

**REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

**JANUARY 1 – DECEMBER 31, 2019 UNCONSOLIDATED FINANCIAL STATEMENTS  
TOGETHER WITH INDEPENDENT AUDITOR’S REPORT**

**(ENGLISH CONVENIENCE TRANSLATION OF INDEPENDENT AUDITORS’ REPORT  
AND UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN  
TURKISH)**

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The accompanying notes form an integral part of these unconsolidated financial statements.

**REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF**  
**DECEMBER 31, 2019**

*(Amounts expressed in Turkish Lira (“TRY”) unless otherwise stated)*

	Notes	Audited Current Period 31.12.2019	Audited Previous Period 31.12.2018
<b>Assets</b>			
<b>CURRENT ASSETS</b>		<b>61.789.499</b>	<b>142.636.473</b>
Cash and cash equivalents	7	43.137.369	94.432.417
Financial investments	8	-	150.122
Trade receivables		11.068.008	24.586.987
-Trade receivables from related parties	6	798.242	854.529
-Trade receivables from unrelated parties	11	10.269.766	23.732.458
Other receivables		806.269	558.654
-Other receivables from related parties	6	395.037	-
-Other receivables from unrelated parties	13	411.232	558.654
Inventories	16	-	-
Prepayments		6.157.591	13.890.694
-Prepayments to related parties	6	151.649	10.461.701
-Prepayments to unrelated parties	18	6.005.942	3.428.993
Current tax assets	21	620.262	1.107.189
Other current assets		-	7.910.410
-Other current assets from unrelated parties	22	-	7.910.410
<b>NON-CURRENT ASSETS</b>		<b>2.730.989.550</b>	<b>2.123.703.744</b>
Inventories	16	56.897.916	56.866.189
Investments accounted for using equity method	25	73.590.494	65.395.985
Investment property	26	2.461.557.000	1.897.363.510
Investment properties work in progress	26	91.243.823	65.860.061
Property, plant and equipment	27	46.249.021	33.640.185
-Machinery and equipments	27	45.401.318	32.989.017
-Fixtures and fittings	27	847.703	651.168
Intangible assets	28	-	-
Prepayments		1.451.296	4.577.814
-Prepayments to related parties	6	-	-
-Prepayments to unrelated parties	18	1.451.296	4.577.814
<b>Total Assets</b>		<b>2.792.779.049</b>	<b>2.266.340.217</b>

The accompanying notes form an integral part of these unconsolidated financial statements.

**REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF**  
**DECEMBER 31, 2019**

*(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated)*

		<b>Audited Current Period 31.12.2019</b>	<b>Audited Previous Period 31.12.2018</b>
<b>LIABILITIES AND EQUITY</b>	<b>Notes</b>		
<b>CURRENT LIABILITIES</b>		<b>463.022.265</b>	<b>404.416.633</b>
Current borrowings	9	431.941.935	377.988.637
-Current borrowings from related parties		431.941.935	377.988.637
--Bank loans	9	399.893.132	348.695.415
--Leasing debts	9	32.048.803	29.293.222
Trade payables		13.452.072	10.144.643
-Trade payables to related parties	6	8.271.471	6.294.756
-Trade payables to unrelated parties	11	5.180.601	3.849.887
Employee benefit obligations	14	56.647	29.410
Other payables		14.244.924	9.199.768
-Other payables to related parties	6	4.531.889	2.975.258
-Other payables to unrelated parties	13	9.713.035	6.224.510
Deferred income (Excluding liabilities arising from customer contracts)		1.062.946	6.038.251
-Deferred income from unrelated parties (Excluding liabilities arising from customer contracts)	18	1.062.946	6.038.251
Current provisions		2.263.741	1.015.924
-Current provisions for employee benefits	23	10.386	27.663
-Other current provisions	23	2.253.355	988.261
<b>NON-CURRENT LIABILITIES</b>		<b>631.221.484</b>	<b>712.065.967</b>
Long term borrowings	9	630.208.791	710.012.329
-Long term borrowings from unrelated parties		630.208.791	710.012.329
--Bank loans	9	590.568.151	658.968.786
--Leasing debts	9	39.640.640	51.043.543
Other payables		130.540	453.264
-Other payables to related parties	6		
-Other payables to unrelated parties	13	130.540	453.264
Deferred income (Excluding liabilities arising from customer contracts)	18	779.296	1.545.341
-Deferred income from unrelated parties (Excluding liabilities arising from customer contracts)	18	779.296	1.545.341
Non-current provisions		102.857	55.033
-Non-current provisions for employee benefits	23	102.857	55.033
<b>EQUITY</b>		<b>1.698.535.300</b>	<b>1.149.857.617</b>
Issued capital	29	246.000.001	246.000.001
Treasury shares (-)	29	(1.047.230)	(1.047.230)
Other accumulated comprehensive income (loss) that will not be reclassified in profit or loss		89.690.273	89.719.441
--Gains (Losses) on revaluation and remeasurement	29	89.690.273	89.719.441
---Increases (decreases) on revaluation of property, plant and equipment	29	89.752.887	89.752.887
---Gains (losses) on remeasurements of defined benefit plans	29	(62.614)	(33.446)
Restricted reserves appropriated from profits		7.563.403	7.563.403
--Legal reserves	29	6.516.173	6.516.173
--Treasury share reserves	29	1.047.230	1.047.230
Previous years' profits or losses	29	807.622.002	595.513.321
Current period net profit or loss		548.706.851	212.108.681
<b>Total Liabilities and Equity</b>		<b>2.792.779.049</b>	<b>2.266.340.217</b>

The accompanying notes form an integral part of these unconsolidated financial statements.

**REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED**  
**DECEMBER 31, 2019**

*(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated)*

		<b>Current Period</b>	<b>Previous Period</b>
		<b>Unconsolidated</b>	<b>Unconsolidated</b>
<b>Profit or loss</b>	<b>Notes</b>	<b>01.01.-31.12.2019</b>	<b>01.01.-31.12.2018</b>
<b>Continuing Operations</b>			
Revenue	30	214.045.774	162.630.966
Cost of sales (-)	30	(26.425.687)	(22.143.030)
<b>GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS</b>		<b>187.620.087</b>	<b>140.487.936</b>
General Administrative Expenses (-)	31	(2.134.155)	(2.574.760)
Marketing Expenses (-)	31	-	-
Research and development expense (-)	31	-	-
Other Income from Operating Activities	33	543.398.238	311.368.797
Other Expenses from Operating Activities (-)	33	(9.846.479)	(10.463.822)
<b>PROFIT (LOSS) FROM OPERATING ACTIVITIES (-)</b>		<b>719.037.691</b>	<b>438.818.151</b>
Investment Activity Income	34	-	-
Investment Activity Expenses (-)	35	-	-
Share of Profit (Loss) from Investments Accounted for Using Equity Method	25	10.139.929	9.449.027
<b>PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)</b>		<b>729.177.620</b>	<b>448.267.178</b>
Finance income	36	47.517.950	204.950.501
Finance costs (-)	37	(227.988.719)	(441.108.998)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX</b>		<b>548.706.851</b>	<b>212.108.681</b>
<b>Tax (Expense) Income, Continuing Operations (-)</b>		-	-
- Current Period Tax (Expense) Income (-)	39	-	-
- Deferred Tax (Expense) Income (-)	39	-	-
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>		<b>548.706.851</b>	<b>212.108.681</b>
<b>PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (-)</b>		-	-
<b>PROFIT (LOSS)</b>		<b>548.706.851</b>	<b>212.108.681</b>
<b>Earnings Per Share From Continuing Activities</b>	40	2,2305	0,8622
<b>Earnings Per Share From Discontinued Activities</b>		-	-
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>		<b>548.706.851</b>	<b>212.108.681</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Other Comprehensive Income that will not be Reclassified to Profit or Loss</b>		<b>(62.614)</b>	<b>(4.168)</b>
Gains (Losses) on Remeasurements of Defined Benefit Plans	29	(62.614)	(4.168)
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		<b>(62.614)</b>	<b>(4.168)</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>		<b>548.644.237</b>	<b>212.104.513</b>

The accompanying notes form an integral part of these unconsolidated financial statements.

**REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**

**UNCONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2019**

*(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated)*

	Notes	Issued Capital	Treasury Shares	Gains/Losses on Revaluation and Remeasurements		Restricted Reserves Appropriated From Profits	Prior Years' Profits or Losses	Retained Earnings	
				Increases ( or Loss Decreases) on Revaluation of Property, Plant and Equipment	Gains (Losses) on Remeasurements of Defined Benefit Plans			Net Profit Increases ( or Loss	Equity
<b>Balance at January 1, 2018</b>	29	<b>246.000.001</b>	<b>(1.047.230)</b>	<b>89.752.887</b>	<b>(29.278)</b>	<b>7.563.403</b>	<b>484.620.572</b>	<b>110.892.749</b>	<b>937.753.104</b>
Transfers		-	-	-	-	-	110.892.749	(110.892.749)	-
Total Comprehensive Income (Loss)		-	-	-	(4.168)	-	-	212.108.681	212.104.513
<b>Balance at December 31, 2018</b>	29	<b>246.000.001</b>	<b>(1.047.230)</b>	<b>89.752.887</b>	<b>(33.446)</b>	<b>7.563.403</b>	<b>595.513.321</b>	<b>212.108.681</b>	<b>1.149.857.617</b>
<b>Balance at January 1, 2019</b>	29	<b>246.000.001</b>	<b>(1.047.230)</b>	<b>89.752.887</b>	<b>(33.446)</b>	<b>7.563.403</b>	<b>595.513.321</b>	<b>212.108.681</b>	<b>1.149.857.617</b>
Transfers		-	-	-	-	-	212.108.681	(212.108.681)	-
Total Comprehensive Income (Loss)		-	-	-	(29.168)	-	-	548.706.851	548.677.683
<b>Balance at December 31, 2019</b>	29	<b>246.000.001</b>	<b>(1.047.230)</b>	<b>89.752.887</b>	<b>(62.614)</b>	<b>7.563.403</b>	<b>807.622.002</b>	<b>548.706.851</b>	<b>1.698.535.300</b>

The accompanying notes form an integral part of these unconsolidated financial statements.

**REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**  
**UNUNCONSOLIDATED STATEMENTS OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2019**  
*(Amounts expressed in Turkish Lira ("TRY") unless otherwise stated)*

		<b>Audited</b>	<b>Audited</b>
	<b>Notes</b>	<b>01.01.-31.12.2019</b>	<b>01.01.-31.12.2018</b>
<b>A. CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>			
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		<b>48.368.107</b>	<b>(125.807.455)</b>
Profit (Loss)		<b>548.706.851</b>	<b>212.108.681</b>
Profit (Loss) from Continuing Operations		<b>548.706.851</b>	<b>212.108.681</b>
<b>Adjustments to Reconcile Profit (Loss)</b>		<b>(535.872.596)</b>	<b>(300.829.895)</b>
Adjustments for depreciation and amortisation expense	27	4.522.601	3.423.041
Adjustments for ipmairments	9	37.760	-
<i>Adjustments for (Reversal of) Impairment in Trade Receivbles</i>		37.760	-
Adjustments for provisions	23	1.266.473	454.250
<i>Adjustments for (Reversal of) Provisions Related with Employee Benefits</i>	23	1.379	(59.982)
<i>Adjustments for (Reversal of) Lawsuit and/or Penalty Provisions</i>		1.265.094	514.232
Adjustments for losses (gains) on disposal of non-current assets	26-27	(42.000)	-
<i>Adjustments for Losses (Gains) Arised From Sale of Investment Property</i>	26-27	(42.000)	-
Adjustments for Interest (Income) Expenses	11	3.856.865	3.545.452
<i>Adjustments for interest expense</i>	9	4.466.012	2.675.133
<i>Adjustments for deferred financing expense</i>	11	(70.748)	384.169
<i>Adjustments for unearned finance income</i>	11	(538.399)	486.150
Adjustments for fair value losses (gains)	26	(535.374.366)	(298.803.611)
<i>Adjustments for Fair Value Losses (Gains) of Investment Property</i>	26	(535.374.366)	(298.803.611)
Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method	25	(10.139.929)	(9.449.027)
<i>Adjustments for undistributed profits of associates</i>	25	(10.139.929)	(9.449.027)
<b>Changes in Working Capital</b>		<b>35.046.925</b>	<b>(36.120.885)</b>
Decrease (Increase) in Financial Investments		150.122	(150.122)
Adjustments for decrease (increase) in trade accounts receivable		14.057.378	(7.934.300)
<i>Decrease (Increase) in Trade Accounts Receivables from Related Parties</i>	6	57.935	3.037.981
<i>Decrease (Increase) in Trade Accounts Receivables from Unrelated Parties</i>	11	13.999.443	(10.972.281)
Adjustments for Decrease (Increase) in Other Receivables Related with Operations		(285.375)	12.560.068
<i>Decrease (Increase) in Other Related Party Receivables Related with Operations</i>	6	(432.797)	12.597.789
<i>Decrease (Increase) in Other Unrelated Party Receivables Related with Operations</i>	13	147.422	(37.721)
Adjustments for decrease (increase) in inventories	16	(31.727)	-
Decrease (Increase) in Prepaid Expenses	18	10.859.621	(10.196.567)
Adjustments for increase (decrease) in trade trade payables		3.378.177	(50.370.214)
<i>Increase (Decrease) in Trade Accounts Payables to Related Parties</i>	6	2.047.646	(32.965.012)
<i>Increase (Decrease) in Trade Accounts Payables to Unrelated Parties</i>	11	1.330.531	(17.405.202)
Increase (Decrease) in Employee Benefit Liabilities	14	27.237	(133.465)
Adjustments for increase (decrease) in other operating payables		4.722.432	4.175.028
<i>Increase (Decrease) in Other Operating Payables to Related Parties</i>	6	1.556.631	1.321.685
<i>Increase (Decrease) in Other Operating Payables to Unrelated Parties</i>	13	3.165.801	2.853.343
Increase (Decrease) in Deferred Income	18	(5.741.350)	4.367.887
Other Adjustments for Other Increase (Decrease) in Working Capital		7.910.410	11.560.800
<i>Decrease (Increase) in Other Assets Related with Operations</i>	22	7.910.410	11.560.800
<b>Cash Flows from (used in) Operations</b>		<b>47.881.180</b>	<b>(124.842.099)</b>
Income taxes refund (paid)		486.927	(965.356)
<b>B. CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>		<b>(69.346.905)</b>	<b>(130.701.787)</b>
Proceeds from sales of property, plant, equipment and intangible assets		(17.131.439)	(19.290.328)
<i>Proceeds from sales of property, plant and equipment</i>	27	(17.131.439)	(19.290.328)
Cash Inflows from Sale of Investment Property	26	400.000	-
Cash Outflows from Acquisition of Investment Property	26	(54.560.886)	(113.376.156)
Dividends received*	29	1.945.420	1.964.697
<b>C. CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		<b>(30.316.250)</b>	<b>213.374.057</b>
Cash Inflows (Outflows) Arising From Borrowings	29	482.154.799	667.638.646
<i>Proceeds from Loans</i>	9	445.913.711	625.586.232
<i>Proceeds from Other Financial Borrowings</i>		36.241.088	42.052.414
Repayments of borrowings		(512.471.049)	(454.264.589)
<i>Proceeds from Financial Borrowings</i>	9	(467.349.473)	(418.752.149)
<i>Cash Outflows from Other Financial Liabilities</i>		(45.121.576)	(35.512.440)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(51.295.048)</b>	<b>(43.135.185)</b>
<b>BEFORE EFFECT OF EXCHANGE RATE CHANGES</b>			
Effect of exchange rate changes on cash and cash equivalents		-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	7	<b>(51.295.048)</b>	<b>(43.135.185)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	7	<b>94.432.417</b>	<b>137.567.602</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>43.137.369</b>	<b>94.432.417</b>

The accompanying notes form an integral part of these unconsolidated financial statements.

**REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR**  
**ENDED 31 DECEMBER 2019**

*(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)*

**1. GROUP'S ORGANIZATION AND NATURE OF OPERATIONS**

The main activity of the Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. ("Company") is to engage objects and fields that is stated in the regulations of the Capital Market Board (CMB) regarding real estate investment trusts and is mainly to invest in real estates, capital market instruments based on real estates, real estate projects and property-based rights. The Company was registered with the Istanbul Trade Registry Office with the registration number 676891 on 3 September 2008.

Reysaş Taşımacılık ve Lojistik Ticaret A.Ş. ("Reysaş Lojistik"), the main shareholder (61.94%) of the company, is registered in Turkey and operates in the address below:

Küçük Çamlıca Mah. Erkan Ocaklı Sok. No:11 34696 Üsküdar/ İstanbul/Türkiye.

As of 2010, the shares, subject to the sale of Company B shares with a nominal value of TL 65.500.000, which were offered to public by increasing the Company's capital, were registered by the CMB on July 6, 2010. These shares were offered to public and started to be traded on Borsa İstanbul (BIST) on 12 July 2010.

As of December 31, 2018, the publicly listed shares of the company are 38,53% of the total shares (31 December 2018: % 38,53) and have been quoted on the Borsa İstanbul ("BIST")

As of 31 December 2019 average number of personnel is 7 (31 December 2018: 9).

The shareholders of the company are as below;

	<b>31 December</b>	<b>Partnership</b>	<b>31 December</b>	<b>Partnership</b>
<b>Capital Structure</b>	<b>2019</b>	<b>interest (%)</b>	<b>2018</b>	<b>interest (%)</b>
Reysaş Taşımacılık ve Lojistik Tic. A.Ş.	152.381.690	61,94	152.381.690	61,94%
Publicly held part	93.618.300	38,06	93.618.300	38,06%
Other	11	0,00	11	0,00%
<b>Paid in Capital</b>	<b>246.000.001</b>	<b>100</b>	<b>246.000.001</b>	<b>100,00%</b>

\*Egemen Döven has the 7,55 % publicly held part of shares.

**2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS**

**A. Basis of Presentation**

**Basis of Presentation of Consolidated Financial Statements**

The Company registered in Turkey maintains their books of account and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code and Tax Legislation.

In accordance with article 5th of the Capital Markets Board ("CMB") Reporting Standards, the entities should apply Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") and its interpretations issued by the Public Oversight Accounting and Auditing Standards Authority. ("POA")

The functional currency of the Company is determined as Turkish Lira ("TL"). Company kept books of account in TL in accordance with the Turkish Commercial Code, Turkish Commercial Code and the Uniform Chart of Accounts issued by the Ministry of Finance.

According to TFRS, the preparation of consolidated financial statements requires estimates and assumptions regarding the amounts for the assets and liabilities at the balance sheet date, explanations for the contingent assets and liabilities as well as the amounts of income and expenses realized in the reporting period.



**REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**  
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**2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**  
**A. Basis of Presentation (cont'd)**

Although these estimates and assumptions are based on the best information held by the Company management, actual results may differ from these. The accounting policies used in the preparation of these consolidated financial statements as of December 31, 2019 are consistent with those used in the preparation of previous year's financial statements.

The consolidated financial statements are prepared on historical cost basis, except for the derivative financial instruments and investment properties carried at fair value.

There are no seasonal and periodic changes that will significantly affect the Company's operations.

**Financial Reporting in Hyperinflationary Economies**

Accordingly, TAS 29, "Financial Reporting in Hyperinflationary Economies" has not been applied in the financial statements for the accounting year commencing from January 1, 2005.

**Comparative information and restatement of prior year financial statements**

Consolidated financial statements of the Company have been prepared comparatively with the prior year in order to give accurate trend analysis regarding financial position and performance. In order to maintain consistency with current year consolidated financial statements, comparative information is reclassified and significant changes are disclosed where necessary.

**Going Concern Explanations**

The financial statements of the Company were prepared according to Going Concern Principle assuming that the Company will benefit from the assets and fulfill the liabilities in the natural flow of operations within one year.

**Netting/Offsetting**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously

**Standards, amendments and interpretations applicable as at 31 December 2019:**

**Amendment to IAS 40, 'Investment property'** relating to transfers of investment property; effective from annual periods beginning on or after 1 January 2019. These amendments clarify that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition. This change must be supported by evidence.

**Amendments to IFRS 2, 'Share based payments on clarifying how to account for certain types of share-based payment transactions;** effective from annual periods beginning on or after 1 January 2018. This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

**REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**  
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**2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**  
**A. Basis of Presentation (cont'd)**

**IAS 28 Investments in associates and joint venture**

Effective from annual periods beginning on or after 1 January 2019. These amendments clarify that companies account for long-term interests in associate or joint venture to which the equity method is not applied using IFRS 9.

**IFRS 9 Financial instruments – Amendments**

Effective from annual periods beginning on or after 1 January 2019. This amendment confirm that when a financial liability measured at amortised cost is modified without this resulting in de-recognition, a gain or loss should be recognised immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. This means that the difference cannot be spread over the remaining life of the instrument which may be a change in practice from TAS 39.

**IFRIC 22 Foreign Currency Transactions and Advance Consideration**

The interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation states that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. The interpretation is effective for annual reporting periods beginning on or after 1 January 2018. Earlier application is permitted.

**IFRIC 23 Uncertainty over income tax treatments**

Effective from annual periods beginning on or after 1 January 2019. This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The IFRS IC had clarified previously that IAS 12, not IAS 37 'Provisions, contingent liabilities and contingent assets', applies to accounting for uncertain income tax treatments. IFRIC 23 explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law.

IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

**Annual improvements 2015-2017**

Effective from annual periods beginning on or after 1 January 2019. These amendments include minor changes to:

- IFRS 3, 'Business combinations'; – a company remeasures its previously held interest in a joint operation when it obtains control of the business.
- IFRS 11, 'Joint arrangements'; – a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- IAS 12, 'Income taxes'; – a company accounts for all income tax consequences of dividend payments in the same way.
- IAS 23, 'Borrowing costs'; – a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

**REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**  
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**2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**  
**A. Basis of Presentation (cont'd)**

-Amendments to IAS 19, 'Employee benefits' on plan amendment, curtailment or settlement'; effective from annual periods beginning on or after 1 January 2019. These amendments require an entity to:

- use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The Company is in the process of assessing the impact of the interpretation on financial position or performance of the Company .

**Changes in Accounting Estimates and Errors**

Effect of changes in accounting estimates, if it is only related to one period, is recognized in the period that the change is made, if it is related with the future periods, is recognized in the current period and also in future periods, prospectively. There is no significant change in accounting estimates of the Company during the current period. When the presentation or classification of financial statements is changed, prior period's financial statements are also reclassified in line with the related changes in order to sustain consistency and all significant changes are explained.

No any changes is made in the Company accounting policies that affects the company's financial position, financial performance and cash flows to be presented preferable and confidential. It is not foreseen that there will be a change in the Company 's accounting policies.

**Transition to IFRS 9 "Financial instruments"**

Company has applied TFRS 9 "Financial instruments", which has replaced TMS 39 on the transition date, 1 January 2019. The amendments include the classification and measurement of financial assets and liabilities and the expected credit risk model which will replace incurred credit risk model. Effect of transition is accounted based on the simplified approach.

In accordance with this method, Company recorded the cumulative effect related to the transition of IFRS 9 in retained earnings on the first application date. Therefore, prior year financial statements are not restated and these financial statements are presented in accordance with IAS 39.

Changes related to the classification of financial assets and liabilities are as follows and these changes in the classification do not result in changes in measurement of assets except for financial assets:

<b>Financial assets</b>	<b>Original classification under IAS 39</b>	<b>New classification under IFRS 9</b>
Cash and cash equivalents	Loans and receivables	Amortized cost
Trade receivables	Loans and receivables	Amortized cost
Financial assets	Available for sale financial assets	Fair value through other comprehensive income
<b>Financial liabilities</b>	<b>Original classification under IAS 39</b>	<b>New classification under IFRS 9</b>
Borrowings	Amortized cost	Amortized cost
Trade payables	Amortized cost	Amortized cost

**REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**  
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**2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

**Transition to IFRS 15 "Revenue from contracts with customers"**

Company has applied IFRS 15 "Revenue from contracts with customers", which has replaced IAS 18, by on the transition date, 1 January 2019. Prior year financial statements are not restated and these financial statements are presented in accordance with IAS 18.

**Consolidation principles**

**Subsidiaries**

Subsidiaries are companies over which the parent company controls the financial and operating policies for the benefit of the parent company, either through the power to exercise more than 50% of the voting rights relating to shares in the companies owned directly and indirectly by itself; or although not having the power to exercise more than 50% of the voting rights, otherwise having the power to exercise control over the financial and operating policies. Subsidiary that shown in Note 1 is consolidated to the financial statements by using fully consolidation method.

**Basis of consolidation**

The portion of the net profit or loss from the consolidated subsidiary which corresponds to the shares out of the subsidiary subject to the consolidation method is presented in the net console as the "Non-controlling interest" account group.

All intra-group transactions and balances including intra-group unrealized profits and losses are eliminated.

- The paid-up capital of the consolidated financial statements is the Company's paid-up capital; there is no paid-up capital of the subsidiary.

- Non-controlling interest in the net assets of consolidated subsidiaries is identified separately from the Company's equity therein. Non-controlling interest consists of the amount of those interests at the date of the original acquisition and the minority's share of changes in equity since the date of the acquisition.

The accounting policies of the subsidiary have been adjusted when necessary to align them with the policies adopted by the Company.

**Business combinations and goodwill**

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses.

Business combinations realized before January 1, 2010 have been accounted for by using the purchase method in the scope of TFRS 3 "Business combinations" prior to amendment. The cost of a business combination is the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquire and in addition, any costs directly attributable to the business combination. If a business combination contract includes clauses that enable adjustments in the cost of business combination depending on events after acquisition date; in case the adjustment is measurable and more probable than not, than cost of business combination at acquisition date is adjusted.

Any excess of the cost of acquisition over the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill in the consolidated financial statements.

**REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**  
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**2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

Goodwill recognized in business combinations is tested for impairment annually (as of December 31) or more frequently if events or changes in circumstances indicate impairment, instead of amortization (Note 14). Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

The revised TFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill).

**B.Statements of Compliance with IAS**

The accompanying condensed interim financial statements are prepared in accordance with the Communiqué numbered II-14.1, "Basis for Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013.

**B.Statements of Compliance with IAS**

According to Article 5 of the Communiqué, consolidated financial statements are prepared in accordance with the Turkish Accounting Standards issued by Public Oversight Accounting and Auditing Standards Authority ("POAASA"). TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations ("IFRIC").

The Company's condensed interim financial statements as at 31 December 2018 have been approved by the Board of Directors and authorization for issue has been given on February 13, 2019. The General Assembly and/or legal authorities has the power to amend the accompanying condensed interim financial statements after their issue.

**C. Changes in accounting policy**

No any changes is made in the Company accounting policies that affects the company's financial position, financial performance and cash flows to be presented preferable and confidential. It is not foreseen that there will be a change in the Company 's accounting policies.

**D. Changes in Accounting Estimates and Errors**

Effect of changes in accounting estimates, if it is only related to one period, is recognized in the period that the change is made, if it is related with the future periods, is recognized in the current period and also in future periods, prospectively. There is no significant change in accounting estimates of the Company during the current period. When the presentation or classification of financial statements is changed, prior period's financial statements are also reclassified in line with the related changes in order to sustain consistency and all significant changes are explained.

## **2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

### **E. Summary of Significant Accounting Policies**

#### **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less (Note 4). For the purpose of consolidated statements of cash flows, cash and cash equivalents includes cash and cash equivalents with original maturities less than three months, excluding the interest accruals. If any provision provided to the cash and cash equivalents as a result of a specific events, Company measures expected credit loss from these cash and cash equivalents by the life-time expected credit loss. The calculation of expected credit loss is performed based on the past experience of the Company and its expectations for the future indications.

#### **Financial instruments**

The nature of any derivatives embedded in the debt investment are considered in determining whether the cash flows of the investment are solely payment of principal and interest on the principal outstanding and are not accounted for separately.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the financial asset is derecognised or impaired and through the amortisation process using the effective interest rate method.

#### **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

According to IFRS 9 as from 1 January 2010, the group classifies its financial assets in the following categories: those to be measured subsequently at fair value, and those to be measured at amortised cost. This classification depends on whether the financial asset is a debt or equity investment.

##### **(a) Financial assets at amortised cost**

A debt investment is classified as 'amortised cost' only if both of the following criteria are met: the objective of the group's business model is to hold the asset to collect the contractual cash flows; and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

##### **(b) Financial assets at fair value**

If either of the two criteria above are not met, the debt instrument is classified as 'fair value through profit or loss. The Company has classified their financial assets as financial assets to be measured at fair value.

Regular purchases and sales of financial assets are recognised on the trade-date — the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

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**2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

**E. Summary of Significant Accounting Policies**

At initial recognition, the group measures a financial asset at its fair value. A gain or loss on a debt investment that is subsequently measured at fair value and is not part of a hedging relationship is recognised in profit or loss and presented in the consolidated statement of profit or loss within income / (expenses) from investing activities in the period in which they arise.

The Company is required to reclassify all affected debt investments when and only when its business model for managing those assets changes.

**Revenue and Income**

Revenue are measured on fair value of amount will be or have been charged. Estimated customer returns, rebates and provisions are deducted from the amount.

Sale of goods;

Proceeds from the sale of goods, is recognized when all the following conditions are met:

- Company all the significant risks and rewards of ownership are transferred to the buyer
- The Company 's and the continuing managerial involvement usually associated with ownership and effective control over the goods sold are the lack of
- The amount of revenue can be measured reliably
- The economic benefits associated with the transaction will flow to the entity being possible, and transaction costs incurred or to be incurred in a reliable way of measuring.

Rendering of services;

Revenue is recognized by reference to the stage of completion.

**Investments valued by equity method**

According to the IAS 28, 'Investments in associates and joint venture'; companies accounted for by the equity method for long-term interests in associate or joint venture.

- a) Arı Lojistik İnşaat Sanayi ve Ticaret Anonim Şirketi ("Subsidiary") is a registered company established in İstanbul on 11.04.1986 which the main activity is to make agency, dealership operations and distributorship to make, transport and storage of the commodity to provide business. On 22 February 2011, the Company participated in Arı Lojistik İnşaat Sanayi ve Ticaret Anonim Şirketi at a rate of 16.67%.

According to the resolution of the Board of Directors as of 28 March 2013, Arı Lojistik İnşaat Sanayi ve Ticaret A.Ş., the subsidiary of Reysaş Taşımacılık ve Lojistik Ticaret A.Ş., that has a nominal value of TL 3.050.000, representing 33.33% of its capital has purchased from Reysaş Taşımacılık ve Lojistik Ticaret A.Ş. over the value of TL 16.836.000 which is determined by the independent company valuation work. After this purchase, Reysaş Taşımacılık ve Lojistik Ticaret A.Ş. has no any shares at

Arı Lojistik İnş. San.ve Tic. A.Ş.'s capital and the shareholding of Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. reached 50%.

The Company has valued its subsidiary Arı Lojistik İnşaat Sanayi ve Ticaret Anonim Şirketi by the Equity Method and detailed information is given in the notes of investments valued by equity method.

## **2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

### **E. Summary of Significant Accounting Policies**

b) In accordance with the resolution of the Board of Directors dated 29.12.2017 and numbered 415; It has been decided that the remaining 65.79% of the capital of Reysaş Turizm Yatırımları ve Tic.Ltd.Şti, will be purchased from Reysaş Taşımacılık ve Lojistik Tic.A.Ş at a price of TL 21.416.710. This transaction, which is a merger subject to jointly controlled entity, was accounted for by the 'Consolidation of Rights' method under the 'Effects of Combinations of Entities or Businesses Under Common Control' account in accordance with the decision of the Council of Directors numbered 2013-2.

Reysaş Turizm Yatırımları and its financial statements, which are followed under the 'Investments Accounted by Equity Method' in previous years, have been consolidated by using the full consolidated method as of 2017.

#### **Construction contract activities**

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.

Revenue arising from cost plus fee contracts is recognized on the basis of costs incurred plus a percentage of the contract fee earned during the year.

Contract costs include all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs and depreciation costs.

Selling, general and administrative expenses are charged to the consolidated statement of profit or loss as incurred. Provisions for estimated losses on uncompleted contracts are made in full, in the period in which such losses are determined.

#### **Construction contract activities**

Changes in job performance, job conditions and estimated profitability, including those arising from contract penalty provisions and final contract settlements may result in revisions to costs and income and are recognized in the period in which the revisions are determined. Profit incentives are included in revenues when their realization is reasonably assured.

Costs and estimated earnings in excess of billings on uncompleted contracts represent revenues recognized in excess of amounts billed. Billings in excess of costs and estimated earnings on uncompleted contracts represent billings in excess of revenues recognized.

#### **Interest income**

Interest income and expenses are recognized in the consolidated statement of profit or loss on an accrual basis taking into account the effective yield on the asset.

#### **Inventories:**

Inventories are valued according to cost or new realizable values whichever is lower. Costs which include fixed or variable general production expenses are valued according to method which is suitable with the inventories' belonged class and weighted average method. Net realizable value is achieved by deducting approximate completion cost and total costs for selling from sales value of trade activity.



## **2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

### **E. Summary of Significant Accounting Policies (cont'd)**

#### **Tangible Assets**

Physical assets which is held and estimated to be used more than a period of time by the Company , for the purpose of producing goods and services or for administrative purposes are expressed with their cost values within the scope of cost model.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to the consolidated statements of profit or loss during the financial period in which they are incurred. The costs of major renovations are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company . Leasehold improvements consist of expenditures made to rented property. Leasehold improvements are amortised during the lease term in case the useful life is longer than the lease term. Furthermore leasehold improvements are amortised over their useful lives in case the useful life is shorter than the lease term.

As the similar depreciation method used for other fixed assets, depreciation of such assets begins when they are available for use.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method. Expected useful life, residual value and depreciation method are reviewed each year for the possible effects of changes in estimates, and they are recognized prospectively if there are any changes in estimates. (Note 16).

#### *Cost Method*

Tangible fixed assets reported at cost less accumulated depreciation and accumulated impairment losses, on the same basis.

Rental or administrative purposes, or for purposes not yet determined the course of construction assets are carried at cost less any recognized impairment loss. The cost of legal fees are also included. Such assets, the depreciation method used for other fixed assets, as well as when they are ready for use are depreciated. Land and construction in progress, except for the cost of tangible fixed assets to their estimated useful lives are amortized using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at each year for the possible effects of changes in estimates if a change in estimate being accounted for on a prospective basis.

Disposal of tangible fixed assets of the asset, or a gain or loss arising on the difference between the sales proceeds and the carrying amount of the asset is included in the income statement is determined.

#### **Intangible Assets**

##### *Intangible Assets Acquired*

Intangible assets acquired separately are carried at cost, less accumulated amortization and any accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. Estimated useful life and amortization method are reviewed at the end of each year and the effect of any change in the estimate is accounted for on a prospective basis.

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**2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

*Computer Software*

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

*Derecognition of intangible assets*

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the differences between the net disposal proceeds and the carrying amount of the asset. The difference is recognized in the statement of profit or loss when the asset is derecognized.

**Investment Properties**

Investment property comprises the properties held in order to acquire lease and/or value increment earning and is indicated with the cost value and other transaction costs involved. Investment properties are accounted for using the fair value model at the financial statements.

In case investment property is sold or becomes useless and is determined that it would not provide any economic benefit in the future it may be derecognized. Profit/Loss resulted from the end of usage period or sale of any investment property is included in the income statement in the period is generated.

*Fair Value Method*

Company operations after the initial recognition, the fair value method chosen and the fair value of investment property was measured by the method (Note 15).

The fair value of investment property gain or loss arising from the change in profit or loss in the period they occur are included.

Transfers, there is a change in use of the investment property is made. Fair value based on the monitored investment property, the owner, used by real estate class made a transfer, the transfer made after accounting treatment deemed cost at the aforementioned property's use shape change at the dates the fair value is. The owner used by a property's fair value basis to display an investment property if it converts , business , change in use occurred up to the date "Tangible Assets" in the accounting policy applies .

Real estate is located in the Company 's own use of tangible fixed assets have been reclassified.

**Impairment of Assets**

Assets that have an indefinite useful life are not subject to amortization of goodwill. These assets are tested for impairment annually. The carrying value of assets subject to amortization may not be recoverable in the event of a situation or events are reviewed for impairment. If the carrying amount exceeds the recoverable amount of the asset is recognized for the impairment. The recoverable amount is fair value less costs to sell or value in use is the one obtained. For purposes of assessing impairment, assets are grouped at the lowest level of identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting.

## **2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

### **E. Summary of Significant Accounting Policies (cont'd)**

#### **Leases**

Operating leases

The Company as the lessee

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

#### **Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, one that takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset in the period in which the asset is prepared for its intended use or sale. Borrowing costs that are not in this scope are recognized directly in the income statement. Borrowing costs are recognized directly in the income statement.

#### **Related Parties**

Related parties of the Company 's shareholding, contractual rights, the opposite side of the family relationship or otherwise, directly or indirectly, control or significantly influence the team includes a. The accompanying consolidated financial statements of the Company companies are owned by shareholders and the shareholders of which are known to be associated with key management personnel and other companies are defined as related parties

Presence of one of the following criteria, are considered related party to the Company :

i) Use directly, or indirectly through one or more intermediaries:

- Controls the Company , or is controlled by the Company
- Is under common control with the Company (parent, subsidiaries and fellow subsidiaries, including the same);
- Has an interest in the Company that gives it significant influence over, or has joint control over the Company ;

ii) the party is an associate of the Company ;

iii) the party is a joint venture of the Company is a venturer;

iv) the party is a member of the key management personnel of the Company or its parent;

v) the (i) or (iv) above, any individual is a close family member. vi) the entity that is controlled, jointly controlled or significantly influenced by, or (iv) or

(v) directly or indirectly, any individual referred to in Articles important to have an entity that is entitled to vote, or vii) the party is an entity that is a related party of the company or for the benefit of employees of the entity must have plans.

Related party transactions between related parties, resources, services or obligations, regardless of whether a price is charged to transfer.

## **2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

### **E. Summary of Significant Accounting Policies (cont'd)**

#### **Impairment of financial assets**

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets measured at amortised cost is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties;
- or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  - adverse changes in the payment status of borrowers in the portfolio; and
  - national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Company first assesses whether objective evidence of impairment exists.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profit or loss.

#### **Financial liabilities**

Financial liabilities and equity instruments issued by the Company is classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

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**2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

**E. Summary of Significant Accounting Policies (cont'd)**

The accounting policies adopted for specific financial liabilities and equity instruments are set out below. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

*Financial liabilities at fair value through profit and loss*

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

*Other financial liabilities*

Other financial liabilities, including financial liabilities, are initially accounted for at fair value net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method plus the interest expense recognized on an effective yield basis.

The effective interest method calculates the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate discounts the estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

*Trade Payables*

Trade payables are payments to be made arising from the purchase of goods and services from suppliers within the ordinary course of business. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. (Note 9)

**Effects of Changes in Foreign Exchange**

The individual financial statements of each Company entity operates in the currency of the primary economic environment (functional currency) are presented. Each company's financial condition and results of operations of the Company, which is the functional currency and the presentation currency for the consolidated financial statements are expressed in TL.

During the preparation of the financial statements of the individual entities, denominated in foreign currencies (currencies other than TL) from the transactions, foreign exchange rates prevailing at the transaction date are recorded at. In the balance sheet foreign currency denominated monetary assets and liabilities using the exchange rates prevailing at the balance sheet date are translated into TL. Followed by the fair value of nonmonetary items denominated in foreign currencies which are those recorded at fair value as determined by rates prevailing on the date are retranslated. Measured in terms of historical cost in a foreign currency non-monetary items, are not retranslated.

Exchange differences, except as specified below, are recognized in profit or loss in the period in which they occur:

- Assets under construction for future productive use, which are associated with and on foreign currency borrowings are regarded as an adjustment to interest costs and the cost of such assets are included in the exchange rate differences,

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**2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

**E. Summary of Significant Accounting Policies (cont'd)**

- Risks arising from foreign currency (providing financial protection against risks related to the accounting policies described below) to provide financial protection against exchange differences arising from the operation,

In overseas activities of the net investment, forming part accounted in translation reserves and net investment in sales profit or loss associated with the unpaid intention or unlikely overseas operations arising from the monetary receivables and payables arising from exchange rate differences.

**Earnings per share**

Earnings per share presented in the consolidated statements of profit or loss are determined by dividing consolidated net income attributable to that class of shares by the weighted average number of such shares outstanding during the year concerned.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings or inflation adjustments. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them retroactive effect for the year in which they were issued and for each earlier period.

Shareholders have equal rights on the shares and there is no preferred share (Note 34).

**Events after the Reporting Period**

Events after the reporting period, the balance date and the date of approval of the financial statements to be published, in favor or against the Company refers to events that occur. According to perform smoothing, two types of situations can be identified:

- Events that require adjustment after the reporting period, the balance sheet date of the relevant facts showing there is evidence that the conditions of the situation,
- Related events that occur after the reporting period showing improvements (non-adjusting events after the reporting period)

The accompanying financial statements of the Company in the reporting period, adjusting subsequent events have been registered and non-adjusting events after the reporting period are shown in the notes (Note 37).

**Provisions, Contingent Liabilities and Contingent Assets**

*Provisions*

There is a present legal or constructive obligation as a result of past events, and resources embodying economic benefits to settle the obligation and it is probable that they kept the company is expected to have a safe manner in the event of liability should be recognized in the consolidated financial statements. The provisions of the expenditure required to settle the obligation at the balance sheet date, with the most realistic estimates calculated by the Company's management and are discounted to present value where the effect is material.

## **2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

### **E. Summary of Significant Accounting Policies (cont'd)**

#### *Contingent Liabilities*

Obligations under this group, within the control of the entity arising from past events, and the presence of one or more uncertain future events on the realization of the non-existence will be confirmed as the assessed liabilities. Contingent liabilities are not included in the consolidated financial statements. Because, to settle the obligation, have the possibility of an outflow of resources embodying economic benefits or the amount of obligation cannot be measured with sufficient reliability. Too far from the entity of resources embodying economic benefits likely to come out, unless the notes to the consolidated financial statements show that conditional obligations (Note 19).

#### *Contingent Assets*

The Company within the control of the entity arising from past events, and the presence of one or more uncertain events, which will be confirmed by the realization of assets, is considered as a contingent asset. If an inflow of resources embodying economic benefits is not certain contingent assets described in the notes to the consolidated financial statements.

All of the economic benefits required to settle a provision are expected to be part of the cases, which shall be collected by third parties, it is virtually certain that reimbursement will be received and the amount of the event can be measured reliably, are recognized and reported as an asset.

#### **Government Grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions (Note 22).

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight- line basis over the expected lives of the related assets, or alternatively netted off with the cost of related asset.

#### **Current and Deferred Income Tax**

The tax expense for the year comprises current and deferred tax. Tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized directly in equity. In such case, the tax is also recognized in shareholders' equity (Note 29).

The current income tax charge is calculated in accordance with the tax laws enacted or substantively enacted at the balance sheet date in the countries where the subsidiaries of the Company operate.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date.

The principal temporary differences arise from the carrying values of property, plant and equipment and available-for-sale-investments and their historical costs, various provisions and unused tax allowances and exemptions.

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**2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

**E. Summary of Significant Accounting Policies (cont'd)**

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities, and deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax has not been calculated because the Company's corporate income is exempted from Corporate Tax pursuant to Article 5 of the Corporate Tax Law.

**Employment Termination Benefits**

Employment termination benefits, as required by the Turkish Labor Law and the laws applicable in the countries where the subsidiaries operate, represent the estimated present value of the total reserve of the future probable obligation of the Company arising in case of the retirement of the employees, termination of employment without due cause, call for military service, be retired or death upon the completion of a minimum one year service. Provision which is allocated by using defined benefit pension's current value is calculated by using prescribed liability method. Actuarial gains and losses are recognized as other comprehensive income or loss in shareholders' equity in the period in which they arise (Note 14).

**Reporting of Cash Flows**

The Company 's net assets, financial structure, and the ability to affect the amounts and timing of cash flows, financial statement users to provide information about the cash flow statement holds. Cash flow statement, cash flows from operating, investing and financing activities are classified. Cash flows from operating activities, cash flows from operating activities of the Company .

From investing activities Cash flows from investing activities (fixed asset investments and financial investments) and the cash flows. Cash flows related to financing activities, the resources used in financing activities of the Company and repayments. Cash and cash equivalents include cash, bank deposits and investments that are readily convertible into cash at short-term, highly liquid investments with original maturities of three months or less.

**Capital and Dividends**

Ordinary shares are classified as owner's equity. Dividends books after deducted from accumulated profit.

**F. Significant Accounting Estimates**

The preparation of consolidated financial statements requires management to affect the reported amounts of assets and liabilities in the balance sheet at the date of the possible liabilities and commitments and the amounts of revenue and expenses during the reporting period required to make certain assumptions and estimates. These estimates and assumptions are based on management's best knowledge of current events and transactions despite the actual results may vary. Estimates are revised regularly and any necessary corrections are made and are reflected in the income statement in the periods. Critical judgments in applying the Company 's accounting policies Summary of Significant



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**2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**

**E. Summary of Significant Accounting Policies (cont'd)**

Accounting Policies in the process of applying the accounting policies specified in management, with a significant impact on the amounts recognized in the financial statements (other than the estimates discussed below) made the following comments:

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below

- a) Estimates have been used within the scope of IAS 15 "Construction Contracts" when the total cost of the project and project profitability are determined.
- b) A deferred tax asset is recognized only to the extent that it is probable that a tax benefit will be realized in the future. If it is probable that a tax benefit will be realized, a deferred tax asset is recognized on unused tax losses, unused tax credits and other deductible temporary differences. As at 31 December 2018 with the expectation to recover certain part of its tax losses carried forward, the Company has recognized deferred tax assets on statutory tax losses available for offsetting with future statutory taxable profits.
- c) Severance pay provision calculates under actuarial estimations (discount rate, future salary increases and employee leave rate)
- d) Doubtful receivable provisions reflects future loss of possible uncollectible receivable amounts as at balance sheet date. While the determination impairment of receivables, past performance of third party receivables, market credibility's and performances from balance sheet date until the confirmation of financial statements taking into consideration.
- e) Inventory impairment calculates by using list price after discounts. Sales price imponderable inventories evaluated by determining of waiting time of inventories, physical conditions and technical staff opinion. Provision made if net realizable value under the cost value.
- f) While the determination provision for lawsuits, Company 's legal advisors and Company Management's opinions regarding possibility of lose lawsuits and liabilities in case of lose took into consodiration. Company Management determines lawsuit provision according to best estimations.

**3. BUSINESS COMBINATIONS**

a) According to the resolution of Board of Directors dated December 18,2015, the Company decided to purchase 34.21% of the shares of Reysaş Turizm Yatırımları ve Tic. Ltd. Şti, which is 100% of the capital of Reysaş Taşımacılık ve Lojistik Ticaret A.Ş. In the valuation report dated 15.12.2015 and dated YMM.ÖA.466.1618.437 / 027 issued by Türkmen Bağımsız Denetim ve YMM A.Ş. the value of Reysaş Turizm Yatırımları ve Tic. Ltd. Şti is determined as 40.295.922 TL. Based on the valuation report, as of 21.12.2015 the Company purchased 34,21% of Reysaş Turizm Yatırımları ve Tic. Ltd. Şti's shares for TL 13.785.447.

The Company has decided to purchase all remaining shares (65.79%). In the valuation report dated 31.12.2017 prepared by CPATURK Bağımsız Denetim ve YMM A.Ş, the value of Reysaş Turizm Yatırımları ve Tic. Ltd. Şti is determined as TL 32.553.134. Based on the valuation report, the Company purchased 65.79% of Reysaş Turizm Yatırımları's shares as of 31.12.2017 for TL 21.416.710.

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**3.BUSINESS COMBINATIONS (cont'd)**

This transaction, which is a merger subject to jointly controlled entity, was accounted for by the "Consolidation of Rights" method in accordance with the decision of the Council of Directors numbered 2013-2. Consequently, the assets and liabilities of Reysaş Turizm Yatırımları ve Tic.Ltd.Şti are recorded at their cost values and the difference between the amount paid and the net asset amount is accounted for under the "Effects of Combinations of Entities or Businesses Under Common Control" account.(Note 25)

b) The company, with the resolution of Board of Directors dated February 22, 2011, has purchased Arı Lojistik İnşaat Sanayi ve Ticaret A.Ş.'s, the subsidiary of Reysaş Taşımacılık ve Lojistik Ticaret A.Ş., %16,67 of shares with the nominal value of 1.525.305 TL for 4.127.642 TL which is determined by a independent valuation work.

According to the resolution of the Board of Directors as of 28 March 2013, Arı Lojistik İnşaat Sanayi ve Ticaret A.Ş., the subsidiary of Reysaş Taşımacılık ve Lojistik Ticaret A.Ş., that has a nominal value of TL 3.050.000, representing 33.33% of its capital has purchased from Reysaş Taşımacılık ve Lojistik Ticaret A.Ş. over the value of TL 16.836.000 which is determined by the independent company valuation work. After this purchase, Reysaş Taşımacılık ve Lojistik Ticaret A.Ş. has no any shares at Arı Lojistik İnş. San.ve Tic. A.Ş.'s capital and the shareholding of Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. reached 50%.

**4. INTEREST IN OTHER ENTITIES**

None. (31.12.2018: None).

**5. SEGMENT REPORTING**

In accordance with the resolutions of the Board of Directors, the chairman and members of the Board of Directors are responsible for allocating resources to the Company , making decisions regarding the activities and evaluating the performance of the Company . Since the Company 's activity is to invest in real estates, capital market instruments based on real estates, real estate projects and rights based on real estates, there have not been different types of goods and services and there have not been any activity in different areas. Therefore, there have not been reporting according to operating segments in the Company 's financial statements. (31 December 2018: None.)

**6. RELATED PARTY DISCLOSURES**

Related parties of the Company 's shareholding, contractual rights, the opposite side of the family relationship or otherwise, directly or indirectly, control or significantly influence the team includes a The accompanying consolidated financial statements of the Company companies are owned by shareholders and the shareholders of which are known to be associated with key management personnel and other companies are defined as related parties

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**6. RELATED PARTY DISCLOSURES (Cont'd)**

**a) Related party transactions;**

<b>31 December 2019</b>	<b>Trade Receivables</b>	<b>Other Receivables</b>	<b>Prepaid Expenses</b>	<b>Trade Payables</b>	<b>Other Payables</b>
<b>Related Parties</b>					
Arı Lojistik İnşaat San. ve Ticaret A.Ş.	-	395.037	-	-	4.531.889
Reysaş Taşımacılık ve Loj. A.Ş.	-	-	-	8.274.060	-
Other	801.103	-	144.274	83.104	-
Minus: Related Parties Deferred Finance Income	(2.861)	-	-	(85.693)	-
Advances Given to Personnel	-	-	7.375	-	-
<b>Total</b>	<b>798.242</b>	<b>395.037</b>	<b>151.649</b>	<b>8.271.471</b>	<b>4.531.889</b>

<b>31 December 2018</b>	<b>Trade Receivables</b>	<b>Other Receivables</b>	<b>Prepaid Expenses</b>	<b>Trade Payables</b>	<b>Other Payables</b>
<b>Related Parties</b>					
Arı Lojistik İnşaat San. ve Ticaret A.Ş.	-	-	-	-	2.975.258
Reysaş Taşımacılık ve Loj. A.Ş.	-	-	-	1.392.232	-
Emir İstif Mak. San. ve Tic. Ltd. Şti.	859.038	-	-	-	-
Remkar Taşımacılık ve Danışmanlık Ltd. Şti.	-	-	10.452.701	-	-
Reysaş Taşıt Muayene İstasyonları İşletim A.Ş.	-	-	-	4.917.286	-
Minus: Related Parties Deferred Finance Expense (-)	(4.509)	-	-	(14.762)	-
Advances Given to Personnel	-	-	9.000	-	-
<b>Total</b>	<b>854.529</b>	<b>-</b>	<b>10.461.701</b>	<b>6.294.756</b>	<b>2.975.258</b>

**b) Purchases from and sales to related parties;**

**Purchases from related parties**

**31 December 2019**

<b>Related Parties</b>	<b>Maintenance and Repair</b>	<b>Real Estate Purchases</b>	<b>Interest</b>	<b>Other</b>	<b>Total</b>
Reysaş Taşımacılık ve Loj. A.Ş.	-	-	3.841.235	1.031.106	4.872.340
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3.841.235</b>	<b>1.031.106</b>	<b>4.872.340</b>

**31 December 2018**

<b>Related Parties</b>	<b>Maintenance and Repair</b>	<b>Real Estate Purchases</b>	<b>Interest</b>	<b>Other</b>	<b>Total</b>
Reysaş Taşımacılık ve Loj. A.Ş.	56.850	-	440.789	1.270.431	1.768.071
Reysaş Taşıt Muayene İstasyonları İşletim A.Ş.	-	6.550.000	-	-	6.550.000
Kolay Depo Depolama A.Ş.	-	-	-	48.558	48.558
Elmas Hizmet Tedarik Tic. Ltd. Şti.	532.000	-	-	-	532.000
Remkar Taşımacılık ve Danışmanlık Ltd. Şti.	16.291.237	54.267.635	-	246.779	70.805.650
<b>Total</b>	<b>16.880.087</b>	<b>60.817.635</b>	<b>440.789</b>	<b>1.565.768</b>	<b>79.704.279</b>

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**6. RELATED PARTY DISCLOSURES (cont'd)**

**Sales to related parties**

**31 December 2019**

<b>Related Parties</b>	<b>Rent- Warehouse Services</b>	<b>Real Estate Sales</b>	<b>Interest</b>	<b>Other</b>	<b>Total</b>
Reysaş Taşıt Muayene İstasyonları İşletim A.Ş.	2.431.740	-	-	-	2.431.740
Rey Otel Turizm İşletmeciliği Ve Tic. A.Ş.	4.951.830	-	-	-	4.951.830
Reysaş Taşımacılık Ve Lojistik Tic. A.Ş.	16.990.077	-	1.404.731	-	18.394.808
Diğer	882.781	-	26.656	-	909.437
<b>Total</b>	<b>25.256.428</b>	<b>-</b>	<b>1.431.387</b>	<b>-</b>	<b>26.687.815</b>

**31 December 2018**

<b>Related Parties</b>	<b>Rent- Warehouse Services</b>	<b>Real Estate Sales</b>	<b>Interest</b>	<b>Other</b>	<b>Total</b>
Reysaş Taşımacılık ve Loj. A.Ş.	8.659.540	-	2.723.104	-	11.382.644
Kolay Depo Depolama A.Ş.	157.373	-	-	-	157.373
Çavuşoğlu Yapı End.Tic. Ltd. Şti.	-	-	1.326.467	-	1.326.467
Elmas Hizmet Tedarik Tic. Ltd. Şti.	-	-	2.276.495	-	2.276.495
Reysaş Taşıt Muayene İstasyonları İşletim A.Ş.	600.000	-	78.656	-	678.656
Emir İstif Makinaları San. Ve Tic. A.Ş.	21.365	-	139.968	-	161.333
Reyline Uluslararası Taşımacılık Ltd.Şti	466.511	-	39.867	-	506.378
Rey Otel Turizm İşletmeciliği Tic. A.Ş.	3.900.000	-	-	-	3.900.000
Remkar Taşımacılık ve Danışmanlık Ltd. Şti.	-	-	-	1.160.808	1.160.808
<b>Total</b>	<b>13.804.789</b>	<b>-</b>	<b>6.584.557</b>	<b>1.160.808</b>	<b>21.550.154</b>

**c) Wages and remunerations paid to key management:**

As of 31 December 2019, total amount of wages and remunerations paid to key management is 229.217 TL. (31 December 2018: 297.464 TL)

**7. CASH AND CASH EQUIVALENTS**

	<b><u>December 31, 2019</u></b>	<b><u>December 31, 2018</u></b>
Cash at banks		
- Time deposits	1.815.478	1.953.572
- Demand deposits	41.321.891	92.478.845
<b>Total</b>	<b>43.137.369</b>	<b>94.432.417</b>

The maturity breakdown deposits are as of December 31, 2019 and December 31, 2018 as follows;

<b><u>Currency</u></b>	<b><u>Avarege Maturity Date</u></b>	<b><u>Interest Rate (%)</u></b>	<b><u>Amount</u></b>	<b><u>31.12.2019 TL Equivalent</u></b>
TL	22 gün	10,89-12,12%	29.101.637	29.101.637
USD	24 gün	2,33%	716.824	4.258.080
EURO	13 gün	0,67%	1.197.211	7.962.174
<b>Total</b>				<b>41.321.891</b>

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**7.CASH AND CASH EQUIVALENTS (Cont'd)**

<u>Currency</u>	<u>Avarege</u> <u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Amount</u>	<u>31.12.2018 TL</u> <u>Equivalent</u>
TL	2 gün	24,53%	10.349.651	10.349.651
USD	11 gün	4,18-4,33%	15.611.244	82.129.194
<b>Total</b>				<b>92.478.845</b>

**8. FINANCIAL INVESTMENTS**

**Short-term financial investments**

None. In the previous period, the Company has TL 150.122 of financing bills issued by Vakıfbank.

**Long-term financial investments**

None (31.12.2018: None).

**9. FINANCIAL LIABILITIES**

As of December 31,2019 and 2018 short and long-term bank borrowings are summarized as below:

**Short term borrowings**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Bank borrowings	399.893.132	348.695.415
Leasing payables	32.048.803	29.293.222
<b>Total</b>	<b>431.941.935</b>	<b>377.988.637</b>

**Long term borrowings**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Bank borrowings	590.568.151	658.968.786
Leasing payables	39.640.640	51.043.543
<b>Total</b>	<b>630.208.791</b>	<b>710.012.329</b>

**Bank loans:**

As of 31 December 2019 short-term bank borrowings are summarized as below:

<u>Currency</u>	<u>Total Amount</u>	<u>Internal Rate of Return</u>	<u>TL Equivalent</u>
TL	176.696.021	%9,9-%37,88	176.696.021
EURO	14.941.242	%4,23-%10,0	99.368.222
USD	20.845.912	%2,23-%8,98	123.828.889
<b>Total</b>			<b>399.893.132</b>

As of 31 December 2018 short-term bank borrowings are summarized as below:

<u>Currency</u>	<u>Total Amount</u>	<u>Internal Rate of Return</u>	<u>TL Equivalent</u>
TL	148.082.233	%12,49-%18,90	148.082.233
EURO	13.741.738	%4,23-%7,81	82.835.194
USD	22.387.422	%3,43-%9,55	117.777.988
<b>Total</b>			<b>348.695.415</b>

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As of 31 December 2019 long-term bank borrowings are summarized as below:

<b><u>Currency</u></b>	<b><u>Total Amount</u></b>	<b><u>Internal Rate of Return</u></b>	<b><u>TL Equivalent</u></b>
TL	131.926.722	%9,9-%37,88	131.926.722
EURO	34.955.247	%4,23-%10,0	232.473.363
USD	38.074.150	%2,23-%8,98	226.168.066
<b>Total</b>			<b>590.568.151</b>

**9. FINANCIAL LIABILITIES (Cont'd)**

As of 31 December 2018 long-term bank borrowings are summarized as below:

<b><u>Currency</u></b>	<b><u>Total Amount</u></b>	<b><u>Internal Rate of Return</u></b>	<b><u>TL Equivalent</u></b>
TL	160.485.524	%12,49-%18,90	160.485.524
EURO	35.515.868	%4,23-%7,81	214.089.649
USD	54.057.977	%3,43-%9,55	284.393.613
<b>Total</b>			<b>658.968.786</b>

The analysis of borrowings in terms of periods remaining to contractual re-pricing dates is as follows:

	<b><u>December 31, 2019</u></b>	<b><u>December 31, 2018</u></b>
Up to 3 months	129.923.093	93.181.185
3 - 12 months	269.970.039	255.514.230
1-5 years	579.565.826	624.998.232
Over 5 years	11.002.325	33.970.554
<b>Total</b>	<b>990.461.283</b>	<b>1.007.664.201</b>

**Leasing payables**

As of 31 December 2019 the details of short term leasing payables are summarized as below:

<b><u>Currency</u></b>	<b><u>Total Amount</u></b>	<b><u>Internal Rate of Return</u></b>	<b><u>TL Equivalent</u></b>
TL	19.308.157	%13,42-%24,20	19.308.157
EURO	1.915.714	%3,09-%12,66	12.740.646
<b>Total</b>			<b>32.048.803</b>

As of 31 December 2018 the details of short term leasing payables are summarized as below:

<b><u>Currency</u></b>	<b><u>Total Amount</u></b>	<b><u>Internal Rate of Return</u></b>	<b><u>TL Equivalent</u></b>
TL	22.108.972	%13,42-%24,20	22.108.972
EURO	1.191.813	%3,26-%6,83	7.184.250
<b>Total</b>			<b>29.293.222</b>

As of 31 December 2019 the details of long term leasing payables are summarized as below:

<b><u>Currency</u></b>	<b><u>Total Amount</u></b>	<b><u>Internal Rate of Return</u></b>	<b><u>TL Equivalent</u></b>
TL	16.648.221	%13,42-%24,20	16.648.221
EURO	3.457.195	%3,09-%12,66	22.992.419
<b>Total</b>			<b>39.640.640</b>

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**9. FINANCIAL LIABILITIES (Cont'd)**

As of 31 December 2018 the details of long term leasing payables are summarized as below:

<b>Currency</b>	<b>Total Amount</b>	<b>Internal Rate of Return</b>	<b>TL Equivalent</b>
TL	32.943.669	%13,42-%24,20	32.943.669
EURO	3.002.633	%3,26-%6,83	18.099.874
<b>Total</b>			<b>51.043.543</b>

The analysis of borrowings in terms of periods remaining to contractual re-pricing dates is as follows:

	<b>December 31, 2019</b>	<b>December 31, 2018</b>
Up to 3 months	8.181.664	6.857.066
3 - 12 months	23.773.984	22.436.156
1-5 years	39.733.795	51.043.543
Over 5 years	-	-
<b>Total</b>	<b>71.689.443</b>	<b>80.336.765</b>

**10. OTHER FINANCIAL LIABILITIES**

None. (31.12.2018: None).

**11. TRADE RECEIVABLES AND PAYABLES**

**a) Short Term Trade Receivables:**

Details of Company 's trade receivables as of balance sheet date:

<b>Short-term trade receivables</b>	<b>December 31, 2019</b>	<b>December 31, 2018</b>
Trade receivables	7.543.804	12.591.771
Notes receivables	2.874.643	11.826.119
Unearned credit finance income (-)	(148.681)	(685.432)
Doubtful receivables	6.767.642	212.912
Provision for doubtful receivables (-)	(6.767.642)	(212.912)
<b>Sub-total</b>	<b>10.269.766</b>	<b>23.732.458</b>
Due from related parties (Note 6)	801.103	859.038
Minus: Due from unearned credit finance income (-)	(2.861)	(4.509)
<b>Total</b>	<b>11.068.008</b>	<b>24.586.987</b>

The movement of financial liabilities as of 31 December 2019 and 2018 is as follows:

	<b>December 31, 2019</b>	<b>December 31, 2018</b>
1 January	212.912	212.912
Provisions during the period	5.882.643	-
Reversed during the period	(2.318.425)	-
Provisions accounted for revenue followed in deferred income	2.990.512	-
<b>Toplam</b>	<b>6.767.642</b>	<b>212.912</b>

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**11. TRADE RECEIVABLES AND PAYABLES (Cont'd)**

**b) Long-term trade receivables**

None (31.12.2018: None).

**c) Short-term trade payables**

<b><u>Short-term trade payables</u></b>	<b><u>December 31, 2019</u></b>	<b><u>December 31, 2018</u></b>
Trade payables	4.637.639	3.686.209
Notes payables	580.872	201.771
Unearned credit finance charges (-)	(37.910)	(38.093)
<b>Sub-total</b>	<b>5.180.601</b>	<b>3.849.887</b>
Due from related parties (Note 6)	8.357.164	6.309.518
Minus: Due to unearned credit finance charges (-)	(85.693)	(14.762)
<b>Total</b>	<b>13.452.072</b>	<b>10.144.643</b>

**d) Long-term trade payables**

None (31.12.2018: None).

**12. RECEIVABLES AND PAYABLES FROM / TO FINANCIAL ACTIVITIES**

None (31.12.2018: None).

**13. OTHER RECEIVABLES AND PAYABLES**

**a) Other Current Receivables**

<b><u>Other current receivables</u></b>	<b><u>December 31, 2019</u></b>	<b><u>December 31, 2018</u></b>
Deposits and guarantees given	103.999	71.580
Other receivables	307.233	487.074
Other doubtful receivables	1.953.740	1.953.740
Minus: Provision for other doubtful receivables	(1.953.740)	(1.953.740)
<b>Sub-total</b>	<b>411.232</b>	<b>558.654</b>
Other receivables from related parties (Note 6)	395.037	-
<b>Total</b>	<b>806.269</b>	<b>558.654</b>

**b) Other Non-Current Receivables**

None (31.12.2018: None).

**c) Other Current Payables**

<b><u>Other current payables</u></b>	<b><u>December 31, 2019</u></b>	<b><u>December 31, 2018</u></b>
Deposits and guarantees received	3.163.585	3.259.227
Taxes and funds payables	6.215.672	2.117.953
Deferred or restructured debts to public sector	333.778	816.824
Other payables	-	30.506
<b>Sub-total</b>	<b>9.713.035</b>	<b>6.224.510</b>
Other payables to related parties (Note 6)	4.531.889	2.975.258
<b>Total</b>	<b>14.244.924</b>	<b>9.199.768</b>



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**13.OTHER RECEIVABLES AND PAYABLES (Cont'd)**

**d) Other Long term Payables**

<b><u>Other long term payables</u></b>	<b><u>December 31, 2019</u></b>	<b><u>December 31, 2018</u></b>
Deferred or restructured debts to public sector	130.540	453.264
<b>Total</b>	<b>130.540</b>	<b>453.264</b>

**14.EMPLOYEE BENEFITS**

	<b><u>December 31, 2019</u></b>	<b><u>December 31, 2018</u></b>
Payables to personnel	37.806	11.572
Personnel tax deductions	7.425	10.809
Social security withholdings payable	11.416	7.029
<b>Toplam</b>	<b>56.647</b>	<b>29.410</b>

**15.DERIVATIVE FINANCIAL INSTRUMENTS**

None (31.12.2018: None).

**16.INVENTORIES**

**a) Short-term inventories**

None (31.12.2018: None).

**b) Long-term inventories**

	<b><u>December 31, 2019</u></b>	<b><u>December 31, 2018</u></b>
Lands	56.897.916	56.866.189
<b>Toplam</b>	<b>56.897.916</b>	<b>56.866.189</b>

In accordance with the resolution of the Board of Directors dated 04/05/2016 and numbered 298; "Real Estate Sales Promise Agreement" was signed with Sur Yapı Endüstri San. ve Tic. Anonim Şirketi in order for housing construction on the lands located in Istanbul Province Sancaktepe District 9-10 Section 1674 Parcel 10.783,80 m2 and Istanbul Province Sancaktepe District 6650 Island 17 Parcel 18.316,57 m2. Construction will start in 2016 and be completed in 30 months on the basis of "Revenue Sharing". As of 31 December 2017, sales office building has been completed and sample apartment construction is still continuing. The project has been launched under the name "Muhit" and the sales process has been continued.

The 10.783,80 m2 land located in Istanbul Province Sancaktepe District 9-10 Section 1674 Parcel, which was registered as the cropland in the land registry, separation was made (parceling out) on 04.08.2016. As a result of separation two different land has been created as 1974 parcel (3.301,30 m2), and 1975 parcel ( 6,965,62 m2), and 1974 parcel land was donated to Sancaktepe Municipality on 25.10.2016 . The remaining 6,965,62 m2 1975 parcel cropland has been registered as "land" in the land registry.

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**16. INVENTORIES (Cont'd)**

The surface of the land located in Istanbul Province Sancaktepe District 6650 Island 17 Parcel is 16.117,38 m2. The total land area where the project will be constructed (6.965.62 + 16.117.38 =) is 23.083 m2.

As of 31 December 2019, the total fair value of the lands with housing development is 77.050.735 TL (31 December 2018: TL 77.109.000)

**17. BIOLOGICAL ASSETS**

None (31.12.2018: None).

**18. PREPAID EXPENSES AND DEFERRED INCOME**

**a) Short and Long Term Prepaid Expenses**

**Short term prepaid expenses**

	<b><u>December 31, 2019</u></b>	<b><u>December 31, 2018</u></b>
Prepaid expenses for future months	2.602.422	2.029.338
Advances given for purchases	3.403.520	1.399.655
<b>Sub-total</b>	<b>6.005.942</b>	<b>3.428.993</b>
Advances given to related parties (Note 6)	151.649	10.461.701
<b>Total</b>	<b>6.157.591</b>	<b>13.890.694</b>

**Long term prepaid expenses**

	<b><u>December 31, 2019</u></b>	<b><u>December 31, 2018</u></b>
Advances given for fixed-assets(*)	37.580	1.978.205
Prepaid expenses for future years	1.413.716	2.599.609
<b>Total</b>	<b>1.451.296</b>	<b>4.577.814</b>

(\*)Advances given for fixed assets consist of advances which is given in relation to the construction of warehouses and purchases of fixed assets related to warehouses.

**b) Short and Long Term Deferred Income**

**Short-term deferred income**

	<b><u>December 31, 2019</u></b>	<b><u>December 31, 2018</u></b>
Income relating to future months	1.026.331	973.296
Advances received	36.615	2.074.443
Deferred income	-	2.990.512
<b>Total</b>	<b>1.062.946</b>	<b>6.038.251</b>

**Long-term Deferred Income**

	<b><u>December 31, 2019</u></b>	<b><u>December 31, 2018</u></b>
Income relating to following years	779.296	1.545.341
<b>Total</b>	<b>779.296</b>	<b>1.545.341</b>

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**19. GOVERNMENT INCENTIVES AND GRANTS**

None (31.12.2018: None).

**20. LIABILITIES FOR PERIOD INCOME TAX**

Gains from real estate investment trust activities are exempted from the corporate tax according to Article 5 / (1) (d) (4) of Corporate Tax Law No: 5520. Consequently, tax provision has not been calculated. (31 December 2018: None.)

Reysaş Turizm Yatırımları Ve Ticaret Ve Ltd. Şti, the subsidiary company, is a corporate taxpayer.

**21. CURRENT PERIOD TAX ASSETS**

Amount of TL 620.262 which is shown under the current period tax assets, consists of taxes levied by the banks during time deposits and repo transactions.

(31.12.2018: Amount of 1.107.189 TL which is shown under the current period tax assets, consists of taxes levied by the banks during time deposits and repo transactions)

**22. OTHER CURRENT/NON-CURRENT ASSETS AND OTHER SHORT-LONG TERM LIABILITIES**

**a) Other Current Assets**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
VAT carried forward	-	7.910.410
<b>Total</b>	<b>-</b>	<b>7.910.410</b>

**b) Other Non-Current Assets**

None (31.12.2018: None).

**c) Other Short/Long Term Liabilities**

None (31.12.2018: None).

**23. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

**a) Short-term provisions**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Provision for lawsuit risks	2.253.355	988.261
<b>Total</b>	<b>2.253.355</b>	<b>988.261</b>

(\*)As of December 31, 2019, the Company has 30 lawsuits and 24 defendants, including various damages, objections and claims. As of 31 December 2019 amount of 1.265.094 TL provision has been made for these lawsuits. As of 31 December 2018 amount of 988.261 TL provision has been made for the lawsuits. There has not been any case with significant uncertainty except the cases mentioned below.

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**23.PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont'd)**

**Provisions for personnel's unused annual leave**

As of December 31, 2019, the Company has calculated TL 10.386 provision for its personnel for their unused annual leaves. (31 December 2018: the Company has calculated TL 27.663 provision for its personnel for their unused annual leaves)

**b) Long-term provisions**

**Liabilities for employee benefits:**

Under Turkish law, the Company is required to pay employment termination benefits to each employee whose employment is terminated without due cause. In addition, under the existing Social Security Law No.506, clause No. 60, amended by the Labor Laws dated 6 March 1981, No.2422 and 25 August 1999, No.4447, the Company is also required to pay termination benefits to each employee who has earned the right to retire by receiving termination indemnities.

The amount payable is the equivalent of one month's salary for each year of service and is limited to a maximum of 6.379,86 TL/year as of 31 December 2019 (31 December 2018: 5.434,42 TL/year).

The provision is calculated by estimating the present value of the future obligation of the company arising from retirement of employees. TAS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined employee plans. Accordingly actuarial assumptions were used in the calculation of the total liability which are described below:

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. An expected inflation rate and appropriate discount rate should both be determined, the net of these being real discount rate. Consequently in the accompanying financial statements as of 30 September 2018, the provision is calculated by estimating the present value of the future obligation of the company arising from retirement of employees.

As of 31 December 2019 provision is calculated based on real discount rate of 7,00% (31 December 2018: 8,00%) assuming 12,00% annual inflation rate (31 December 2018: 12,75%). and 4,67% discount rate (31 December 2018: 4,40%).

As of December 31, 2019 and 2018 the movement in the provision for employment termination benefit is as follows:

<b><u>Long-term Provision for Employee Benefits</u></b>	<b><u>December 31, 2019</u></b>	<b><u>December 31, 2018</u></b>
Provision for employment termination benefits	102.857	55.033
<b>Total</b>	<b>102.857</b>	<b>55.033</b>

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**23.PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont'd)**

	<b>01 January- December 31, 2019</b>	<b>01 January- December 31, 2018</b>
As of January 1	55.033	115.268
Service cost	13.783	8.005
Defined Benefit Plans Re-Measurement Gains / Losses	29.168	4.168
Interest expense	4.873	2.450
Reversals of provisions (-)	-	(74.858)
<b>As of December 31</b>	<b>102.857</b>	<b>55.033</b>

**Contingent Assets**

None (31.12.2018: None).

Gains from real estate investment trust activities are exempted from the corporate tax according to Article 5 / (1) (d) (4) of Corporate Tax Law No: 5520. Consequently, tax provision has not been calculated. (31 December 2018: None.)

**c) Collaterals, Pledges, Mortgages:**

“CPMs” received as of December 31, 2019 are as follows;

	<b>USD</b>	<b>EUR</b>	<b>TL</b>	<b>December 31, 2019 TL Equivalent</b>
<b><u>Collaterals, Pledges, Mortgages</u></b>				
Letter of guarantees received	149.220	-	954.000	1.840.397
Collaterals received	147.040	22.000	7.707.147	8.726.907
<b>Total</b>	<b>296.260</b>	<b>22.000</b>	<b>8.661.147</b>	<b>10.567.304</b>

“CPMs” received as of December 31, 2018 are as follows;

	<b>USD</b>	<b>EUR</b>	<b>TL</b>	<b>December 31, 2018 TL Equivalent</b>
<b><u>Collaterals, Pledges, Mortgages</u></b>				
Letter of guarantees received	497.092	-	-	2.615.151
Collaterals received	-	22.000	7.043.288	7.175.904
Indemnities received	-	-	-	-
<b>Total</b>	<b>497.092</b>	<b>22.000</b>	<b>7.043.288</b>	<b>9.791.055</b>

“CPMs” given as of December 31, 2019 are as follows;

	<b>USD</b>	<b>EUR</b>	<b>TL</b>	<b>December 31, 2019 TL Equivalent</b>
<b><u>Collaterals, Pledges, Mortgages</u></b>				
Collaterals	165.638	-	212.316	165.638
Mortgages	1.009.720.000	33.340.000	1.009.720.000	2.456.320.244
<b>Total</b>	<b>1.009.885.638</b>	<b>33.340.000</b>	<b>1.009.932.316</b>	<b>2.456.485.882</b>

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**23.PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont'd)**

“CPMs” given as of December 31, 2018 are as follows;

	<b>December 31, 2018</b>			
<b><u>Collaterals, Pledges, Mortgages</u></b>	<b><u>USD</u></b>	<b><u>EUR</u></b>	<b><u>TL</u></b>	<b><u>TL Equivalent</u></b>
Collaterals	-	-	517.046	517.046
Mortgages	182.200.000	23.340.000	902.220.000	2.001.449.500
<b>Total</b>	<b>182.200.000</b>	<b>23.340.000</b>	<b>902.737.046</b>	<b>2.001.966.546</b>

Collaterals/pledges/mortgages (“CPM”) position of the Company as of December 31, 2019 and December 31, 2018 is as follows:

<b>CPM's given by the Company</b>	<b>December 31, 2019</b>	<b>December 31, 2018</b>
1. CPM's given for Company's own legal personality	<b>2.456.485.882</b>	<b>2.002.013.224</b>
- Mortgages	2.456.320.244	2.001.449.500
- Collaterals	165.638	517.046
2. CPM's given on behalf of fully consolidated companies	-	-
3. CPM's given on behalf of third parties for ordinary course of business	-	-
4. Total amount of other CPM's	-	-
- Total amount of CPM's given on behalf of the majority shareholder	-	-
- Total amount of CPM's given on behalf of other Company companies which are not in scope of 2 and 3	-	-
- Total amount of CPM's given on behalf of third parties which are not in scope of 3	-	-

The ratio of other CPM's given by the Company to the equities of Company is 0% as of December 31, 2019. (December 31, 2018: 0%)

**Total insurance amount of asset values;**

Insurance amount on real estates is TL 955.665.406. (31 December 2018: 561.285.852 TL)

**24.COMMITMENTS**

None (31.12.2018: None).

**25.INVESTMENTS VALUED BY EQUITY METHOD**

	<b>December 31, 2019</b>		<b>December 31, 2018</b>	
<b>Subsidiaries</b>	<b>%</b>	<b>TL</b>	<b>%</b>	<b>TL</b>
Arı Lojistik A.Ş.	50,00	26.443.171	50,00	26.149.199
Reysaş Turizm Yatırımları ve Tic. Ltd. Şti.	100,00	47.147.323	100,00	39.246.786
<b>Total</b>		<b>73.590.494</b>		<b>65.395.985</b>

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**25.INVESTMENTS VALUED BY EQUITY METHOD (Cont'd)**

The movements of investments valued by equity method as of December 31, 2019 and 2018 are as below;

	<b>December 31, 2019</b>	<b>December 31, 2018</b>
As of January 1	65.395.985	57.911.653
Profit / Loss Shares from subsidiaries	10.139.927	9.449.029
Dividends received	(1.945.418)	(1.964.697)
<b>Total</b>	<b>73.590.494</b>	<b>65.395.985</b>

Financial statement summary of investments valued by equity method as of December 31,2019 and 2018 are as below;

	<b>31 December 2019</b>				
	<b>Total Assets</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Revenue</b>	<b>Profit / (Loss)</b>
Arı Lojistik A.Ş.	64.482.022	(11.595.680)	52.886.342	7.970.000	4.478.938
Reysaş Turizm Yat. ve Tic. Ltd. Şti.	52.028.842	(4.881.519)	47.147.323	2.424.001	7.900.541

  

	<b>31 December 2018</b>				
	<b>Total Assets</b>	<b>Total Liabilities</b>	<b>Equity</b>	<b>Revenue</b>	<b>Profit / (Loss)</b>
Arı Lojistik A.Ş.	62.238.313	(9.939.915)	52.298.398	6.623.544	4.398.300
Reysaş Turizm Yat. ve Tic. Ltd. Şti.	53.322.674	(14.075.889)	39.246.785	3.471.092	7.249.877

**Arı Lojistik A.Ş.**

	<b>31 December 2019</b>	<b>31 December 2018</b>
Total Assets	64.482.022	62.238.313
Liabilities	(11.595.680)	(9.939.915)
<b>Net Assets</b>	<b>52.886.342</b>	<b>52.298.398</b>
Value of the subsidiary on GYO according to equity method (%50)	<b>26.443.171</b>	<b>26.149.199</b>

The company, with the resolution of Board of Directors dated February 22, 2011, has purchased Arı Lojistik İnşaat Sanayi ve Ticaret A.Ş.'s, the subsidiary of Reysaş Taşımacılık ve Lojistik Ticaret A.Ş., %16,67 of shares with the nominal value of 1.525.305 TL for 4.127.642 TL which is determined by a independent valuation work.

According to the resolution of the Board of Directors as of 28 March 2013, Arı Lojistik İnşaat Sanayi ve Ticaret A.Ş., the subsidiary of Reysaş Taşımacılık ve Lojistik Ticaret A.Ş., that has a nominal value of TL 3.050.000, representing 33.33% of its capital has purchased from Reysaş Taşımacılık ve Lojistik Ticaret A.Ş. over the value of TL 16.836.000 which is determined by the independent company valuation work. After this purchase, Reysaş Taşımacılık ve Lojistik Ticaret A.Ş. has no any shares at Arı Lojistik İnş. San.ve Tic. A.Ş.'s capital and the shareholding of Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. reached 50%.

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**25.INVESTMENTS VALUED BY EQUITY METHOD (Cont'd)**

The movements of Arı Lojistik'in A.Ş. as of December 31, 2019 and 2018 are as below;

	<b><u>December 31, 2019</u></b>	<b><u>December 31, 2018</u></b>
As of January 1	26.149.199	25.914.746
Profit / Loss Shares from subsidiaries	2.239.390	2.199.150
Dividends received	(1.945.418)	(1.964.697)
<b>Total</b>	<b>26.443.171</b>	<b>26.149.199</b>

**Reysaş Turizm Yatırımları ve Tic. Ltd. Şti.**

	<b><u>31 December 2019</u></b>	<b><u>31 December 2018</u></b>
Total Assets	52.028.842	53.322.674
Liabilities	(4.881.519)	(14.075.889)
<b>Net Assets</b>	<b>47.147.323</b>	<b>39.246.785</b>
Value of the subsidiary on GYO according to equity method (%50)	<b>47.147.323</b>	<b>39.246.785</b>

According to the resolution of Board of Directors dated December 18,2015, the Company decided to purchase 34.21% of the shares of Reysaş Turizm Yatırımları ve Tic. Ltd. Şti, which is 100% of the capital of Reysaş Taşımacılık ve Lojistik Ticaret A.Ş. In the valuation report dated 15.12.2015 and dated YMM.ÖA.466.1618.437 / 027 issued by Türkmen Bağımsız Denetim ve YMM A.Ş. the value of Reysaş Turizm Yatırımları ve Tic. Ltd. Şti is determined as 40.295.922 TL. Based on the valuation report, as of 21.12.2015 the Company purchased 34,21% of Reysaş Turizm Yatırımları ve Tic. Ltd. Şti's shares for TL 13.785.447.

The Company has decided to purchase all remaining shares (65.79%). In the valuation report dated 31.12.2017 prepared by CPATURK Bağımsız Denetim ve YMM A.Ş, the value of Reysaş Turizm Yatırımları ve Tic. Ltd. Şti is determined as TL 32.553.134. Based on the valuation report, the Company purchased 65.79% of Reysaş Turizm Yatırımları's shares as of 31.12.2017 for TL 21.416.710.

The movements of Reysaş Turizm Yatırımları ve Tic. Ltd. Şti. as of December 31, 2019 and 2018 are as below;

	<b><u>December 31, 2019</u></b>	<b><u>December 31, 2018</u></b>
As of January 1	39.246.785	31.996.908
Profit / Loss Shares from subsidiaries	7.900.541	7.249.877
<b>Total</b>	<b>47.147.326</b>	<b>39.246.785</b>



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**26. INVESTMENT PROPERTIES (INCLUDING UNDERCONSTRUCTION PROJECTS)**

Details of investment properties as of December 31, 2019 and 2018 are as below;

	<b><u>December 31, 2019</u></b>	<b><u>December 31, 2018</u></b>
Investment properties	2.461.557.000	1.897.363.510
Investment properties under construction	91.243.823	65.860.061
<b>Total</b>	<b>2.552.800.823</b>	<b>1.963.223.571</b>

Insurance amount on investment property is TL 955.665.406 (31 December 2018: TL 561.285.852).

As of 31 December 2019, the movement table of the idle lands is as follows:

<b><u>Inactive lands</u></b>							
<b><u>Location</u></b>			<b><u>01.01.2019</u></b>	<b><u>Additions</u></b>	<b><u>Disposals</u></b>	<b><u>Fair Value Difference</u></b>	<b><u>31.12.2019</u></b>
İstanbul	Pendik	Kurna Köyü	20.431.000	-	-	25.149.000	45.580.000
Kocaeli	Çayırova	Akse-12	9.862.000	-	-	2.888.000	12.750.000
Kocaeli	Kartepe	Uzuntarla-1	358.000	-	(358.000)	-	-
Kocaeli	Kartepe	Maşukiye	2.180.000	-	-	720.000	2.900.000
Kocaeli	Kartepe	Uzuntarla-2	2.426.000	-	-	794.000	3.220.000
Sakarya	Arifiye	Yukarıkirezce-1	9.243.000	-	-	2.802.000	12.045.000
Samsun	Çarşamba	Irmaksırtı	4.726.000	-	-	1.264.000	5.990.000
Düzce	Merkez	Darıcı	4.163.000	-	-	1.683.000	5.846.000
Ankara	Gölbaşı	Oğulbey	4.453.000	-	-	764.000	5.217.000
Kastamonu	Merkez	Kuzeykent	3.212.000	-	-	730.000	3.942.000
Kocaeli	Gebze	Muallimköy	8.647.000	-	-	1.638.000	10.285.000
Ankara	Kahramankazan	Saray	12.157.000	-	-	3.281.000	15.438.000
Ankara	Çankaya	Lodumu	1.292.510	-	-	490	1.293.000
Erzurum	Palandöken	Palandöken	-	3.105.000	-	744.000	3.849.000
<b>Total Lands</b>			<b>83.150.510</b>	<b>3.105.000</b>	<b>(358.000)</b>	<b>42.457.490</b>	<b>128.355.000</b>

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**26.INVESTMENT PROPERTIES (INCLUDING UNDERCONSTRUCTION PROJECTS) (Cont'd)**

As of 31 December 2019, the movement table of the buildings is as follows:

<b>Buildings (including lands)</b>							
<b>Location</b>			<b>01.01.2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>Fair Value Difference</b>	<b>31.12.2019</b>
Adana	Seyhan	Sarıhamzalı	20.923.000	7.423	-	1.671.577	22.602.000
Adana	Yüreğir	Dağcı	18.525.000	-	-	3.475.000	22.000.000
Ankara	Kazan	Orhaniye	14.868.000	-	-	2.977.000	17.845.000
Eskişehir	Odunpazarı	OSB	5.307.000	-	-	1.728.000	7.035.000
Giresun	Tirebolu	İstiklal	3.915.000	-	-	845.000	4.760.000
Giresun	Bulancağ	Pazarsuyu	7.890.000	-	-	1.906.000	9.796.000
İstanbul	Tuzla	Orhanlı-2	61.068.000	-	-	12.942.000	74.010.000
İstanbul	Tuzla	Orhanlı-4	109.308.000	-	-	24.785.000	134.093.000
İstanbul	Arnavutköy	Ömerli	20.218.000	-	-	4.846.000	25.064.000
İzmir	Torbalı	Torbalı**	26.550.000	-	-	-	26.550.000
Kocaeli	Çayırova	Akse-2	49.360.000	22.841	-	11.237.159	60.620.000
Kocaeli	Çayırova	Akse-1+7+10	141.556.000	265.156	-	28.788.844	170.610.000
Kocaeli	Çayırova	Akse-5*****	14.400.000	-	-	-	14.400.000
Kocaeli	Çayırova	Akse-3	64.501.000	456.224	-	14.042.776	79.000.000
Ordu	Ünye	Yüceler	10.023.000	-	-	3.638.000	13.661.000
Sakarya	Arifiye	Yukarıkirezce-2	3.180.000	-	-	1.975.000	5.155.000
Samsun	Terme	Söğütü	4.451.000	-	-	1.553.000	6.004.000
Samsun	Çarşamba	Epçeli	4.762.000	-	-	1.223.000	5.985.000
Samsun	Çarşamba	Dikbiyık***	16.043.000	-	-	-	16.043.000
Düzce	Merkez	Arapçiftliği	5.489.000	-	-	1.836.000	7.325.000
Düzce	Akçakoca	Çiçekpınar	3.401.000	-	-	1.707.000	5.108.000
Kocaeli	Kartepe	Uzuntarla-3	9.124.000	-	-	3.526.000	12.650.000
Kocaeli	Çayırova	Akse-9	135.850.000	18.604	-	33.131.396	169.000.000
Kocaeli	Çayırova	Akse-6	23.106.000	82.929	-	5.091.071	28.280.000
Antalya	Kepez	Sütçüler	9.254.000	-	-	3.502.000	12.756.000
İstanbul	Üsküdar	Bulgurlu-2	16.110.000	-	-	2.946.000	19.056.000
Kocaeli	Çayırova	Akse-8	11.896.000	-	-	84.304.000	96.200.000
Bolu	Merkez	Saraycık	17.877.000	-	-	3.260.000	21.137.000
Sakarya	Arifiye	Yukarıkirezce-3	5.985.000	265.014	-	9.497.986	15.748.000
Antalya	Serik	Çandır-1,Çandır-2	74.688.000	-	-	16.312.000	91.000.000
Sakarya	Arifiye	Hanlıköy	13.199.000	-	-	4.154.000	17.353.000
İzmir	Menderes	Görece-3	22.620.000	55.563	-	2.290.437	24.966.000
Antalya	Kumluca	Sarıkaya	11.742.000	-	-	1.491.000	13.233.000
Ankara	Kahramankazan	Saray	18.264.000	-	-	3.075.000	21.339.000
Adana	Sarıçam	Suluca	15.350.000	-	-	3.038.000	18.388.000
İstanbul	Tuzla	Orhanlı-5	118.982.000	-	-	27.180.000	146.162.000
Eskişehir	Tepebaşı	Eskibağlar	53.839.000	-	-	31.161.000	85.000.000
İstanbul	Üsküdar	Bulgurlu-1*	8.947.000	-	-	7.053.000	16.000.000
Kocaeli	Çayırova	Akse-11	103.195.000	-	-	34.080.000	137.275.000
İzmir	Menderes	Görece-4	52.530.000	-	-	4.715.000	57.245.000
İstanbul	Esenyurt	Esenyurt	123.506.000	8.832	-	30.766.168	154.281.000
İstanbul	Tuzla	Tepeören	254.689.000	20.183.255	-	44.243.745	319.116.000
Kocaeli	Çayırova	Akse-12	66.143.000	-	-	13.857.000	80.000.000
Adana	Sarıçam	Suluca-2	33.362.000	-	-	5.638.000	39.000.000
Kastamonu	Merkez	Kuzeykent(1)	4.332.000	-	-	827.000	5.159.000
Karabük	Merkez	Çerçiler(1)	1.789.500	-	-	244.500	2.034.000
Bartın	Merkez	Balamba(1)	1.335.000	-	-	585.000	1.920.000
Kastamonu	Tosya	Dilküshah(1)	388.500	-	-	107.500	496.000
Eskişehir	Sivrihisar	Kurşunlu(1)	372.000	-	-	370.000	742.000
<b>Total Buildings</b>			<b>1.814.213.000</b>	<b>21.365.841</b>	<b>-</b>	<b>497.623.159</b>	<b>2.333.202.000</b>
<b>Total Buildings and Lands</b>			<b>1.897.363.510</b>				<b>2.461.557.000</b>

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**26.INVESTMENT PROPERTIES (INCLUDING UNDERCONSTRUCTION PROJECTS) (Cont'd)**

As of 31 December 2019, the movement table of the investment properties is as follows:

<b>Investment properties underconstruction projects</b>							
<b>Locations</b>			<b>01.01.2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>Fair Value Difference</b>	<b>31.12.2019</b>
İzmir	Menderes	Görece	18.621.000	49.239	-	3.247.761	21.918.000
Kocaeli	Çayırova	Akse-15	33.818.000	16.677.479	-	(9.150.479)	41.345.000
Kocaeli	Çayırova	Akse 13	12.867.000	78.566	-	1.196.434	14.142.000
Diğer	-	-	554.061	13.284.762	-	-	13.838.823
			<b>65.860.061</b>	<b>30.090.046</b>	<b>-</b>	<b>(4.706.284)</b>	<b>91.243.823</b>

As of 31 December 2018, the movement table of the idle lands is as follows:

<b>Inactive lands</b>							
<b>Location</b>			<b>01.01.2018</b>	<b>Additions</b>	<b>Disposals</b>	<b>Fair Value Difference</b>	<b>31.12.2018</b>
İstanbul	Pendik	Kurna Köyü	16.716.000	-	-	3.715.000	20.431.000
Kocaeli	Çayırova	Akse-12	9.182.000	-	-	680.000	9.862.000
Kocaeli	Kartepe	Uzuntarla-1	342.000	-	-	16.000	358.000
Kocaeli	Kartepe	Maşukiye	1.784.000	-	-	396.000	2.180.000
Kocaeli	Kartepe	Uzuntarla-2	1.985.000	-	-	441.000	2.426.000
Sakarya	Arifiye	Yukarıkirezce-1	7.843.000	-	-	1.400.000	9.243.000
Samsun	Çarşamba	Irmaksırtı	2.250.000	-	-	2.476.000	4.726.000
Düzce	Merkez	Darıcı	3.413.000	-	-	750.000	4.163.000
Ankara	Gölbaşı	Oğulbey	3.976.000	-	-	477.000	4.453.000
Kastamonu	Merkez	Kuzeykent	2.605.000	-	-	607.000	3.212.000
Kocaeli	Gebze	Muallimköy	8.190.000	-	-	457.000	8.647.000
Ankara	Kahramankazan	Saray(2)	-	10.200.784	-	1.956.216	12.157.000
Ankara	Çankaya	Lodumu(1)	-	2.817.227	-	(1.524.717)	1.292.510
<b>Total Lands</b>			<b>58.286.000</b>	<b>13.018.011</b>	<b>-</b>	<b>11.846.499</b>	<b>83.150.510</b>

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**26.INVESTMENT PROPERTIES (INCLUDING UNDERCONSTRUCTION PROJECTS) (Cont'd)**

As of 31 December 2018, the movement table of the buildings is as follows:

<b>Buildings (including lands)</b>							<b>Fair Value</b>	
<b>Location</b>			<b>01.01.2018</b>	<b>Additions</b>	<b>Disposal</b>	<b>Transfers</b>	<b>Difference</b>	<b>31.12.2018</b>
Adana	Seyhan	Sarıhamzalı	19.648.000	-	-	-	1.275.000	20.923.000
Adana	Yüreğir	Dağcı	16.226.000	-	-	-	2.299.000	18.525.000
Ankara	Kazan	Orhaniye	14.343.000	-	-	-	525.000	14.868.000
Eskişehir	Odunpazarı	OSB	4.338.000	-	-	-	969.000	5.307.000
Giresun	Tirebolu	İstiklal	3.334.000	-	-	-	581.000	3.915.000
Giresun	Bulancak	Pazarsuyu	7.354.000	-	-	-	536.000	7.890.000
İstanbul	Tuzla	Orhanlı-2	52.226.000	68.761	-	-	8.773.239	61.068.000
İstanbul	Tuzla	Orhanlı-4	93.016.000	16.907	-	-	16.275.093	109.308.000
İstanbul	Arnavutköy	Ömerli	17.365.000	-	-	-	2.853.000	20.218.000
İzmir	Torbalı	Torbalı**	26.550.000	-	-	-	-	26.550.000
Kocaeli	Çayırova	Akse-2	47.185.000	443.837	-	-	1.731.163	49.360.000
Kocaeli	Çayırova	Akse-1+7+10	133.140.000	1.561.968	-	-	6.854.032	141.556.000
Kocaeli	Çayırova	Akse-5*****	14.400.000	-	-	-	-	14.400.000
Kocaeli	Çayırova	Akse-3	55.345.000	113.680	-	-	9.042.320	64.501.000
Ordu	Ünye	Yüceler	7.663.000	-	-	-	2.360.000	10.023.000
Sakarya	Arifiye	Yukarıkirezce-2	2.850.000	-	-	-	330.000	3.180.000
Samsun	Terme	Söğütü	4.022.000	-	-	-	429.000	4.451.000
Samsun	Çarşamba	Epçeli	4.300.000	-	-	-	462.000	4.762.000
Samsun	Çarşamba	Dikbiyık***	16.043.000	-	-	-	-	16.043.000
Düzce	Merkez	Arapçiftliği	4.950.000	-	-	-	539.000	5.489.000
Düzce	Akçakoca	Çiçekpınar	2.870.000	-	-	-	531.000	3.401.000
Kocaeli	Kartepe	Uzuntarla-3	8.638.000	-	-	-	486.000	9.124.000
Kocaeli	Çayırova	Akse-9	112.274.000	-	-	-	23.576.000	135.850.000
Kocaeli	Çayırova	Akse-6	21.344.000	-	-	-	1.762.000	23.106.000
Antalya	Kepez	Sütçüler	9.253.000	-	-	-	1.000	9.254.000
İstanbul	Üsküdar	Bulgurlu-2	14.038.000	-	-	-	2.072.000	16.110.000
Kocaeli	Çayırova	Akse-8	9.971.804	-	-	-	1.924.196	11.896.000
Bolu	Merkez	Saraycık	16.105.000	879.087	(826.160)	-	1.719.073	17.877.000
Sakarya	Arifiye	Yukarıkirezce-3	4.790.000	-	-	-	1.195.000	5.985.000
Antalya	Serik	Çandır-1,Çandır-2	67.358.000	-	-	-	7.330.000	74.688.000
Sakarya	Arifiye	Hanlıköy	12.006.000	-	-	-	1.193.000	13.199.000
İzmir	Menderes	Görece-3	18.932.000	-	-	-	3.688.000	22.620.000
Antalya	Kumluca	Sarıkaya	11.097.000	-	-	-	645.000	11.742.000
Ankara	Kahramankazan	Saray	18.205.000	-	-	-	59.000	18.264.000
Adana	Sarıçam	Suluca	13.589.000	-	-	-	1.761.000	15.350.000
İstanbul	Tuzla	Orhanlı-5	102.400.000	19.392	-	-	16.562.608	118.982.000
Eskişehir	Tepebaşı	Eskibağlar	47.860.000	-	-	-	5.979.000	53.839.000
İstanbul	Üsküdar	Bulgurlu-1*	8.947.000	-	-	-	-	8.947.000
Kocaeli	Çayırova	Akse-11	89.741.000	92.163	-	-	13.361.838	103.195.000
İzmir	Menderes	Görece-4	43.730.000	-	-	-	8.800.000	52.530.000
İstanbul	Esenyurt	Esenyurt	-	-	-	105.009.408	18.496.592	123.506.000
İstanbul	Tuzla	Tepeören	-	-	-	170.454.884	84.234.116	254.689.000
Kocaeli	Çayırova	Akse-12	-	-	-	52.337.914	13.805.086	66.143.000
Adana	Sarıçam	Suluca-2	-	-	-	21.396.178	11.965.822	33.362.000
Kocaeli	Çayırova	Akse-14	28.672.000	-	-	(28.672.000)	-	-
Kocaeli	Çayırova	Akse 13	11.902.000	-	-	(11.902.000)	-	-
Kastamonu	Merkez	Kuzeykent(1)	-	3.000.000	-	-	1.332.000	4.332.000
Karabük	Merkez	Çerçiler(1)	-	1.500.000	-	-	289.500	1.789.500
Bartın	Merkez	Balamba(1)	-	1.300.000	-	-	35.000	1.335.000
Kastamonu	Tosya	Dilküşah(1)	-	400.000	-	-	(11.500)	388.500
Eskişehir	Sivrihisar	Kurşunlu(1)	-	350.000	-	-	22.000	372.000
<b>Total Buildings</b>			<b>1.218.020.804</b>	<b>9.745.795</b>	<b>(826.160)</b>	<b>308.624.384</b>	<b>278.648.177</b>	<b>1.814.213.000</b>
<b>Total Buildings and Lands</b>			<b>1.276.306.804</b>					<b>1.897.363.510</b>

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**26. INVESTMENT PROPERTIES (INCLUDING UNDERCONSTRUCTION PROJECTS) (Cont'd)**

As of 31 December 2018, the movement table of the investment properties is as follows:

<b>Investment properties underconstruction projects</b>								
<b>Locations</b>			<b>01.01.2018</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfer</b>	<b>Fair Value Difference</b>	<b>31.12.2018</b>
İstanbul	Esenyurt	Esenyurt	101.161.000	3.848.408	-	(105.009.408)	-	-
İstanbul	Tuzla	Tepeören	114.352.000	56.102.884	-	(170.454.884)	-	-
Kocaeli	Çayırova	Akse-12	37.770.000	14.567.914	-	(52.337.914)	-	-
Adana	Sarıçam	Suluca-2	7.339.000	14.057.178	-	(21.396.178)	-	-
İzmir	Menderes	Görece	14.115.000	570.372	-	-	3.935.628	18.621.000
Kocaeli	Çayırova	Akse-15	-	1.437.347	-	28.672.000	3.708.653	33.818.000
Kocaeli	Çayırova	Akse 13	-	300.346	-	11.902.000	664.654	12.867.000
Diğer	-	-	-	554.061	-	-	-	554.061
			<b>274.737.000</b>	<b>91.438.510</b>	<b>-</b>	<b>(308.624.385)</b>	<b>8.308.935</b>	<b>65.860.061</b>

**27. TANGIBLE FIXED ASSETS**

The movements of fixed assets and depreciation as of December 31, 2019 and 2018 are as below;

**31 December 2019**

<b>Cost</b>	<b>01.01.2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>31.12.2019</b>
Machinery and equipment	41.237.050	16.806.292	-	58.043.342
Furniture and fixtures	956.290	325.146	-	1.281.437
<b>Total</b>	<b>42.193.340</b>	<b>17.131.439</b>	<b>-</b>	<b>59.324.779</b>

**Accumulated Depreciation**

Machinery and equipment	8.248.033	4.393.991	-	12.642.024
Furniture and fixtures	305.122	128.611	-	433.734
<b>Total</b>	<b>8.553.155</b>	<b>4.522.602</b>	<b>-</b>	<b>13.075.758</b>

<b>Net book value</b>	<b>33.640.185</b>			<b>46.249.021</b>
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**31 December 2018**

<b>Cost</b>	<b>01.01.2018</b>	<b>Additions</b>	<b>Disposals</b>	<b>31.12.2018</b>
Machinery and equipment	22.154.523	19.082.527	-	41.237.050
Furniture and fixtures	748.488	207.803	-	956.290
<b>Total</b>	<b>22.903.011</b>	<b>19.290.330</b>	<b>-</b>	<b>42.193.340</b>

**Accumulated Depreciation**

Machinery and equipment	4.921.533	3.326.500	-	8.248.033
Furniture and fixtures	208.583	96.540	-	305.122
<b>Total</b>	<b>5.130.114</b>	<b>3.423.040</b>	<b>-</b>	<b>8.553.155</b>

<b>Net book value</b>	<b>17.772.897</b>			<b>33.640.185</b>
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**28. INTANGIBLE FIXED ASSETS**

None (31.12.2018: None).

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**29.EQUITY**

**a) Paid in Capital**

The capital structure of the company as of December 31, 2019 and 2018 are as below;

<b>Capital Structure</b>	<b>31 December 2019</b>	<b>Partnership interest (%)</b>	<b>31 December 2018</b>	<b>Partnership interest (%)</b>
Reysaş Taşımacılık ve Lojistik Tic. A.Ş.	152.381.690	61,94	152.381.690	61,94%
Publicly held part	93.618.300	38,06	93.618.300	38,06%
Other	11	0,00	11	0,00%
<b>Paid in Capital</b>	<b>246.000.001</b>	<b>100</b>	<b>246.000.001</b>	<b>100,00%</b>

As of 31 December 2018, the Company's issued capital is TL 246.000.001.

Pursuant to the decision taken at the 2014 Ordinary General Assembly held on 29 May 2015, the Company decided to increase the issued capital from TL 240.000.000 to TL 246.000.001, all of which will be covered by 2014 profit. Thus, the Company's paid-in capital has increased from TL 240,000,000 to TL 246,000,001.

**b) Repurchased shares / Profit arising from repurchasing of shares**

The Company has decided to repurchase the company shares on the date of 27.11.2012 within the framework of the Principles of the Capital Markets Board and it has been announced on Public Disclosure Platform (KAP).

The details of repurchasing of shares are as below;

<b>Repurchases</b>	<b>Purchase date</b>	<b>Purchase number</b>	<b>Purchase unit price (TL)</b>	<b>Purchase amount (TL)</b>
1.Purchase	12.11.2012	58.979	0,73	43.055
2. Purchase	04.02.2013	393.500	0,70	275.450
3. Purchase	11.02.2013	453.912	0,69	313.200
	11.02.2013	252.347	0,70	176.642
4. Purchase	15.02.2013	341.262	0,70	238.883
<b>Total</b>				<b>1.047.230</b>

**c) Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss**

**Gains / Losses on revaluation and reclassification**

In 2016, the warehouse in Ordu-Merkez was sold. As of 31 December 2016, the difference between the fair value difference of the said warehouse amounting to TL 1.342.264, TL 91.095.151, and the difference between the fair value and the book value that constitutes the basis of the in-kind capital amount in the context of partial division transaction is 89.752.887 TL

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**29.EQUITY (Cont'd)**

**Actuarial gain/(loss) arising from defined benefit plans**

	<b><u>December 31, 2019</u></b>	<b><u>December 31, 2018</u></b>
Opening balance from previous period	(33.446)	(29.278)
Actuarial gain / (loss)	(29.168)	(4.168)
<b>Total</b>	<b>(62.614)</b>	<b>(33.446)</b>

**d) Restricted Reserves**

The Turkish Commercial Code ("TCC") stipulates that the general legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. Other legal reserve is appropriated out of 10% of the distributable income after 5% dividend is paid to shareholders. Under the TCC, general legal reserves can only be used for compensating losses, continuing operations in severe conditions or preventing unemployment and taking actions for relieving its effects in case general legal reserves does not exceed half of paid-in capital or issued capital.

	<b><u>December 31, 2019</u></b>	<b><u>December 31, 2018</u></b>
Legal Reserves	6.516.173	6.516.173
Reserves for repurchasing of shares	1.047.230	1.047.230
<b>Total</b>	<b>7.563.403</b>	<b>7.563.403</b>

(\*) The Company has allocated TL 661.067 from the profit in 2014, TL 1.304.261 from the profit in 2013, TL 1.675.864 from the profit in 2012, TL 2.313.491 from the profit in 2011, TL 489.611 from the profit in 2010, TL 47.643 from the profit in 2009 and 24,236 from the profit in 2008. Total of TL 6.516.173 of legal reserves is allocated.

(\*\*) In accordance with Article 520 of the Turkish Commercial Code no. 6102 and the Capital Markets Board Communiqué No. 2-22.1, the Company has allocated reserves for the shares that the Company has bought back.

**e) Previous Years' Profit**

The Company's previous year profit is TL 807.622.002 in the financial statements of the current period. (31 December 2018: 595.513.321 TL.)

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**30. REVENUE AND COST OF SALES**

	<b>01.01- 31.12.2019</b>	<b>01.01- 31.12.2018</b>
<b>Sales Revenues (net)</b>		
Rental income	201.088.399	161.815.645
Other income	17.358.544	15.760.837
Sales Return (-)	(4.401.169)	(14.945.516)
<b>Total Income</b>	<b>214.045.774</b>	<b>162.630.966</b>
Insurance expenses	2.305.020	1.220.211
Amortisation and depreciation expenses	4.522.601	3.423.041
Maintenance and repair expenses	3.689.446	7.414.207
Electricity expenses	10.456.274	5.785.597
Taxes, duties and charges	3.587.233	2.382.582
Reporting and expertise expenses	129.107	174.957
Other	1.736.006	1.742.435
<b>Total Cost</b>	<b>26.425.687</b>	<b>22.143.030</b>
<b>Gross Profit</b>	<b>187.620.087</b>	<b>140.487.936</b>

**31. GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSE**

**General administrative expense (-)**

	<b>01.01 - 31.12.2019</b>	<b>01.01 - 31.12.2018</b>
Personnel expenses	660.830	1.250.549
Maintenance and repair expenses	13.669	5.088
Taxes, duties and charges	123.010	451.116
Consultancy expenses	344.999	108.363
CMB registry expenses	38.607	61.954
Electricity and water expenses	448.801	254.188
Other	504.239	443.502
<b>Total</b>	<b>2.134.155</b>	<b>2.574.760</b>

**Marketing Expenses, Research And Development Expenses**

There is no marketing expense and research & development expense as of the reporting year (31.12.2018: None).

**32. EXPENSES BY NATURE**

<b>Amortization expenses</b>	<b>01.01 - 31.12.2019</b>	<b>01.01 - 31.12.2018</b>
Cost of services sold	4.522.601	3.423.041
<b>Total</b>	<b>4.522.601</b>	<b>3.423.041</b>

<b>Personnel expenses</b>	<b>01.01 - 31.12.2019</b>	<b>01.01 - 31.12.2018</b>
General administrative expense	660.830	1.250.549
<b>Total</b>	<b>660.830</b>	<b>1.250.549</b>



**REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ**  
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**33. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES**

**Other income from operating activities**

	<b>01.01 - 31.12.2019</b>	<b>01.01 – 31.12.2018</b>
Provisions no longer required	2.318.425	-
Fair value increase	535.374.366	300.339.828
Profit on sale of fixed assets	42.000	-
Revenues to be invoiced	188.804	22.198
Deferred finance income	813.544	342.207
Foreign exchange gains	3.202.828	8.858.947
Other Income	1.458.271	1.805.617
<b>Total</b>	<b>543.398.238</b>	<b>311.368.797</b>

**Other expense from operating activities(-)**

	<b>01.01 - 31.12.2019</b>	<b>01.01 – 31.12.2018</b>
Provision expenses	4.587.611	727.144
Foreign exchange loss	3.144.702	4.242.741
Deferred finance charges	204.397	1.126.965
Expenses to be invoiced	20.893	6.105
Non-tax deductible expenses	744.966	535.612
Fair value decrease	-	1.536.217
Loss on sale of fixed assets	1.143.910	1.143.910
Other expenses	-	1.145.128
<b>Total</b>	<b>9.846.479</b>	<b>10.463.822</b>

**34. INCOME FROM INVESTMENT ACTIVITIES**

None (31.12.2018: None).

**35. EXPENSES FROM INVESTMENT ACTIVITIES (-)**

None (31.12.2018: None).

**36. FINANCIAL INCOME**

**Financial Income**

	<b>01.01 - 31.12.2019</b>	<b>01.01 – 31.12.2018</b>
Profit on sale of marketable securities	9.170	-
Interest income	6.250.742	13.218.987
Foreign exchange gains	41.258.038	191.731.514
<b>Total</b>	<b>47.517.950</b>	<b>204.950.501</b>

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**37. FINANCIAL EXPENSES**

**Financial Expense**

	<b>01.01 - 31.12.2019</b>	<b>01.01 – 31.12.2018</b>
Interest expense (-)	114.403.589	105.770.959
Foreign exchange losses(-)	113.580.692	335.337.075
Commission expense (-)	4.438	964
<b>Total</b>	<b>227.988.719</b>	<b>441.108.998</b>

**38. DISCONTINUED OPERATIONS**

None (31.12.2018: None).

**39. TAX ASSETS AND LIABILITIES**

**Corporate Taxes**

Gains from real estate investment trust activities are exempted from the corporate tax according to Article 5 / (1) (d) (4) of Corporate Tax Law No: 5520. Consequently, tax provision has not been calculated. (31 December 2018: None.)

According to Article 15 / (3) of KVK, a 15% tax deduction is made on the income exempted from corporate tax.

Deferred tax assets and liabilities have not been calculated because the Company's earnings from real estate investment trust activities are exempt from corporate tax.

**40. EARNINGS PER SHARE**

	<b>01 January- December 31, 2019</b>	<b>01 January- December 31, 2018</b>
Net Profit / (Loss)	548.706.853	212.108.681
Weighted average number of ordinary shares	246.000.001	246.000.001
Basic and diluted earnings / (loss) per share	<b>2,2305</b>	<b>0,8622</b>

**41. FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES)**

**a) Capital Risk Management**

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of debt, which includes the borrowings, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and equity items including the previous year earnings as specified in note 9, 10, 7, 29.

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**41.FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (Cont'd)**

**a) Capital Risk Management**

Board of Directors of the Company periodically examines its capital structure. The board evaluates the risks associated with each capital class together with the capital cost. Based on the recommendations of the board, the Company aims to balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt on the redemption of existing debt.

The Company uses Liabilities / Equity rate while they follow capital sufficiency. This rate is found by net liabilities divided by total equity. Net liabilities are counted by cash and cash equivalents minus total liabilities which appear in balance sheet.

Company strategy is as the as the previous year. Equity to debts ratio as of December 31, 2019 and December 31, 2018 are as follows:

	<b>December 31, 2019</b>	<b>December 31, 2018</b>
Total Financial Liabilities	1.062.150.726	1.088.000.966
Cash and Cash Equivalents (-)	(43.137.369)	(94.432.417)
Net Debt	1.019.013.357	993.568.549
Total equity	1.698.535.300	1.149.857.617
Net debt / Total capital	<b>0,60</b>	<b>0,86</b>

Company management aims to achieve higher profitability and equity levels in order to manage existing debts.

Company strategy is similar to previous year.

**b) Financial Risk Factors**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

**b.1) Credit Risk**

Financial losses due to Company's receivables and financial assets which could result from not implementing agreement clauses related to financial assets by a customer or other party constitutes credit risk. Company tries to decrease credit risk by conducting operations with confidential parties and attaining enough collateral. Trade receivables are due from a wide range of customers rather than a narrow customer portfolio.

**b.2) Market Risk**

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Any changes did not occur in the current year in the methods of management and measurement of market risk exposed by the Company and the risks exposed compare to the previous year.

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**41.FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (Cont'd)**

**b.3) Foreign Exchange Risk Management**

Foreign currency denominated transactions cause foreign currency risk. Foreign exchange risk is managed with currency purchase/sale contracts which are based on approved policy. The distribution of carrying amount of the Company's foreign currency denominated monetary and non-monetary assets and monetary and non-monetary liabilities at the balance sheet date is as follows:

**Foreign currency sensitivity**

**December 31, 2019**

	<b>Profit / Loss</b>	
	<b>Foreign currency Appreciation</b>	<b>Foreign currency Depreciation</b>
Increase in value of US Dollar against TL by 10%:		
1- US Dollars net assets / liabilities	(34.585.370)	34.585.370
2- US Dollars hedged from risks (-)	-	-
<b>3- US Dollars net effect (1+2)</b>	<b>(34.585.370)</b>	<b>34.585.370</b>
Increase in value of Euro against TL by 10%		
4- Euro net assets / liabilities	(36.143.137)	36.143.137
5- Euro hedged from risks (-)	-	-
<b>6- Euro net effect (4+5)</b>	<b>(36.143.137)</b>	<b>36.143.137</b>
<b>Total (3+6)</b>	<b>(70.728.507)</b>	<b>70.728.507</b>

**Foreign currency sensitivity**

**December 31, 2018**

	<b>Profit / Loss</b>	
	<b>Foreign currency Appreciation</b>	<b>Foreign currency Depreciation</b>
Increase in value of US Dollar against TL by 10%:		
1- US Dollars net assets / liabilities	(34.686.440)	34.686.440
2- US Dollars hedged from risks (-)	-	-
<b>3- US Dollars net effect (1+2)</b>	<b>(34.686.440)</b>	<b>34.686.440</b>
Increase in value of Euro against TL by 10%		
4- Euro net assets / liabilities	(32.854.929)	32.854.929
5- Euro hedged from risks (-)	-	-
<b>6- Euro net effect (4+5)</b>	<b>(32.854.929)</b>	<b>32.854.929</b>
<b>Total (3+6)</b>	<b>(67.541.369)</b>	<b>67.541.369</b>

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**41.FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (Cont'd)**

**Foreign currency position**

<b>December 31, 2019</b>	<b>TL Equivalent (Functional Currency)</b>	<b>USD</b>	<b>EUR</b>
1. Trade receivables	168.216	-	25.293
2a. Monetary financial assets (Includes cash in hand and bank accounts)	13.603.538	727.980	1.395.242
2b. Non-monetary financial assets	-	-	-
3. Other	-	-	-
<b>4. Current assets (1+2+3)</b>	<b>13.771.754</b>	<b>727.980</b>	<b>1.420.535</b>
5. Non-monetary financial assets	-	-	-
6. Other	-	-	-
<b>7. Non-current assets (5+6)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>8. Total assets (4+7)</b>	<b>13.771.754</b>	<b>727.980</b>	<b>1.420.535</b>
9. Trade payables	3.485.217	30.486	496.816
10. Financial liabilities	235.937.758	20.845.912	16.856.956
11. Monetary other liabilities	-	-	-
<b>12. Short-term Liabilities</b>	<b>239.422.975</b>	<b>20.876.398</b>	<b>17.353.772</b>
13. Financial liabilities	481.633.848	38.074.150	38.412.441
<b>14. Long-term Liabilities</b>	<b>481.633.848</b>	<b>38.074.150</b>	<b>38.412.441</b>
<b>15.Total Liabilities (12+14)</b>	<b>721.056.823</b>	<b>58.950.549</b>	<b>55.766.213</b>
<b>16.Foreign currency position (net)</b>	<b>(707.285.069)</b>	<b>(58.222.569)</b>	<b>(54.345.678)</b>
<b>17.Monetary Foreign currency position (net)</b>	<b>(707.285.069)</b>	<b>(58.222.569)</b>	<b>(54.345.678)</b>

<b>December 31, 2018</b>	<b>TL Equivalent (Functional Currency)</b>	<b>USD</b>	<b>EUR</b>
1. Trade receivables	3.869.635	706.589	25.273
2a. Monetary financial assets (Includes cash in hand and bank accounts)	83.539.764	15.778.745	87.817
2b. Non-monetary financial assets	-	-	-
3. Other	-	-	-
<b>4. Current assets (1+2+3)</b>	<b>87.409.399</b>	<b>16.485.334</b>	<b>113.090</b>
5. Non-monetary financial assets	-	-	-
6. Other	-	-	-
<b>7. Non-current assets (5+6)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>8. Total assets (4+7)</b>	<b>87.409.399</b>	<b>16.485.334</b>	<b>113.090</b>
9. Trade payables	38.442.514	5.972.455	1.164.902
10. Financial liabilities	207.797.433	22.387.422	14.933.551
11. Monetary other liabilities	-	-	-
<b>12. Short-term Liabilities</b>	<b>246.239.947</b>	<b>28.359.877</b>	<b>16.098.453</b>
13. Financial liabilities	516.583.137	54.057.977	38.518.501
<b>14. Long-term Liabilities</b>	<b>516.583.137</b>	<b>54.057.977</b>	<b>38.518.501</b>
<b>15.Total Liabilities (12+14)</b>	<b>762.823.085</b>	<b>82.417.854</b>	<b>54.616.954</b>
<b>16.Foreign currency position (net)</b>	<b>(675.413.686)</b>	<b>(65.932.520)</b>	<b>(54.503.864)</b>
<b>17.Monetary Foreign currency position (net)</b>	<b>(675.413.686)</b>	<b>(65.932.520)</b>	<b>(54.503.864)</b>

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**41.FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (Cont'd)**

**b.3) Interest rate risk management**

The value of a financial instrument will fluctuate as a result of changes in market prices. The Company's interest rate risk is primarily attributable to its borrowings. The interest-bearing financial liabilities have variable interest rates, whereas the interest bearing financial assets have a fixed interest rate and future cash flows associated with these financial instruments will not fluctuate in amount. The Company is subject to interest risk due to financial liabilities and finance lease obligations. Policy of the Company is to manage this risk through fixed and variable rates borrowings.

The Company's financial instruments that are sensitive to interest rates are as follows (Note 7, 9, 10);

**Interest rate sensitivity**

<b>Fixed Interest</b>		<b>31.12.2019</b>	<b>31.12.2018</b>
Financial Assets	Time Deposits	41.321.891	92.478.845
Financial Liabilities	Bank Loans and Financial Lease Payments	803.585.517	893.720.932
<b>Floating Interest</b>			
Financial Liabilities		258.565.209	194.280.034

**Details of credit and receivable risk are as follows:**

<b>December 31, 2019</b>	<b>Receivables</b>				<b>Cash and Cash Equivalents</b>
	<b>Trade receivables from</b>		<b>Other receivables from</b>		<b>Deposit in bank</b>
	<b>Related parties</b>	<b>Other</b>	<b>Related parties</b>	<b>Other</b>	
<b>Maximum credit risk exposed as of balance sheet date(A+B+C+D) (1)</b>	<b>801.103</b>	<b>10.418.447</b>	<b>395.037</b>	<b>411.232</b>	<b>43.137.369</b>
- Secured portion of the maximum credit risk by guarantees (*)	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired (2)	801.103	10.418.447	395.037	411.232	43.137.369
B. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-
C. Net book value of the impaired assets (3)	-	-	-	-	-
- Past due (gross carrying amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Secured portion of the net carrying value by guarantees, etc.	-	-	-	-	-
- Not overdue (gross amount)	-	-	-	1.953.740	-
- Impairment (-)	-	-	-	(1.953.740)	-
- Secured portion of the net carrying value by guarantees, etc.	-	-	-	-	-
D. Off-balance sheet items include credit risk	-	-	-	-	-

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**41.FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (Cont'd)**

December 31, 2018	Receivables				Cash and Cash Equivalents
	Trade receivables from		Other receivables from		Deposit in bank
	Related parties	Other	Related parties	Other	
<b>Maximum credit risk exposed as of balance sheet date(A+B+C+D) (1)</b>	<b>859.038</b>	<b>24.417.890</b>	<b>-</b>	<b>558.654</b>	<b>94.432.417</b>
- Secured portion of the maximum credit risk by guarantees (*)	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired (2)	859.038	24.417.890	-	558.654	94.432.417
B. Carrying value of financial assets that are past due but not impaired	-	-	-	-	-
C. Net book value of the impaired assets (3)	-	-	-	-	-
- Past due (gross carrying amount)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Secured portion of the net carrying value by guarantees, etc.	-	-	-	-	-
- Not overdue (gross amount)	-	-	-	1.953.740	-
- Impairment (-)	-	-	-	(1.953.740)	-
- Secured portion of the net carrying value by guarantees, etc.	-	-	-	-	-
D. Off-balance sheet items include credit risk	-	-	-	-	-

**Details of credit and receivable risk are as follows:**

- (1) Amounts showing the maximum credit risk exposed as of balance sheet date by excluding guarantees in hand and other factors that increase the credit quality.
- (2) All trade receivables consist of receivables from customers and receivables without notes. The Company management anticipates that there will be no problems in the collection of related amounts, taking into account its past experience
- (3) Impairment tests were made within the framework of the Company 's receivables from customers and the bad debt policy of the management.

**b.2) Liquidity Risk**

The primary responsibility belongs to the board of directors regarding the liquidity risk management. Board of directors has built an appropriate liquidity risk management framework for the management of the Company 's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following schedules detail the Company 's remaining contractual maturity for its derivative and non-derivative financial liabilities. The schedules have been drawn up based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest payment date. The schedule includes the interests to be paid on the said liabilities.

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**41.FINANCIAL INSTRUMENTS (FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES) (Cont'd)**

The analysis of the Company's financial liabilities with respect to their maturities is as follows:

<b>December 31, 2019</b>						
<u>Contractual cash outflows</u>	<u>Carrying value</u>	<u>Contractual cash outflows</u>	<u>1-3 months</u>	<u>3-12 months</u>	<u>1-5 years</u>	<u>Over 5 years</u>
<b>Non-derivative financial liabilities</b>	<b>1.093.538.132</b>	<b>1.257.421.211</b>	<b>162.937.660</b>	<b>320.939.199</b>	<b>756.570.274</b>	<b>16.974.077</b>
Bank Loans	990.461.283	1.145.589.064	131.262.428	287.571.114	709.781.560	16.973.962
Other Financial Liabilities	71.689.443	80.296.856	8.299.733	25.338.834	46.658.174	115
Trade Payables	13.452.072	13.575.675	13.575.675	-	-	-
Other Payables	14.375.464	14.375.464	6.215.672	8.029.252	130.540	-
<b>December 31, 2018</b>						
<u>Contractual cash outflows</u>	<u>Carrying value</u>	<u>Contractual cash outflows</u>	<u>1-3 months</u>	<u>3-12 months</u>	<u>1-5 years</u>	<u>Over 5 years</u>
<b>Non-derivative financial liabilities</b>	<b>1.107.798.641</b>	<b>1.305.442.796</b>	<b>113.618.535</b>	<b>302.858.142</b>	<b>835.097.413</b>	<b>53.868.705</b>
Bank Loans	1.007.664.201	1.190.611.799	94.338.068	271.610.662	770.794.479	53.868.590
Other Financial Liabilities	80.336.765	94.980.467	6.965.016	24.165.665	63.849.671	115
Trade Payables	10.144.643	10.197.498	10.197.498	-	-	-
Other Payables	9.653.032	9.653.032	2.117.953	7.081.815	453.264	-

**42.FINANCIAL INSTRUMENTS**

*Fair value of financial instruments*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The estimated fair values of financial instruments have been determined by the Company, using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange. Following methods and assumptions were used to estimate the fair value of the financial instruments for which is practicable to estimate fair value:

*Financial Assets*

The carrying values of financial assets including cash and cash equivalents which are accounted with their costs are estimated to be their fair values since they are short term.

The carrying values of trade receivables along with the related allowances for uncollectibility are estimated to be their fair values.

*Financial Liabilities*

The fair values of short-term financial liabilities and other financial liabilities are estimated to be their fair values since they are short term.



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**42.FINANCIAL INSTRUMENTS (Cont'd)**

*Fair value hierarchy table*

The Company classifies the fair value measurement of each class of financial instruments according to the source, using the three-level hierarchy, as follows:

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)

Level 2: Other valuation techniques includes direct or indirect observable inputs. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3: Valuation techniques does not contain observable market inputs

Fair value hierarchy table as of December 31, 2018 is as follows:

**31 December 2019 Financial assets carried at fair value in statement of financial position**

<b><u>Financial Assets</u></b>	<b><u>31.12.2019</u></b>	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>
Investment Properties	2.552.800.823	-	2.552.800.823	-

**31 December 2018 Financial assets carried at fair value in statement of financial position**

<b><u>Financial Assets</u></b>	<b><u>31.12.2018</u></b>	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>
Investment Properties	1.963.223.571	-	1.963.223.571	-

**43.SUBSEQUENT EVENTS AFTER THE BALANCE SHEET DATE**

**31 December 2019;**

As of 1 January 2020, the retirement pay provision ceiling amounting increased from TL 6.730.15 to TL 6.379,86.

**December 31, 2018:**

As of 1 January 2019, the retirement pay provision ceiling amounting increased from TL 5.434,42 to TL 6.017,60.

**44.OTHER MATTERS THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR  
OTHER MATTERS REQUIRED FOR CLEAR UNDERSTANDING OF FINANCIAL  
STATEMENT**

The financial statements were approved by the Company's Board of Directors on February 10, 2020 for publication in Public Disclosure Platform (KAP). Although this is not the intention, the Company Management and certain regulatory bodies have the authority to amend the statutory financial statements after they are published.

**45.SUPPLEMENTARY NOTE: CONTROL OF COMPLIANCE WITH PORTFOLIO  
LIMITATIONS**

Explanations made in the framework of the Communiqué with Serial No: VI, No: 29 amending the Communiqué for Principles on Real Estate Investment Trusts”:

Consequent to the publication of the CMB’s Communiqué with Serial No: VI, No: 29 amending the Communiqué for Principles on Real Estate Investment Trusts” in the Official Gazette on 28 July 2011, CMB’s “Communiqué for Principles on Real Estate Investment Trusts” with Serial No, VI, No, 11 was subjected to modification, and in this framework real estate investment trusts have to comply with the provisions of CMB’s Communiqué with Serial No: VI, No: 29 for Principles on Real Estate Investment Trusts at the time of financial statement preparation and their disclosure to public, in addition to including in the financial statements the information relating to control of portfolio restrictions specified in CMB’s Communiqué with Serial No: VI, No: 29 amending the Communiqué for Principles on Real Estate Investment Trusts in the manner set out by the CMB by means of using non-consolidated financial statement account items.

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**45.SUPPLEMENTARY NOTE: CONTROL OF COMPLIANCE WITH PORTFOLIO**  
**LIMITATIONS (Cont'd)**

	<b>Unconsolidated / Individual Financial Statement Main Account Items</b>	<b>The Communiqué Related to Regulation</b>	<b>Current Period December 31, 2019</b>	<b>Previous Period December 31, 2018</b>
<b>A</b>	Money and Capital Market Instruments	Md.24/(b)	43.137.365	94.582.538
<b>B</b>	Real Estate, Real Estate Based Projects, Real Estate Based Rights	Md.24/(a)	2.552.800.823	1.963.223.571
<b>C</b>	Subsidiaries	Md.24/(b)	73.590.496	65.395.985
	Other Receivables from Related Parties	Md.23/(f)	395.037	-
	<b>Other Assets</b>		122.855.328	143.138.123
<b>D</b>	<b>Total Assets</b>	Md.3/(p)	<b>2.792.779.049</b>	<b>2.266.340.217</b>
<b>E</b>	Financial Liabilities	Md.31	990.461.283	1.007.664.201
<b>F</b>	Other Financial Liabilities	Md.31	-	-
<b>G</b>	Leasing Payables	Md.31	71.689.443	80.336.765
<b>H</b>	Other Payables to Related Parties	Md.23/(f)	130.540	2.975.258
<b>İ</b>	Equities	Md.31	1.698.535.300	1.149.857.617
	<b>Other Liabilities</b>		31.962.483	25.506.376
<b>D</b>	<b>Total Liabilities</b>	Md.3/(p)	<b>2.792.779.049</b>	<b>2.266.340.217</b>
	<b>Unconsolidated / Individual Other Financial Information</b>	<b>The Communiqué Related to Regulation</b>	<b>Current Period December 31, 2019</b>	<b>Previous Period December 31, 2018</b>
<b>A1</b>	Portion of Total of Money and Capital Market Instruments in hand for 3-Year Real Estate Payments	Md.24/(b)	-	-
<b>A2</b>	Foreign Currency Demand and Time Deposits / Special Current-Participation Accounts and TL Deposits / Participation Accounts.	Md.24/(b)	43.137.365	94.432.416
<b>A3</b>	Foreign Capital Market Instruments	Md.24/(d)	-	-
<b>B1</b>	Foreign Real Estate, Real Estate Based Projects, Real Estate Based Rights,	Md.24/(d)	-	-
<b>B2</b>	Idle Lands	Md.24/(c)	50.742.201	47.737.201
<b>C1</b>	Foreign subsidiaries	Md.24/(d)	-	-
<b>C2</b>	Participation in the Operating Company	Md.28/1(a)	-	-
<b>J</b>	Contingencies	Md.31	165.638	517.046
<b>K</b>	Mortgage fees of servient lands on which the project will be developed (Lands which do not belong to the partnership),	Md.22/(e)	-	-
<b>L</b>	Total of Money and Capital Market Instruments Investments in a Single Company	Md.22/(l)	-	-

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**45.SUPPLEMENTARY NOTE: CONTROL OF COMPLIANCE WITH PORTFOLIO**  
**LIMITATIONS (Cont'd)**

	<b>Portfolio Limitations</b>	<b>The Communiqué Related to Regulation</b>	<b>Current Period December 31, 2019</b>	<b>Previous Period December 31, 2018</b>	<b>Minimum/ Maximum Rate</b>
1	Mortgage fees of servient lands on which the project will be developed (Lands which do not belong to the partnership),	Article.22/(e)	0,00%	0,00%	≤ %10
2	Real Estate, Real Estate Based Projects, Real Estate Based Rights	Article.24/(a),(b)	91,41%	86,63%	≥ %51
3	Money and Capital Market Instruments and Affiliates	Article.24/(b)	4,18%	7,06%	≤ %49
4	Foreign Real Estate, Real Estate Based Projects, Real Estate Based Rights, Affiliates, Capital Market Instruments	Article.24/(d)	0,00%	0,00%	≤ %49
5	Idle Lands	Article.24/(c)	1,82%	2,11%	≤ %20
6	Participation in the Operating Company	Article.28/1(a)	0,00%	0,00%	≤ %10
7	Borrowing Limit	Article.31	62,55%	94,92%	≤ %500
8	Foreign Currency Demand and Time Deposits / Special Current-Participation Accounts and TL Deposits / Participation Accounts.	Article.24/(b)	1,54%	4,17%	≤ %10
9	Total of Money and Capital Market Instruments Investments in a Single Company	Article.22/(l)	0,00%	0,00%	≤ %10