactions with non-residents. Very recently, financial markets were guided by the positive developments in COVID-19 vaccine, and vaccination activities, increased case numbers, and macroeconomic data published across the world. Developed countries maintained the supportive monetary and fiscal policies, while published data indicated that global economy may have decelerated in a fair amount due to the increased case numbers. Positive news on the COVID-19 vaccine reinforces the likelihood of taking pandemic under control in the medium term. Following these developments, although international organizations revised their expectations on the global outlook somewhat towards positive direction, it reminds us that the risks are still of relevance.

Note: Source: GYODER Turkish Real Estate Industry 2020 - Q4 Report

6.1.1. GDP GROWTH RATE

Turkish Economy grew by 7.0% in the second quarter of 2021, compared to the same period in previous year. In the period of 2003 to 2020, Turkish Economy grew by, on average, 5.1% annually.

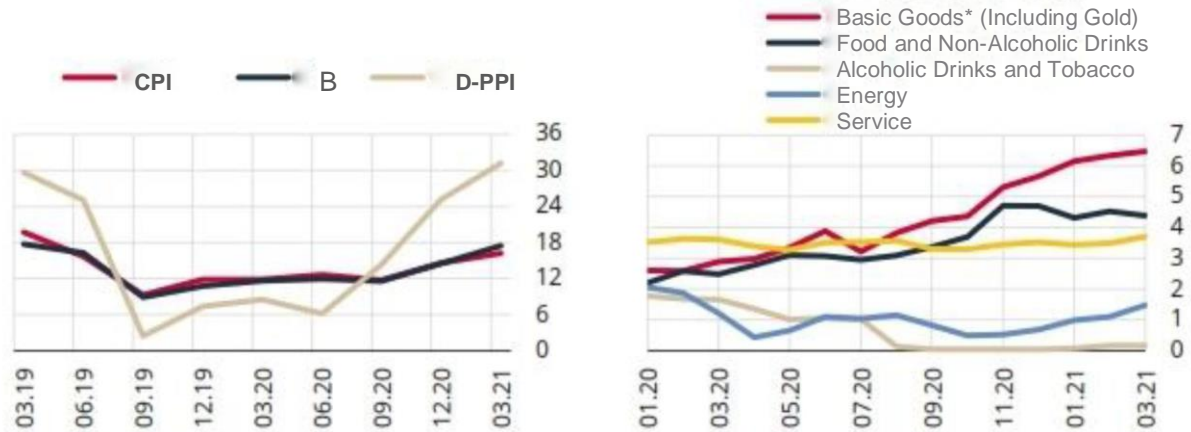


Source: REPUBLIC OF TURKEY Ministry of Commerce, Economic Outlook May 2021 - Last Updated On: 07.06.2021

6.1.2. INFLATION

According to the Inflation Report published by Central Bank of Turkey on 29 April 2021, consumer inflation was realized in the first quarter of 2021 as 16.19 percent, a figure which remains below the upper limit of prediction band provided in January Inflation Report, while inflation B was 17.49 percent remaining slightly above the upper limit. This differentiation was mainly driven by the fresh fruit and vegetable prices which remained positive along the first quarter, with a secondary effect of service inflation remaining more negative compared to the predictions. Inflation outlook were negatively affected by the upward trend in international commodity prices, strong domestic demand, supply restrictions associated with global and domestic supply issues, high levels of inflation expectations, and accumulated effects of foreign exchange rates. Accordingly, annual inflation continued to rise along with the first quarter in line with expectations. On the other hand, the managed/guided price and tax adjustments coupled with the "échelle mobile" practice had restrictive effects on the inflation in this period. While minimum wage arrangements was considered to have had some negative effects on certain service prices, and the inflation due to increased inflation rigidity, some items were observed to have increased priced due to the relaxed pandemic measures in March. With these developments, quarterly increase in seasonally-adjusted consumer prices realized as 3.62 percent. Producer Inflation continued to rise due to the continued increases in international commodity prices, and industry-specific supply restrictions, coupled with the strong demand conditions. Thus, pressures driven by the producer prices on the consumer prices have continued at an increasing rate.

The rise of consumer inflation from its level of 14.60 percent at the 2020 year-end to 16.19 percent in the first quarter was mainly contributed by the basic good and energy groups. In this period, the basic good group contributed 1.10 points to annual inflation, reaching up to 5.80 points, while contribution of energy group has risen by 0.79 points, reaching up to 1.48 points. The contribution of service inflation has increased by 0.19 points reaching up to 3.70 points, which was mainly driven by food prices, minimum wage and special communication tax arrangements, as well as effects of controlled normalization process on some sub-categories in March. Despite, for alcoholic drinks, the increase in producer prices in the second half of 2020 which was reflected in the Excise Tax, the contribution of alcoholic-tobacco products was quite restricted with 0.16 points as the relative Excise Tax of tobacco products has declined. In the first quarter, the contribution of the food and gold groups had restrictive effect on the consumer inflation. Upon the outbreak of the pandemic, household consumption patterns witnessed significant changes during 2020, and accordingly weights in consumer inflation basket was updated. This change had a boosting effect on the short-term inflation prediction path, and with corrected effect of weight change, the consumer inflation realizations in the first quarter has observed to be in one-to-one correspondence with the predictions of January Inflation Report.

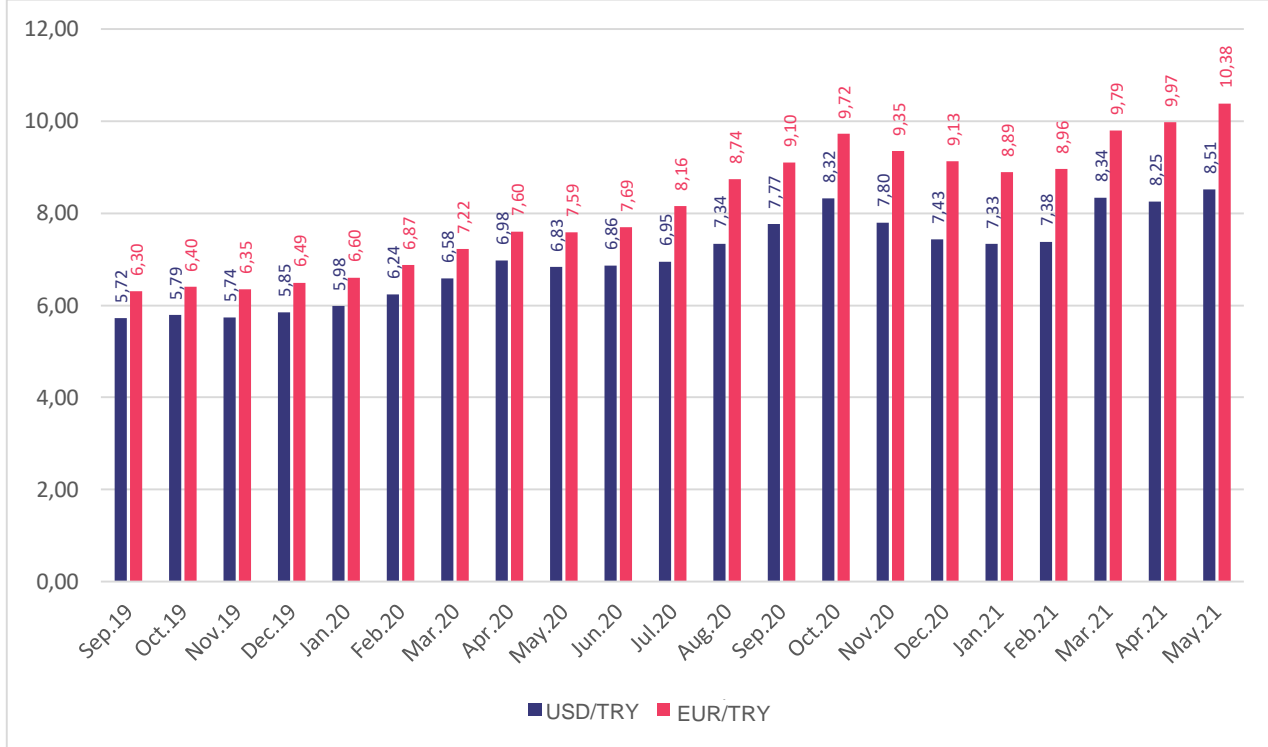


Source: Turkish Statistics Agency.
* CPI excluding Unprocessed Food, Energy, Gold and Alcoholic - Tobacco Products

Source: Turkish Central Bank, Turkish Statistics Agency
* Basic Goods excluding food, energy, alcoholic drinks

6.1.3. FOREIGN EXCHANGE RATES

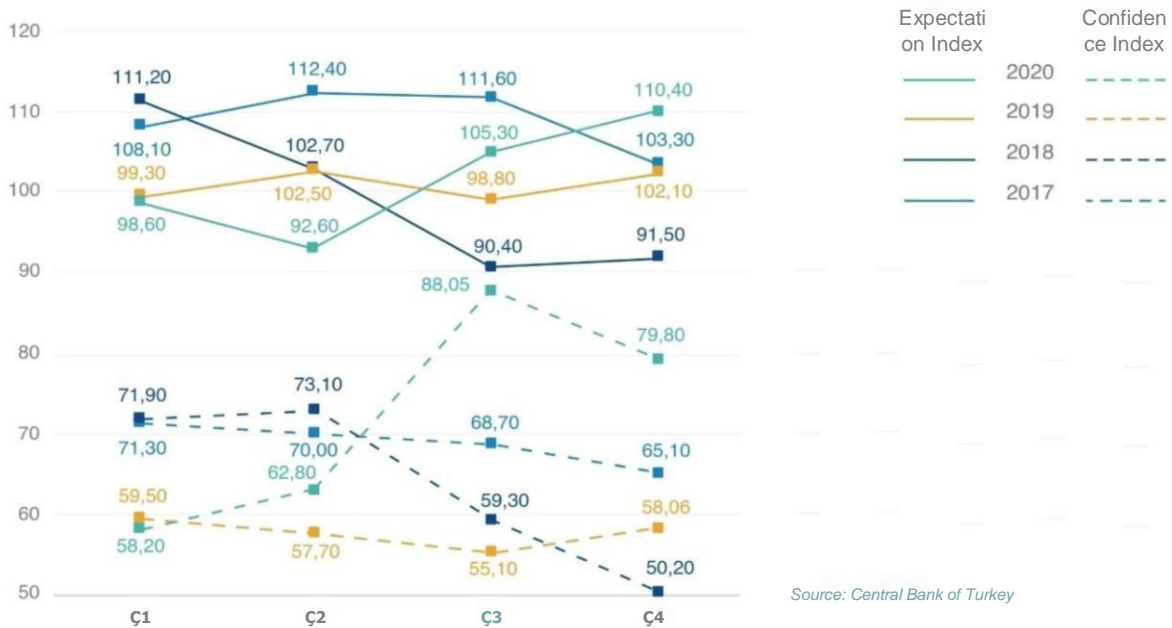
Closing 2020 at the level of TRY 7.43, American Dollar closed May, 2021 at the level of TRY 8.51, with Euro realized at TRY 10.38 in May 2021, compared to TRY 9.31 at 2020 year-end.



Source: Central Bank of Turkey

6.1.4. EXPECTATION AND CONFIDENCE INDICES

According to GYODER Turkish Real Estate Industry 2020 - Q4 Report, expectation index realized as 110.4 at the end of quarter, with confidence index as 79.8. Expectation has been raised by 8.1% compared to the same period of the last year, while confidence index increased by 37% compared to the same period of the last year.



Source: Central Bank of Turkey

6.1.5. TURKISH CONSTRUCTION INDUSTRY DATA

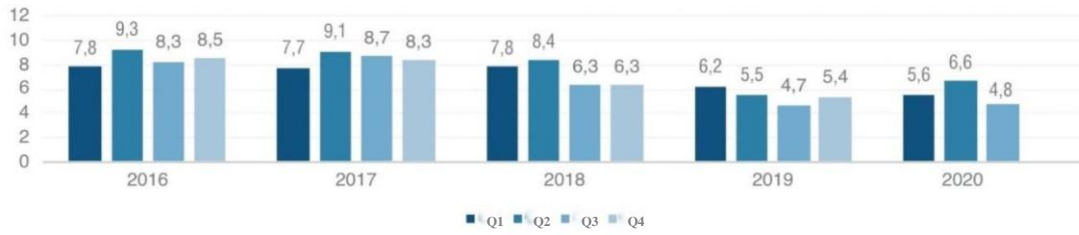
Construction Industry's share in GDP realized as 4.8% by the end of 2020 Q3, in current prices via production method. In the same period, construction industry grew by 25.3%, while growth rate in real estate activities realized as 11.5%. GDP increased by 22.6% reaching up to 1 trillion 419 billion 483 million TRY.

Share in GDP (%) and Growth Rate - (Annually)



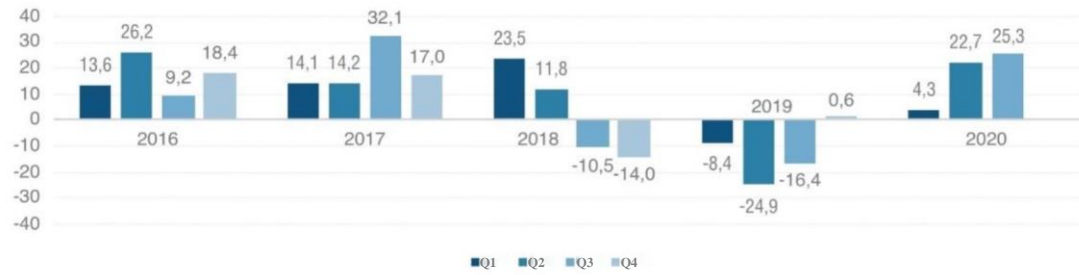
Source: Turkish Statistics Agency
*Data at the end of 3rd quarter of 2020.
**Figures of previous period updated.

Quarterly Share in GDP (%)



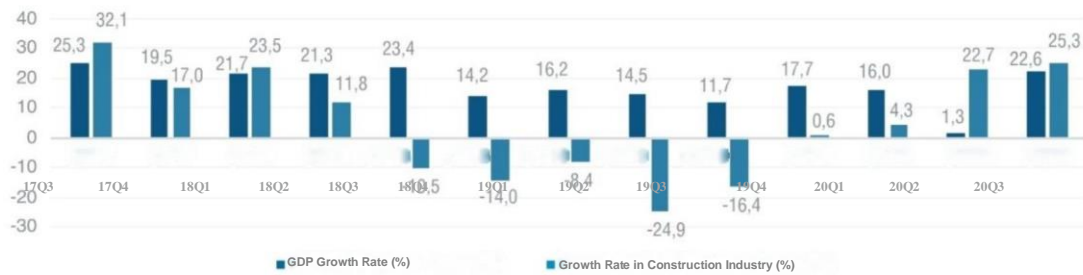
Source: Turkish Statistics Agency

Quarterly Growth (%)*



Source: Turkish Statistics Agency
*Comparison with same period of last year.
**Figures of previous period updated.

Figures of Construction Industry vs. National Income Growth (%)*



Source: Turkish Statistics Agency
*Figures of previous period updated.

6.1.6. OUTLOOK OF HOUSE SALES

In the fourth quarter of 2020, house sales realized as 338,038 units, a decrease by approx. 37% compared to previous quarter, mainly driven by the increased interest rates of the housing loans. On the other hand, annual total number of house sales has reached up to 1,499,316, being the highest number of the house sales on the yearly basis among the dataset. With 469,740 units, first-hand sales were the lowest number of first-hand sales on the yearly basis among the dataset.

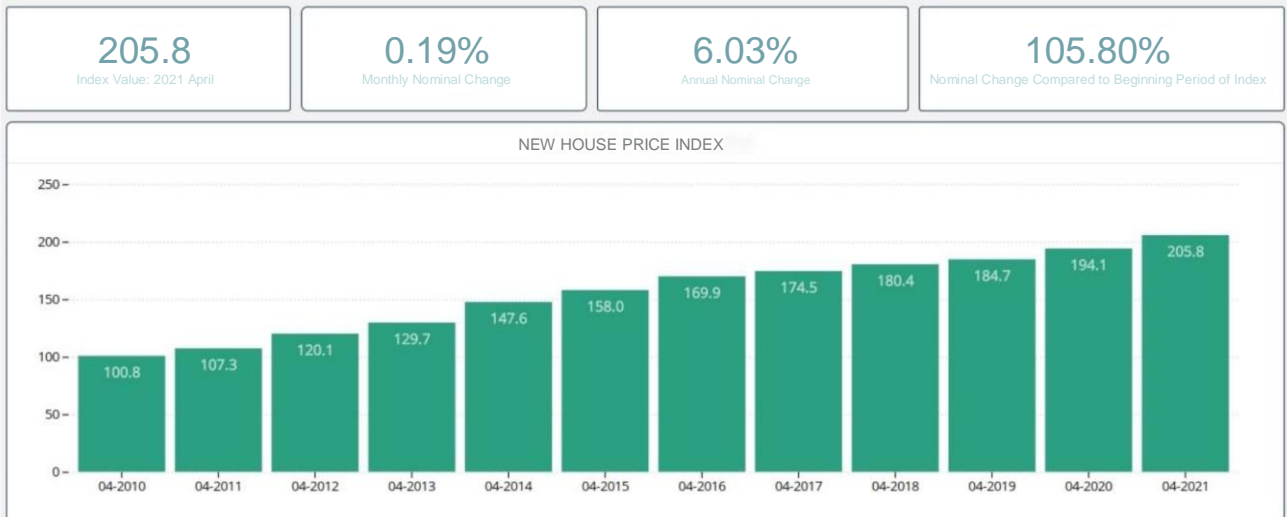
In the fourth quarter of 2020, first-hand sales declined by 36.7% while second-hand sales dropped by 26.3%, compared to the same period of the previous year. The rate of the first-hand sales among the total sales rose up to 32.7%, 2.6 point up from the lowest level realized in the previous quarter.

With the increased interest rates of housing loans, mortgage sales realized as 64,647 units, 55.3% down from the same period of the last year. Other sales witnessed a rather limited decrease, compared to the same period of the last year, realized as 273,391 units, 19.3% down.

For house prices, the highest rates of increase were observed in November, while annual change of house price index realized as 29.97%, with an annual change of 31.14% for new house price index. Despite the decreased number of house sales units in the last quarter, house prices were observed to have continued increasing. However, according to recently published data, returns from house prices in real terms fell back to 13.98% compared to previous month, with 15.01% for new houses.

For sales to foreigners, an increase of 8.0% was observed compared to previous period, 14,647 units house were sold to foreigner in the fourth quarter. The rate of the sales to foreigners among the total sales was also continued, realizing as 4.3%. In the housing sales made to foreigners in the fourth quarter, Istanbul ranks first with a share of 49.2%, followed by Antalya with 17.8%.

According to the results of April 2021 of REIDIN-GYODER New Housing Price Index, a nominal increase by 0.19% realized in April compared to previous month, by 6.03% to the same period of previous year, and by 105.80% to the January 2010, the first year of the Index.



In April, New Housing Price Index has realized a nominal decrease by 0.16% for 1+1 house type, nominal increase by 0.35% for 2+1 house type, nominal increase by 0.20% for 3+1 house type, 0.24% for 4+1 house type, compared to the previous month.



In an evaluation of the destocking rates in branded houses during April, a destocking rate of 5.20% was observed on the unit basis. In April, 75.07% of the branded houses sold consists of constructed house stocks with 24.93% for the stocks of houses under construction.



It is observed that 6.24% of the sales realized as part of branded housing projects in April made to foreign investors (the last 6-months average is 7.26%). In April, 2+1 houses are seen to have the highest sales rate, with 35.71%.

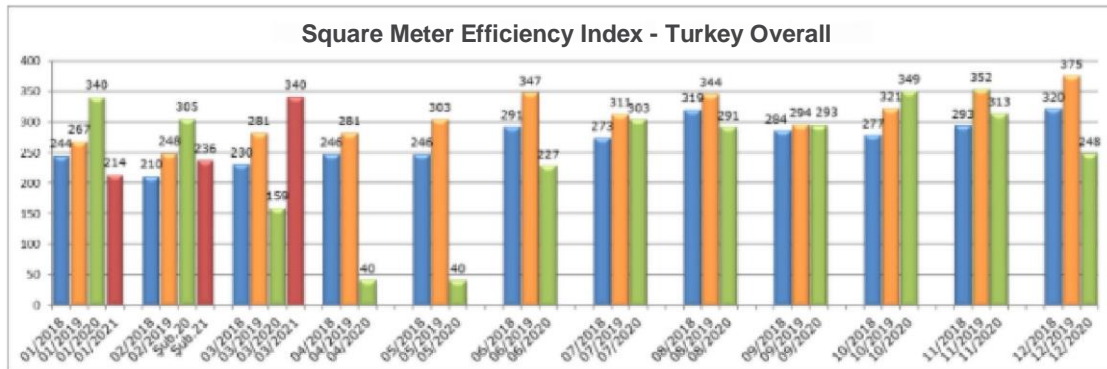


In a review on advance payment, notes and bank loans preferences of the customers who purchased houses from branded projects in April, 50.36% of customers has chosen preferred advance payment, 32.36% notes, 17.28% bank loan.

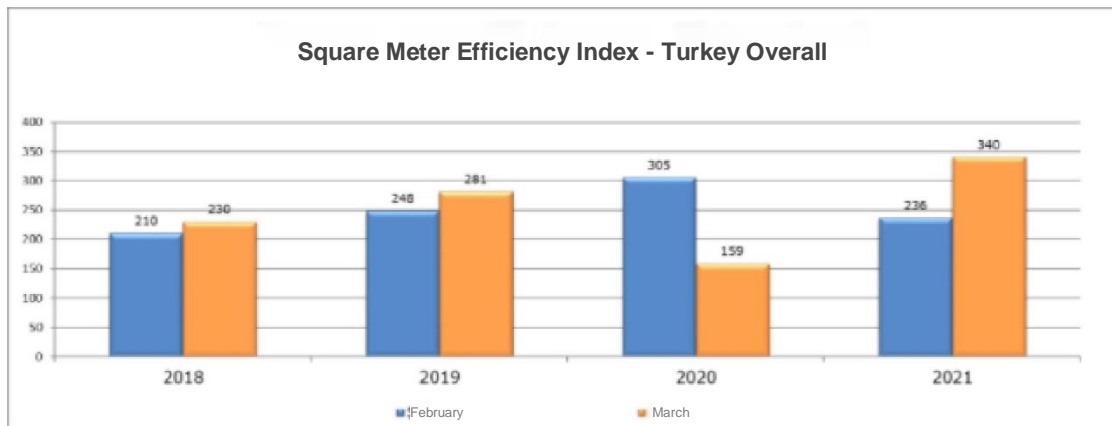


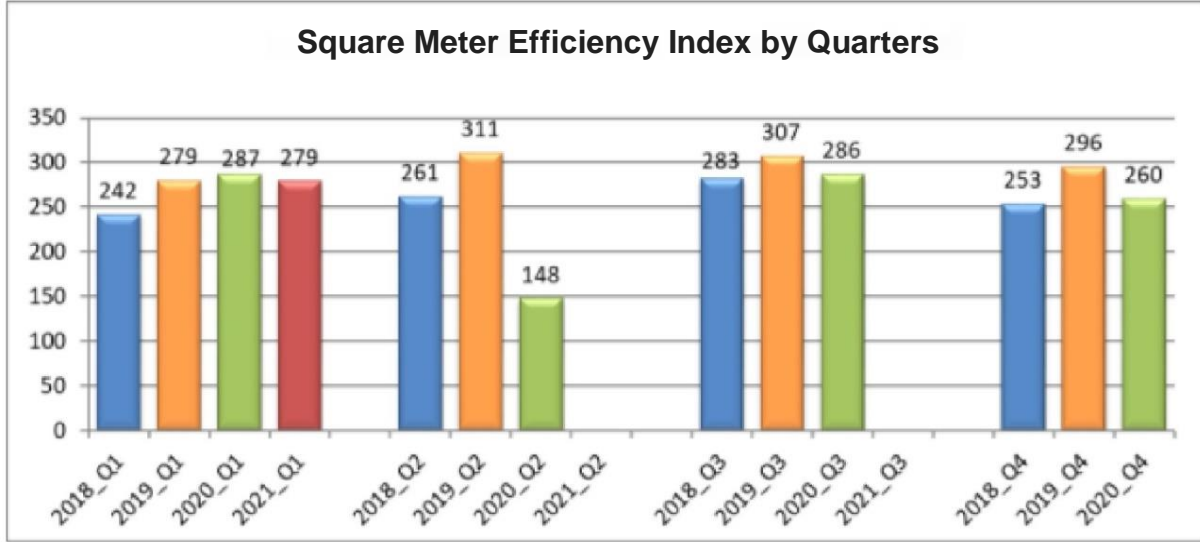
6.1.7. TURKISH RETAILING MARKET AND SHOPPING MALLS

According to the results of March results of the SM Retailing Index, created as a joint effort of Association of Shopping Malls and Investors and Akademetre Research Company; despite being not a fully accurate comparison due to the compulsory shutdown during half of the March of last year, turnover index increased in March 2021 by 113.8 percent reaching up to 345 points, before inflation adjustment, compared to the March 2020. In March 2021, square meter efficiency index increased by 44.1 percent reaching up to 340 points, before inflation adjustment, compared to February 2021. When evaluated index data on the quarterly basis, index data of 2021 Q1 realized as 279 points, a decrease by 2.8 percent, compared to the 2020 Q1.

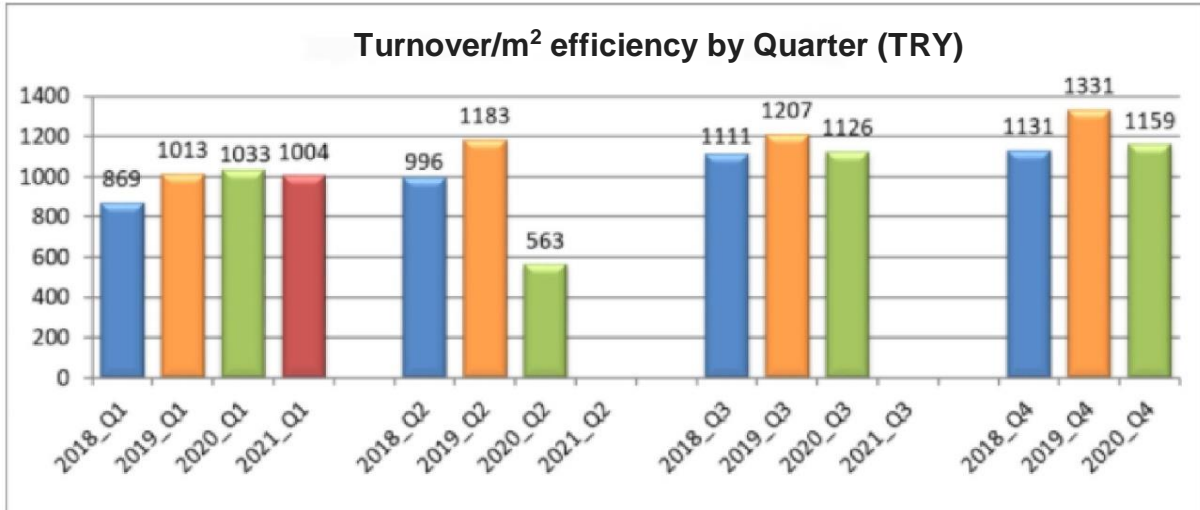
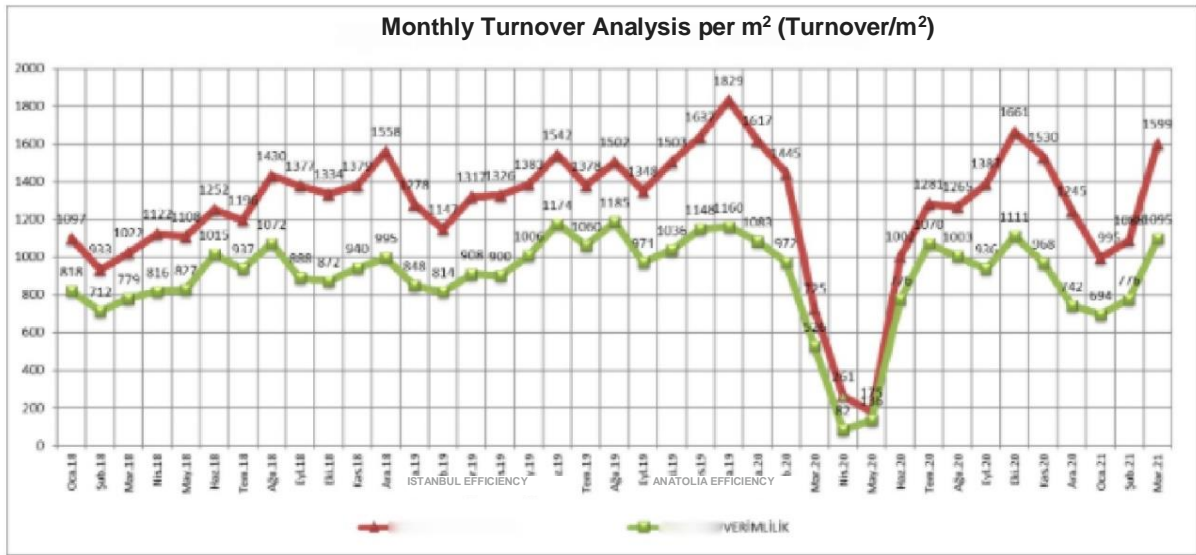


*Turnover index is calculated by taking weight of GLA sizes of Anatolia and Istanbul.



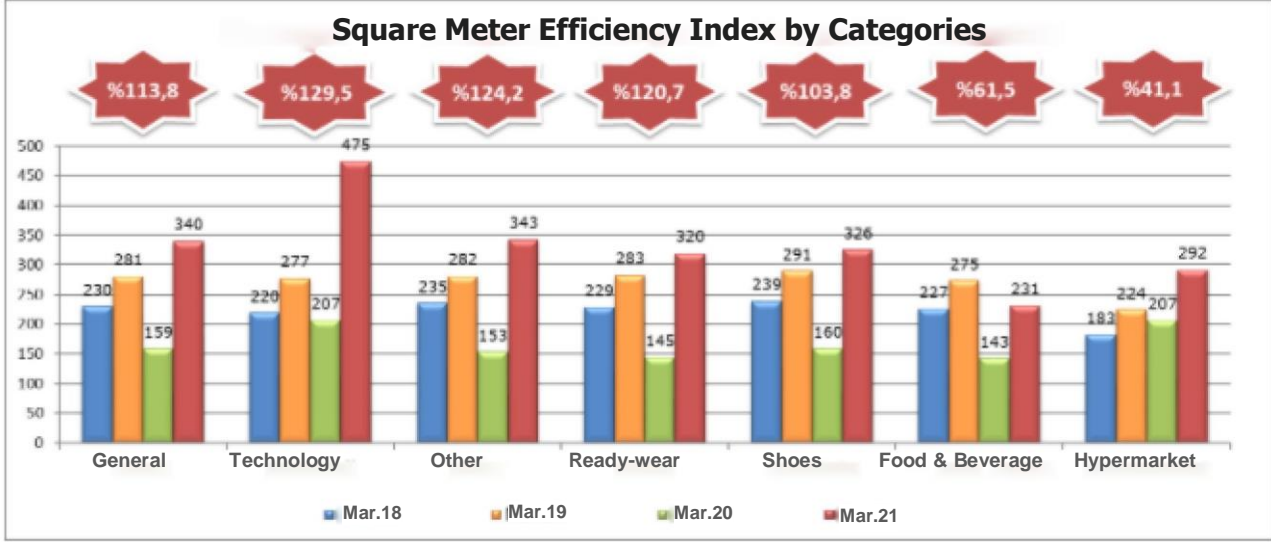


In March 2021, turnovers per lettable area in SMs realized as TRY 1,599 in Istanbul, TRY 1,095 in Anatolia. Square Meter Efficiency in overall Turkey realized as TRY 1,116 in March 2021. SMs turnovers per rentable area (m²) decreased down to TRY 1,044 by 2.8% in the first quarter of 2021, compared to first quarter of 2020.

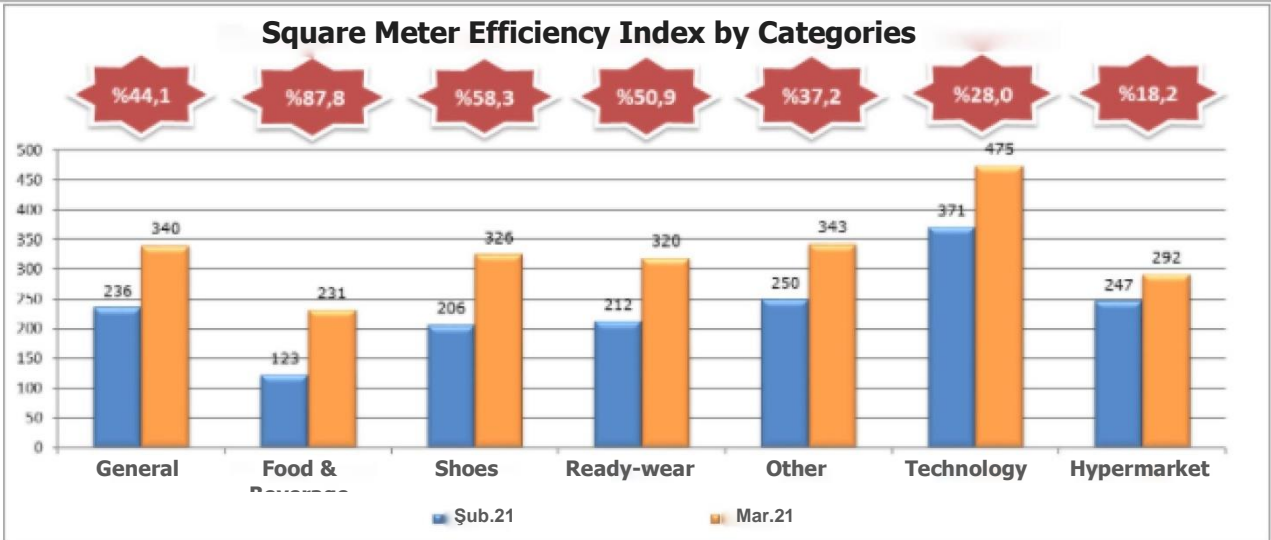


Compared with March of the last year, technology categories in SMs are observed to have increased by 129.5 percent. This is followed by 124.5 percent in others category, 120.7 percent in ready-wear category, 103.8 percent in shoes category, 61.5 percent in food&beverage category, and 41.1 percent in the hypermarket category.

Compared to February 2021, March 2021 witnessed an increase of 87.8 percent in food&beverage category, 58.3 percent in shoes category, 50.9 percent in ready-wear category, 37.2 percent in others category, 28.0 percent in technology category, and 18.2 percent in hypermarket category.



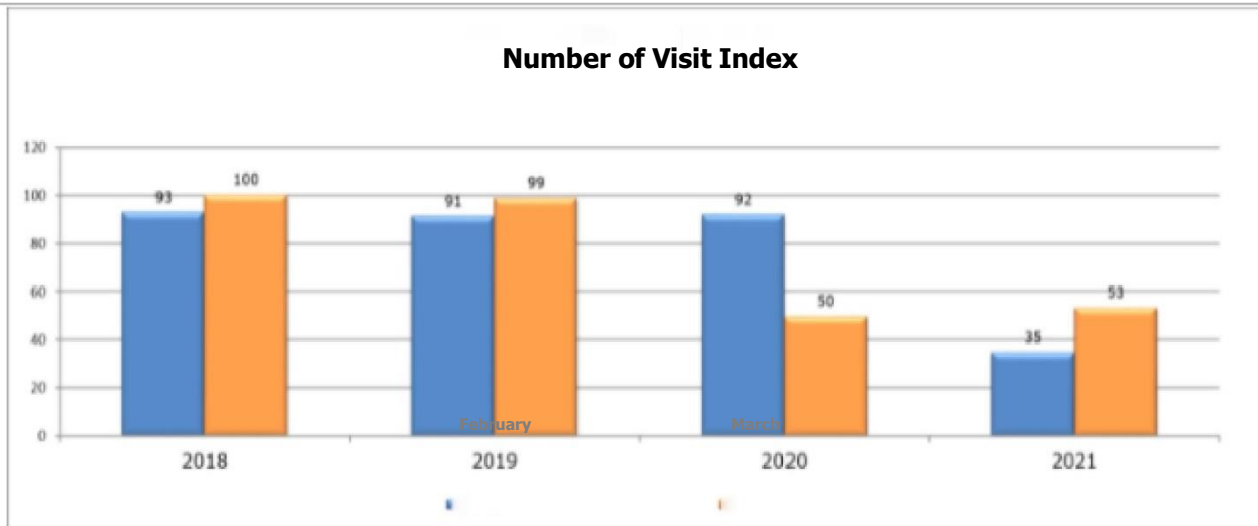
* Others category includes stores such as construction market, furniture, home textile, gift items, toys, movie theatre, personal care and cosmetics, jewelry, hobby, pet shop, tailor and shoe repair services, exchange services, dry cleaning and pharmacy.



In March 2021, index of number of visitors increased by 6.0% compared to same month of previous year.

Compared to February 2021, index of number of visitors in March 2021 witnessed an increase of 51.4 percent.

Compared to first quarter of last year, the number of visitors in the first quarter of 2021 witnessed a decrease of 51.2 percent.



The following table shows the standards created by International Council of Shopping Malls, and accepted and implemented by Association of Shopping Malls and Retailers, and the shopping malls which conform to these standards.

SHOPPING MALLS STANDARDS		
SM Type	Size	Lettable Area (m ²)
TRADITIONAL	Very Large	80,000 and above
	Large	40,000-79,999
	Medium	20,000-39,999
	Small	5,000-19,999
SPECIALTY	Large Retailing Park	20,000 and above
	Medium Retailing Park	10,000-19,999
	Small Retailing Park	5,000-9,999
	Outlet	5,000 and above
	Theme (Entertainment Focused)	5,000 and above
	Center (Not Entertainment Focused)	5,000 and above

The following table summarizes the information about some shopping malls located in Istanbul.

SHOPPING MALL	STORE NUMBER	OPENING DATE	TOTAL LETTABLE AREA (m ²)	PROJECT TYPE BY STANDARDS
Marmara Forum	320	03/31/2011	135,000	Very wide
İstanbul Cevahir AVM	330	10/15/2005	117,972	Very wide
Marmara Park	250	10/18/2012	100,000	Very wide
İstinye Park	279	09/21/2007	86,026	Very wide
Square	50	08/15/2007	70,000	Wide
Zorlu Center AVM	185	10/26/2013	66,600	Wide
Tepe Nautilus	117	09/24/2002	51,776	Wide
CarrefourSA İçerenköy	129	04/01/1996	47,250	Wide
Maxi City - Silivri	36	07/14/1998	45,000	Wide
Aqua Florya	140	10/04/2012	45,000	Wide
Galleria	149	07/14/1988	42,974	Wide
M1 Tepe Kartal	42	07/06/2000	41,000	Wide
Profilo AVM	207	05/09/1998	40,800	Wide
Kanyon	160	05/01/2006	40,600	Moderate
Nişantaşı City's	126	01/18/2008	36,800	Moderate
Palladium	233	09/25/2008	35,809	Moderate
Akmerkez	164	12/18/1993	33,048	Moderate
Migros Beylikdüzü	105	12/13/1997	33,000	Moderate
Metrocity	141	04/30/2003	32,638	Moderate
Capitol	158	09/18/1993	31,000	Moderate
CarrefourSA Maltepe	106	06/01/2005	30,500	Moderate
Sapphire	245	03/04/2011	27,000	Moderate
CarrefourSA Bayrampaşa	73	06/01/2003	25,030	Moderate
Astoria	110	01/23/2008	25,000	Moderate
Carousel	117	01/29/1995	24,400	Moderate
Beylicium	128	06/01/2006	20,000	Moderate
CarrefourSA Haramidere	60	10/01/2001	17,831	Small
MKM	21	09/24/2005	15,000	Small
Atrium	193	08/12/1989	11,232	Small
Atrius	80	12/17/2005	11,000	Small
Maxi City İstinye	19	09/11/2003	11,000	Small

6.2. REGIONAL ANALYSIS

6.2.1. BEŞİKTAŞ TOWN

Beşiktaş town is located in European Side of Istanbul city. Town is surrounded by Sarıyer town in the north, Şişli and Kağıthane towns in the west, and Beyoğlu town in the south-east, and Istanbul Strait in the east. Region has no high elevations. However, neighborhoods such as Levent, Etiler, Yıldız are located at high altitude compared with the neighborhoods located along the shore. It has a surface area of 11 km² and a shore length of 8,375.

In the Byzantium period, Beşiktaş was a major settlement center situated by the shores of Bosphorus. Beşiktaş gained its identity of a settlement in the Ottoman Period. This is mainly due to the Ottoman State's full conquest of the Black Sea. Beşiktaş town was the home of the Ottoman throne until dissolution of the empire. Previously organized under the Beyoğlu town, Beşiktaş is given the status of town in 1930. When Beşiktaş becomes a city in 1930, it has 13 neighborhoods. In the last 50 years, the number of neighborhood increased to 23 with new settlements. The settlements, except for the historical neighborhoods such as Beşiktaş, Ortaköy, Kuruçeşme, Arnavutköy and Bebek, which forms the core of the Beşiktaş Town, have emerged in the last fifty years. With the estate project launched on the land of historical Levent Ranch in 1950, the foundations of the Levent neighborhood are laid down, followed by Etiler, Konaklar, Akatlar, Nispetiye, Levazım, and Kültür neighborhoods in the last 40 years.

As the Beşiktaş is a central town, access and transportation is easy. Access to the town center is via public roads and sea ways. There are two stations of Şişhane-Hacıosman Subway, remaining in the Beşiktaş town, as Levent and 4th Levent.

The town hosts the central campuses of the Bosphorus, Yıldız Technical, and Galatasaray Universities, and some main units of the Bahçeşehir, Beykent, Istanbul Technical and Mimar Sinan Universities. Beşiktaş Cultural Center, established by Necati Akpınar and Yılmaz Erdoğan in 1994 has become popular in Turkey in the areas of theater, television, cinema and organizations. In addition, Ortaköy, Mustafa Kemal, Levent and Akatlar Cultural Centers are among important show and performance venues.

Town is an inspiring region of the Istanbul in terms of house construction. Especially, Levent, Etiler, Bebek neighborhoods are examples of modern urbanization. Existing buildings are generally reinforced-concrete and masonry, with sporadic historical wooden masonry buildings. Also, town has skyscraper type business centers. These workplaces are located in the region of Etiler and Levent.

According to 2020 results of Address-Based Census System (ADKNS) prepared by Turkish Statistics Agency (TUIK), total population of Beşiktaş is 176,513.

6.3. SUMMARY OF THE FACTORS AFFECTING THE VALUE OF PROPERTY

Positive Factors:

- Central location and ease of access,
- Convenience of advertising,
- Customer attraction,
- Being located in a region with high rent revenue,
- Contained in a shopping mall,
- High business potential of the vicinity,
- Flat ownership,
- Completed infrastructure of the region.

Negative Factors:

- Substantially adverse effects of the pandemic and resulting restrictions on shopping malls on the turnovers and occupancy rates,
- General decline in the demand towards properties due to the excessive exchange rate fluctuations.

6.4. ANALYSIS OF CURRENT ECONOMIC CONDITIONS, PROPERTY MARKET, CURRENT TRENDS AND UNDERLYING DATA AND THEIR EFFECTS ON PROPERTY VALUES

In an analysis of the year 2020, it is observed that inflation and indicator interest rates have increased, and house and office sales declined compared to previous year, whilst the construction costs have increased. Also, pandemic has negatively affected the property industry just as all industries. However, a notable activity was observed at the end of 2nd quarter and beginning of 3rd quarter of 2020, which is a result of reduction of the mortgage interest rates to the lowest levels in the history of our country, which is also supported by various campaigns. In addition, 2-months lockdown, and subsequent partial lockdown, as of June 1, of the SMs due to the pandemic has caused substantial loss of turnover, which case led to significant loss of lease for Shopping Malls which agreements are based on rent+turnover. In line with this information, a vicinity analysis is conducted for the region in which property is located, and it is observed that the sales/leasing prices demanded and realized are consistent in themselves, as further verified by the market research. In the region, it is observed that house and office sales price increased at a rate above the inflation band compared to previous year, whilst leases of the shopping malls and commercial properties increased very limited below the inflation band or declined. The monthly market rental value of the property is appraised hereunder by taking into account of the location, types, business potentials, advertising capabilities, and the properties provided in the "Factors Influencing Value of Real Properties (SWOT Analysis)" section of this report.

SECTION 7 APPRAISAL METHODS USED

7.1. VALUATION APPROACHES

Attention must be paid on the fact that valuation approaches must be proper and associated with the contents of the assets being appraised. The three approaches defined and explained below are the basic approaches used in the valuation. All of them are based on the price balance, expected benefits or substitute economy principles. The basic valuation approaches are as follows:

- Market Approach
- Revenue Approach
- Cost Approach

7.1.1. MARKET APPROACH

Market approach refers to the approach where the indicative value of an asset is determined through identical or comparable (similar) assets which price is attainable.

In the following cases, it is found necessary to apply market approach and a significant and/or meaningful weight must be given to this approach:

- The asset being appraised was sold in the recent period at a price that is suitable to the value basis.
- The asset being appraised or assets substantially similar to it are being traded actively in the market,
- There must be frequent and/or currently observable transactions with respect to the substantially similar assets.

Although in the cases given above it is found necessary to apply the market approach and give significant and/or meaningful weight to this approach, market approach can be applied and/or significant and/or meaningful weight can be given this approach in such additional cases as follows where said criteria cannot be met. Where the market approach is applied in the following cases, the appraiser must consider if other approaches will be applied, and weighted in order to support the indicative value as calculated by the market approach:

- The transactions of the asset being appraised or such substantially similar other assets are not sufficiently up-to-date on account of the market fluctuations and dynamism,
- The asset being appraised or assets substantially similar to it are being traded but not actively in the market,
- While information about market transactions are attainable, existence of the substantial and/or meaningful differences between subject asset and comparable assets, therefore potential requirement of the subjective adjustments.
- Unreliability of the information about up-to-date transactions (for instance, uninformed, imperfect knowledge-based, synergic buyer, collusive, compulsory sales transactions, etc.)
- The important factor that affects the value of the asset being the tradable price in the market, rather than reproduction cost or revenue generation capability.

7.1.2. REVENUE APPROACH

Revenue approach determines the indicative value by discounting the future cash flows into one single current value. In the revenue approach, the value of an asset is calculated by the present value of the revenues, cash flows or cost savings created by the asset. In the following cases, it is found necessary to apply revenue approach and a significant and/or meaningful weight must be given to this approach:

- Revenue generation capability of the asset being very important factor affecting the value from the perspective of the client,
- While there are reasonable estimates available with respect to the amounts and timing of the future revenues, there are few market benchmarks.

Although in the cases given above it is found necessary to apply the revenue approach and give significant and/or meaningful weight to this approach, revenue approach can be applied and/or significant and/or meaningful weight can be given this approach in such additional cases as follows where said criteria cannot be met. Where the revenue approach is applied in the following cases, the appraiser must consider if other approaches will be applied, and weighted in order to support the indicative value as calculated by the revenue approach:

- Revenue generation capability of the asset being only one of the many factors affecting the value from the perspective of the client,
- There are important uncertainties with regard to the amount and timing of the future revenues with respect to the asset being appraised,
- There is a lack of access to the information about subject asset (for instance, a shareholder without a controlling share may access to the past financial statements, but not to the estimates/budgets),
- Subject asset not yet started to generate revenue but planned to do so.

The basis of the revenue statement is the expectation of investors to generate revenue from their investments and requirement that such proceeds should reflect the level of perceived risks on the investment.

In general, investors are only expected to generate additional revenue for systematic risk (known as "market risk" or "risk that cannot be mitigated via diversification).

7.1.3. COST APPROACH

Cost approach is the approach where the indicative value of an asset is determined by applying the principle of "that one buyer will not pay, for a certain asset, an amount that is higher than the ownership cost of another assets which has the equal benefit to it, acquired by either purchasing or building", unless there are factors such as time causing unnecessary burden, impracticality, and risk. In this approach, the indicative value is determined by calculating the current substitution cost or reproduction cost minus all depreciation shares either in the form of physical deterioration or other forms.

In the following cases, it is found necessary to apply cost approach and a significant and/or meaningful weight must be given to this approach:

- Client capable of reproducing an asset having substantially similar benefits with the assets without subject to any legal restrictions, and client capable of reproducing an asset in a short time so that they will not liable to pay an substantial premium to start using the asset as soon as possible,
- Asset being in capable of generating revenue directly, and very nature of the asset making the revenue approach or market approach impossible to apply,
- Basis of the value used is mainly based on the substitution cost, as in the example of substitution value.

Although in the cases given above it is found necessary to apply the cost approach and give significant and/or meaningful weight to this approach, cost approach can be applied and/or significant and/or meaningful weight can be given this approach in such additional cases as follows where said criteria cannot be met. Where the cost approach is applied in the following cases, the appraiser must consider if other approaches will be applied, and weighted in order to support the indicative value as calculated by the cost approach:

- Client planning to reproduce the an asset having the same benefit, but reproduction of the asset is prohibited due to the potential legal impediments and/or requiring a significant period of time.
- Using cost approach as a cross-check for other approaches (for instance, using cost approach as a mean of confirmation if a business, which is valued on the assumption of an ongoing concern, is actually more valuable if valued on the liquidation basis),
- Asset being created so recently that will make assumptions used in the cost approach extremely reliable.

Value of a partially completed asset, in general will reflect the costs incurred until the creation of the asset (and if such costs contributed in the value), and costs required for client to complete the assets and expectations with respect to the value after considering the profit and risk-related adjustments.

7.2. IDENTIFICATION OF THE METHODS TO BE USED IN THE VALUATION

In line with the Communiqué of CMB on "Capital Market Valuation Standards" Series No III-62.1 dated 02/01/2017, and decision of Capital Market Board Decision-Making Body No 25/856 dated 06/22/2017, Article 10.4 "Valuation Approaches and Methods" of International Valuation Standards, 2017 UDS 105, stipulates that "Considering the information and conditions as detailed in the valuation study, where it is specially required to have a high level of reliance upon the accuracy and reliability of one single method, then appraisers do not need to use more than one valuation method for valuation of an asset."

Since different methods are used in the calculations of the land share of an individual unit in our Country, cost approach does not always produce reliable results for these properties (apartment, office, shop, etc.) Also, the cost method will not be employed in the valuation because there are no benchmark rental lands in the region, and subject properties are individual units contained in a main building.

Income discounting method aims at finding the present value of the estimated income in the future. Estimates and projections for future purposes used in this method are based on current market conditions, expected short term supply and demand factors and a constantly steady economy. Therefore, income approach will not be used in the appraisal.

Since there are sufficient findings to make a reliable decision using one single method, the **market approach method** will be used in the determination of the monthly market rental values of the properties.

7.3. EXPLANATIONS ABOUT MARKET APPROACH, AND REASONS BEHIND USING THIS APPROACH IN PROPERTY VALUATION

Article 20.1 of Valuation Approaches and Methods, IVS 105 International Valuation Standards provides for "Market approach refers to the approach where the indicative value of an asset is determined through identical or comparable (similar) assets which price is attainable".

By this method, m² unit rental value is determined for the property by taking into account the similar properties put on the market and sold in the recent period having adjusted the price according to criteria that may affect the market value.

The benchmarks found out are compared in terms of criteria such as location, construction quality, architectural feature, size, and room for negotiation, and interviews conducted with property marketing companies for a current evaluation of the property market, and also data and information available at our office are made use of for this purpose.

According to sub-paragraph (b) and (c) of Article 20.2 of Valuation Approaches and Methods, IVS 105 International Valuation Standards; "There must be frequent and/or currently observable transactions with respect to the subject asset or substantially similar assets" which allows for adoption of the market approach method.

Market approach method is adopted since there are sufficient rental benchmarks, and regional prices follow a steady course within themselves as a result of the investigations in the overall region.

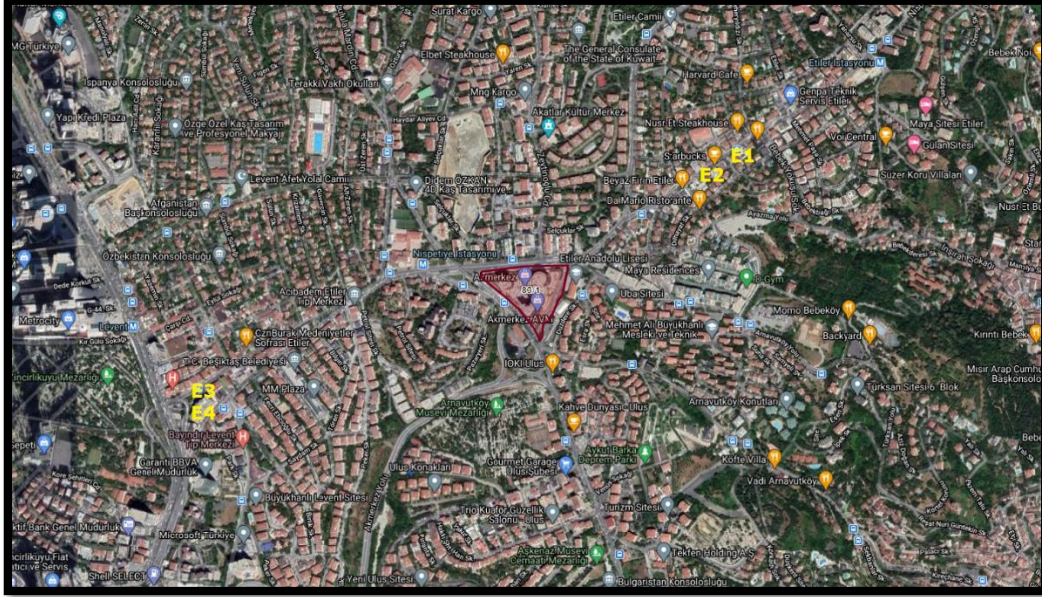
7.4. INFORMATION ABOUT BENCHMARKS WHICH PRICES FOUND OUT, AND SOURCE OF THESE INFORMATION

Information about the rental premises in the vicinity of the properties are provided below.

- 1) A shop, that can be used as a business premise, located on Nispetiye Street, close to the subject property, marketed as 780 m² is put up for a monthly rent of TRY 75,000.
(monthly m² unit rent price ~ TRY 96)
Contact: 0212 325 02 72
- 2) A shop, that can be used as a business premise, located on Nispetiye Street, close to the subject property, marketed as 1,244 m² is put up for a monthly rent of TRY 190,000.
(monthly m² unit rent price ~ TRY 153)
Contact: 0212 294 50 88
- 3) A business premises, located on the Aytar Street, close to the subject property, at a high-entrance floor (at the 1st floor level) of a building, marketed as 750 m² is put up for a monthly rent of TRY 75,000.
(monthly m² unit rent price ~ TRY 100)
Contact: 0212 236 96 81
- 4) A business premise, located on Aytar Street, close to the subject property, at a ground and regular floor of a building, marketed as 1,300 m² is put up for a monthly rent of TRY 150,000.
(monthly m² unit rent price ~ TRY 115)
Contact: 0212 294 50 88

7.5. MAP SKETCHES OF THE BENCHMARKS DERIVED FROM THE ONLINE MAPS, SHOWING THEIR PROXIMITY TO THE SUBJECT PROPERTY

Please find below the map sketches of the benchmarks derived from the online maps, showing their proximity to the subject property.



7.6. DETAILED EXPLANATION ABOUT HOW BENCHMARKS ARE CONSIDERED IN THE VALUATION, AND ADJUSTMENTS RELATIVE TO INFORMATION ABOUT BENCHMARK, AND DETAILED EXPLANATION ABOUT REASONS OF ADJUSTMENTS, AND OTHER ASSUMPTIONS

7.6.1. SCREENING OF BENCHMARKS

A research conducted on the business premises having a similar nature to the subject properties, located in the vicinity of them, in order to appraise the monthly market rental value of the subject property. As a result of interviews made with the property marketing firms and examinations, no information could be accessed rent transactions recently concluded, and, therefore, information about currently rental properties are collected. Information so collected are compared with other information available in our archive, and as a result, it is observed that benchmark information collected from property marketing companies are consistent with our information available at our archive. The following issues are considered in our benchmark research.

- Benchmarks selected by us share the same market conditions with the subject properties.
- Benchmarks selected by us are located in the same building or in the close vicinity of the subject properties, which location details are provided in the information about benchmark section. If any, goodwill difference of the benchmark located in same or close vicinity are indicated, and considered in the valuation.
- In this report, physical properties of the benchmark properties (for lands: size, topography, zoning rights, and geometric properties, etc.; for individual units and buildings: type of unit, size of usable area, building age, construction quality, technical properties, etc.) are considered, and if different, then their comparison is made as part of benchmark analysis.
- In this report, benchmarks are also selected in terms of full ownership transfer; if different (shared ownership, transfer of right of construction, time-shared property) then it is indicated in the benchmarks and these are also considered in their goodwill.
- If there are special rental terms which affect the value of the benchmark properties (marketing period, above/ below general market average, etc.), they are indicated in the market research section and their impact on the value is analyzed.

7.6.2. ANALYSIS OF BENCHMARKS

Benchmark rental business premises are compared for subject Movie Theater, in terms of criteria such as location, architectural feature, construction quality, and size; and accordingly monthly rental market value per m² is calculated.

For location criteria of the benchmarks, adjustments are made to the values of the properties in terms of their proximity to the subject property, center, main road, transportation axes, and their floors, and location at their floors by considering their locations indicated in the benchmark map sketch provided in Section "7.3.3. Map Sketches of the Benchmarks Derived from the Online Maps, Showing Their Proximity to the Subject Property" of this report.

For the construction quality of the benchmarks, adjustments are made with respect to the criteria such as building style of the building, need for restoration, number of floors, year of construction, etc.

An adjustment has been made to the architectural features of the benchmarks according to the technical and infrastructure features of the building, current usage of the subject individual units as Movie Theater, and capability of the advertising.

For the size criteria of the benchmark, adjustments are made with respect to the areas of the benchmarks.

Negotiation Room criteria of the counterparts; an adjustment is made by considering the negotiation room information collected from the property marketing companies.

Rental benchmarks are compared in terms of the criteria such as location, construction quality, architectural features, size and room for negotiation, and accordingly the monthly market rental value per m² is calculated for the subject movie theater as provided in the following table.

GOODWILL CRITERIA FOR MONTHLY MARKET RENTAL VALUE (%)							
Benchmarks	M ² Price (TRY)	Location	Construction Quality	Architecture Feature	Size	Negotiation Room	Benchmark Value (TRY)
Benchmark 1	96	0%	0%	-15%	-5%	-10%	67
Benchmark 2	153	-15%	0%	-30%	0%	-15%	61
Benchmark 3	100	15%	5%	-30%	-5%	-15%	70
Benchmark 4	115	-5%	5%	-20%	0%	-15%	75
Average							68

The subject movie theater cannot be operated for a long period due to the existing coronavirus measures. It has been observed that cinema industry has been witnessing a downward trend, even well before the coronavirus pandemic. After the end of the coronavirus pandemic, it is considered that seat occupancy rates and turnovers will not rise much. The value of the subject movie theater is appraised on the basis of data provided above.

7.7. CONCLUSIONS VIA MARKET APPROACH METHOD

Based upon the market data, valuation process and benchmark analysis, the monthly market rental value per m² and monthly market rental value appraised by taking into account location, construction quality, architectural features and size of the subject properties are provided in the following table.

MONTHLY MARKET RENTAL VALUE			
NAME	RENT-BASIS GROSS AREA (M ²)	MONTHLY M ² UNIT MARKET RENTAL VALUE (TRY)	ROUNDED MONTHLY MARKET RENTAL VALUE (TRY)
Cinema Pink	1,075.10	68	73,100

7.8. THE MOST EFFICIENT AND THE BEST USE VALUE ANALYSIS

The most efficient and the best use is the use of an asset by which the user can yield the highest value. The most efficient and the best use must be a use that is physically possible (feasible), financially profitable, legally allowed and resulting in the highest value. If an optimal use exists, it is possible that the most efficient and the best use of an asset is the current use. However, current use may be distinct from the most efficient and the best use, as well as it can be a proper liquidation case.

Based upon the aforementioned definition, we have the opinion and conclude that the most efficient and the best use of the subject property will be "**business premises**" by considering the location, size, architectural features, construction quality and existing conditions.

SECTION 8 EVALUATION OF ANALYSIS RESULTS AND OPINION

8.1. HARMONIZATION OF ANALYSIS RESULTS WITH DIFFERENT VALUATION METHODS AND DESCRIPTION OF METHODS USED FOR THIS PURPOSE AND REASONS

Since there are sufficient findings to make a reliable decision using one single method, the **market approach method** is used to appraise the monthly market rental value of the property.

Total monthly market rental value of the subject movie theater is appraised as **TRY 73,100 (Seventy-three thousand one hundred Turkish Lira)**.

8.2. REASONS FOR THE MINIMUM INFORMATION AND FACTS NOT INCLUDED IN THE REPORT

There is no minimum information and facts not included in this report.

8.3. OPINION ABOUT WHETHER LEGAL REQUIREMENTS ARE FULFILLED OR NOT AND WHETHER THE LEGALLY MANDATORY LICENSE AND DOCUMENTS ARE FULL AND COMPLETE.

According to Article 22(1)(b) of the Communiqué on Principles of Real Estate Investment Partnerships, "For any kind of buildings and similar structures to be included in their portfolios, it is mandatory that the relevant building occupation permit has previously been obtained and relevant flat ownership has been established. However, in case structures such as hotel, shopping mall, business center, hospital, commercial warehouse, factory, office building and branches, owned solely or jointly, are fully or partly used only for earning lease revenue, it is deemed to be satisfactory to obtain relevant building occupation permit and that the type indicated in the relevant title deed certificate is appropriate to the current status of the property. Also, for satisfaction of the foregoing condition to obtain building occupation license, it is deemed sufficient to have obtained the building registry documents under the Provisional Article 16 of Zoning Act No 3194 of 05.03.1985."

Necessary licenses and permits have been obtained for the buildings located on the parcel pursuant to applicable legislation, and building registry documents have been issued as part of "zoning peace" pursuant to Provisional Article 16 of Zoning Act No 3194. Details about legal documents are provided in the "4.1.5. Information about Project, License, Diagram Etc. Documents of Property" section of this report.

8.4. IF ANY, OPINION ABOUT ENCUMBRANCES AND MORTGAGES ESTABLISHED ON THE PROPERTY

Management plan, as indicated in the title deed records, are not of restrictive nature and have no adverse impact on transfer and value of the property under the provisions of (c) and (j) of Article 22(1) of Communiqué on Principles of Real Estate Investment Partnerships.

8.5. INFORMATION ABOUT AS TO WHETHER SUBJECT PROPERTY IS SUBJECT TO ANY RESTRICTIONS FOR TRANSFER, EXCEPT FOR ANY MORTGAGE, AND ANY ENCUMBRANCE WHICH MAY DIRECTLY AND SUBSTANTIALLY AFFECT THE VALUE OF THE PROPERTY

We have the opinion and conclude that there is no obstacle which prevents from transferring the subject properties under the provisions of capital market legislation upon the examination of the title deed records of the subject property.

8.6. IF VALUATION IS ABOUT A LAND OR PLOT, THEN INFORMATION ABOUT AS TO WHETHER ANY ACTIONS INITIATED FOR PROJECT DEVELOPMENT ON IT WITHIN FIVE YEARS AFTER ACQUISITION DATE

Subject properties are not land or plot.

8.7. IF VALUATION IS ABOUT CONSTRUCTION RIGHT OR TIME-SHARED PROPERTY RIGHT, THEN INFORMATION IF THERE IS ANY RESTRICTIONS WITH RESPECT TO THE TRANSFER OF SAID RIGHTS EXCEPT FOR THOSE ARISING OUT OF AGREEMENTS FOR THIS PURPOSE

Subject properties are excluded from the specified scope.

8.8. OPINION ABOUT IF THE FUNCTION OF PROPERTY REGISTERED IN TITLE DEED RECORDS, ITS ACTUAL USE, AND INCLUSION IN PORTFOLIO MATCH, AND OPINION ABOUT ANY RESERVATIONS AGAINST INCLUSION IN THE PORTFOLIO

Article 22(r) of the Communiqué on Principles concerning of Real Estate Investment Trusts of Capital Market Board stipulates that "Title deed type, actual use and type for including the portfolio, of the properties to be included in the Trust portfolio must be in accord with each other. In case of existence of non-performing, or abandoned, risk as indicated in the statements section of the title registry, buildings on the lands and plots owned by Partnership, if said conditions are verified by a property valuation report, and if necessary, and a statement is submitted to Board that said buildings will be demolished and necessary changes will be made in the function of the properties as registered in the title deed office, then the condition defined in the first sentence shall not apply.

Actual use of the properties conforms to the function of properties as indicated in the title deed records. We have the opinion and conclude that there is no risk against inclusion of the properties in the "buildings" title of a portfolio of Real Estate Investment Partnership as well as lease and transfer (sales) of the properties under the provisions of capital market legislation.

SECTION 9 CONCLUSION

9.1. CONCLUDING SENTENCE OF THE APPRAISAL OFFICER-IN-CHARGE

We have the opinion and conclude that there is no risk against inclusion of the properties in the "buildings" title of a portfolio of Real Estate Investment Partnership as well as transfer (sales) and lease of the properties under the provisions of capital market legislation.

9.2. FINAL VALUE APPRAISAL

Monthly market rental value appraised for the movie theater described in the report upon on-site examination of the properties, by considering its location, size, architectural features, construction quality, use functions, and market research in the vicinity under the current economic conditions are provided in the following table.

	EXCL. VAT	INCL. VAT
MONTHLY MARKET RENTAL VALUE OF MOVIE THEATER	TRY 73,100	TRY 86,258

- VAT rates are according to the current applicable legislation. Exemptions related with Value Added Tax, exceptions and provisions specific to tax rates of Tax Laws are not taken into account. VAT rate is taken as 18%.
- This report cannot be used by any person or entity other than client entity and under no circumstances, this report can be submitted to 3rd parties other than client entity. Our company disclaims any responsibility that may arise out of use of the copies.

Respectfully submitted for your information. 06/25/2021

(Valuation Date: 06/21/2021)

Respectfully yours,

Alican KOÇALI
(CMB License No: 401880)
Appraisal Expert In Charge

Nurettin KULAK
(CMB License No: 401814)
Appraisal Expert In Charge

Attachments:

- Satellite Views
- Photographs
- Copies of Title Deeds
- Title Deed Documents of Properties
- Letter of Zoning Status
- Building License and Building Occupancy Permit Certificate Details
- Other Documents Examined at Municipality
- Court Decisions
- Building Registry Documents and Map Sketches
- Energy Efficiency Certificates
- Information about Past Reports Prepared by Our Company For Subject Properties
- Information about Authors of this Report
- CMB License Documents and Professional Experience Documents