



EXECUTIVE SUMMARY

**ŞEKER GAYRİMENKUL
YATIRIM ORTAKLIĞI A.Ş.
(ŞEKER REAL ESTATE
INVESTMENT TRUST INC.)**

ALMATY BUILDING LAND APPRAISAL REPORT SUMMARY



About Epos Gayrimenkul Danışmanlık ve Değerleme A.Ş. (Epos Real Estate Consulting and Valuation Inc.)

EPOS Gayrimenkul Danışmanlık ve Değerleme A.Ş. is an institution operating throughout Turkey and internationally, providing appraisal and consultancy services, and included in the list of Capital Markets Board (CMB).

EPOS produces services in the Real Estate Appraisal platform with international standards and vision of the future, and reaches objective values with the strategic approaches of the CMB Licensed specialists. It contributes to making the company risks minimal by combining the applied appraisal methods with the principles of responsibility and independence.

The EPOS Team consists of employees with master's degrees in Real Estate Development, Urban Planning, Business Management, Marketing Communication and Economics. The company also works with strategic solution partners in law, architecture, financial affairs, financing and tax.



Executive Summary

The report was prepared in accordance with the request of Şeker Gayrimenkul Yatırım Ortaklığı A.Ş. (ŞEKER REAL ESTATE INVESTMENT TRUST INC.)

In the appraisal report, the 'Market Value' of the real estate has been evaluated according to International Valuation Standards and the market value is the estimated amount at which an asset or liability should exchange hands on the date of the appraisal in a mutual bargaining environment between a willing buyer and a willing seller, after proper marketing and in which each party acts with knowledge, prudence and without coercion.

The analyses, results and final values contained in the report are prepared in accordance with International Valuation Standards (IVSC) Criteria.

The report contains the following headlines for the real estate.

- Information about the appraisal report and the responsible appraisal specialist
- Appraisal date
- Scope of the customer demand and the limitations imposed
- Value definitions and definition of appraisal methods
- Definition of appraisal approaches
- Analysis of the area where the property is located
- Overall situation of the real estate sector
- Information about the location and surroundings of the property
- Zoning status and registration information of the property
- Architectural plan, license, schematic and similar document information of the property
- Construction features of the property
- Detections at the location of the real estate
- SWOT analysis of the property
- Calculation of the value of the property using various appraisal approaches
- Highest and best usage analysis
- Evaluation of the results of the analysis and the outcome



Status of the Real Estate Market of Kazakhstan

The significant devaluation of Kazakhstan Tenge against the US Dollar in February 2014 and August 2015, the decision to switch to the free market against the US Dollar and failing to increase interest rates have affected the whole economy very seriously.

Because of the fact that Kazakhstan Tenge was overvalued against the US Dollar during the long-term fixed rate regime and the price of the housing markets remaining very low, it was seen that average house prices climbed to USD 1,700/m² in some public housing projects between 2007 and 2008.

After that, balanced (fixed rate policy) house prices remained stable in US Dollars. However, as a result of two shocking waves of devaluations in 2014 and especially in 2015, house sales prices have fallen by more than half in US Dollars in 2015. However, this decrease and the resulting declining purchasing power of the people resulted in significant decreases in sales.

House sales, which decreased because of this devaluation problem experienced in 2015, showed signs of recovery in the 3rd quarter of 2017. It is observed that sales have recovered as from the coming 2018 and the first quarter of 2019.

In parallel with macroeconomic indicators, real estate demands for investment purposes have stopped and real estate transactions and infrastructure and housing development programs have been suspended. Due to the closure of government offices, there have been delays in construction due to bureaucratic barriers to real estate registration and delays in deliveries. Remote operation has caused a decrease in demand for office space. Therefore, an increase in demand is expected in the housing sector due to the need to work from home (there will be more demand in housing than in the office).

In Almaty, the average price of primary residential real estate was 455 thousand tenge / m², and increased by 1.5% since the beginning of the year. (449 thousand tenge / m² in January 2020). By the end of the year, another increase is expected to reach 460 thousand tenge /m². The secondary market has also shown positive growth of 5.7% since the beginning of the year and today the average price is around 445 thousand tenge /m².

The number of transactions in the housing market after the quarantine in Kazakhstan - increased by 11.8% compared to the same period in 2019. The main driving forces were Almaty and Karaganda region with growth of 41.4% and 26.1%, respectively, while Nur-Sultan decreased by over 15%. It is thought that the main reason for the increase in the number of transactions is investment activity on buyers created by attractive value in tenge after the increase in the exchange rate.



Another important indicator of supply in the market is the volume of commissioning of houses. During the period of January-March 2020, the number of houses put into operation slowed by 3.6% compared to the same period of the previous year and exceeded 2.6 million square meters. However, Almaty and Nur-Sultan have increased slightly.

After the quarantine was lifted, the demand to buy a private house and suburban real estate, as well as land designated as private household land and Building lands designated as individual residential construction, increased, which encouraged the owners to increase their prices between 5% and 25%. In addition, the increase in prices on the basis of tenge is due to the decrease in the national currency rate in the spring time. According to the Office for National Statistics, the number of transactions with private housing in Almaty since the beginning of the year has reached 4,578, which is 5% more compared to 2019.

In general, fine activity is expected in the primary and secondary housing sector of the economy class in 2021, when we take the acceleration of preferential mortgage programs into consideration. Today, a large number of transactions are made by using mortgages. This trend is expected to continue next year, as well. The reason of this is that most consumers do not have enough financing to buy real estate in cash. Most sales are expected to be in favour of one or two-bedroom apartments with a normal settlement plan.

Information About the Real Estate Subject to Appraisal

The real estate subject to the appraisal is the Building land in Kazakhstan, Almaty province, Alatau district, Cadastre No. 20-312-941-133.

Title deed information is shown below.

Country	Kazakhstan
Province	Almaty
County	Alatau district
District	-
Location	-
Cadastral No.	20:312:941:133
Surface Area	6,047 ha (60.047 m ²)
Qualification	Building Land (For The Construction of Trade and Entertainment Centers)
Property Right	Şeker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi (Şeker Real Estate Investment Trust INC)
The Basis for The Emergence of the Right	Delivery (Transfer) Agreement of Real Estate No.806 dated 19.03.2019
Registration Date	23.03.2019



The real estate is located between Akkent Mass Housing Project and Raiymbek Street, parallel to this street. The subject property is located in an area close to the periphery of the city and there are residential areas in the region predominantly owned by the middle, middle - upper income groups. In addition to this, residential areas that appeal to low income groups due to being on the periphery of the city are located in the nearby surroundings. Trade areas have also developed in region developing in a residential-oriented way, and these areas are predominantly retail trade areas where daily and weekly needs will be met and areas where the service sector is developing.

There are also uses on the boulevard that require the use of large spaces. Major landmarks in the near surroundings can be shown as Metro Supermarket, Toyota Center, Aport Mall, Prime Plaza and Arzan Supermarket.

Currently, the parcel has a nearly flat slope and its geometry is close to the rectangle.

Currently, the immovable property is divided into two parts by the road where access to the mass housing project is provided. There are units for storage purposes built with primitive materials and conditions on the property. Currently, there is no structure that requires building permission on the parcel. There is also no project developed on the land, either.

Although the property has a façade of about 350 meters to the boulevard, the road arrangement (U-turn) made exactly at this point has somewhat disrupted the visibility. However, it is thought that this will be a significant visibility advantage of a project to be developed on the parcel.

It has been found out that a kind of shopping mall, a neighborhood center project has been developed on the parcel in the previous years, however, this project has not been put into practice for various reasons.

The distance of the parcel to the city center (Republic Square) is 14 km and the distance to Almaty Airport is 24 km.

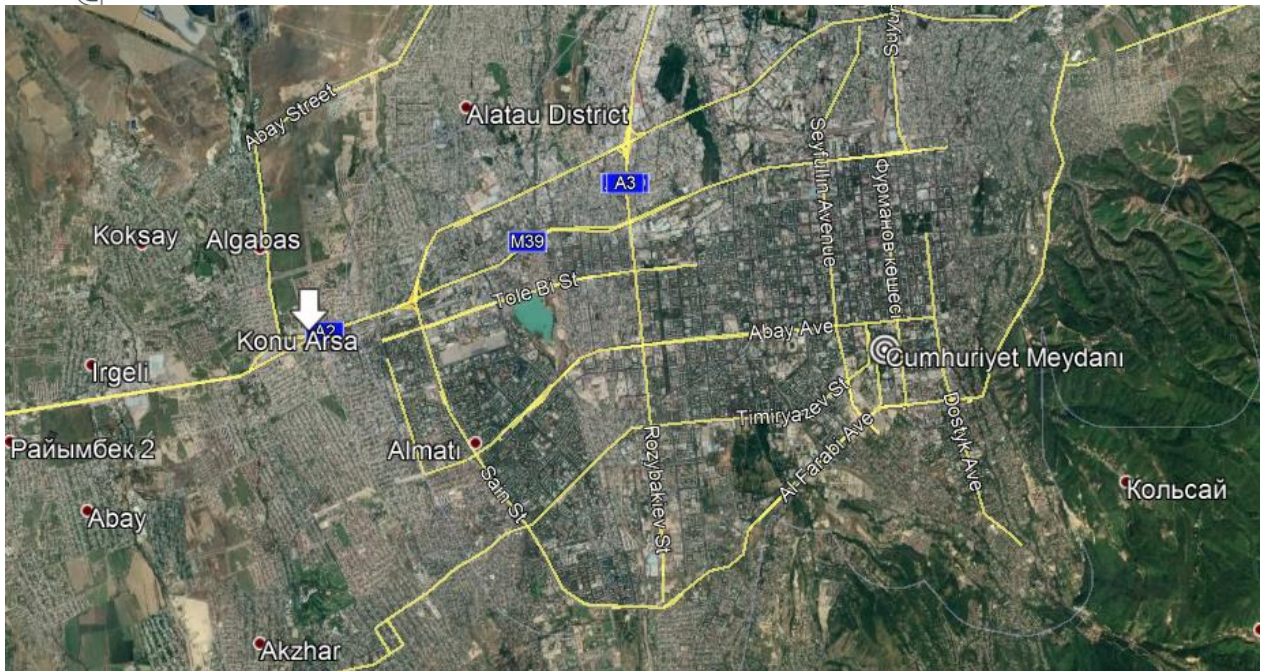




Photo of the Subject Property

Legal Reviews

The immovables property is registered under the name of Şeker Gayrimenkul Yatırım Ortaklığı Anonim Şirketi (Şeker Real Estate Investment Partnership Joint Stock Company) and it is the sole owner. The subject parcel has the usage purpose of "Commercial and Entertainment Center Construction". The land is indivisible. Access will be provided for the technical maintenance and repair of infrastructure installations, and it is obliged to comply with the conditions of land use in the area where the water is protected.

Legal Restrictions

On the land registry, there are no restrictions that will prevent the transfer of the immovable property, prevent the savings or have any effect on its value.



Final Appraisal of Value

All the features that may affect the value of the property such as the location of the property, the establishment style of its surroundings, infrastructure and transportation facilities, its facade to the street and the side street, its area and location, its air - light - landscape status has been taken into account and detailed market research was carried out in the location. Accordingly, the value of the property in the subject of appraisal is appreciated as follows:

Dated 31.12.2020

Market Value
4.521.000 USD

Prepared By

Kemal ÇETİN

Licensed Appraisal Specialist

SPK (Capital Markets Board-CMB) Licence No:

404903

Approved By

Neşecan ÇEKİCİ

Responsible Appraisal Specialist

SPK (Capital Markets Board-CMB) Licence No:

400177



TSPAKB ASSOCIATION OF CAPITAL MARKET INTERMEDIATION ORGANIZATIONS OF TURKEY

Date: 12.01.2004

No: 400177

APPRAISAL SPECIALIST LICENSE

Pursuant to the "Communiqué Serial: VIII, No: 34 of the Capital Markets Board on the Principles of Licensing and Registry for Those Operating in the Capital Markets"

Neşe Can ÇEKİCİ

Has been entitled to receive the Appraisal Specialist License.

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Seal

//Signature//

Turgut TOKGÖZ

Müslüm DEMİRBİLEK

Tarih : 10.09.2015

No : 404903

GAYRİMENKUL DEĞERLEME LİSANSI

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

Kemal ÇETİN

Gayrimenkul Değerleme Lisansını almaya hak kazanmıştır.



Levent HANLIOĞLU
LİSANSLAMA VE SİCİL MÜDÜRÜ



Tuba ERTUGAY YILDIZ
GENEL MÜDÜR



Date: 10.09.2015

No: 404903

REAL ESTATE APPRAISAL LICENCE

Pursuant to the "Communiqué Serial (VII-128.7) of the Capital Markets Board, on the Principles of Licensing and Registry for Those Operating in the Capital Markets"

Kemal ÇETİN

Has been entitled to receive the Appraisal Specialist License.

//Signature//

Levent HANLIOĞLU
LICENSING AND REGISTRY MANAGER

//Signature//

Tuba ERTUGAY YILDIZ
GENERAL MANAGER

Seal