

(Convenience translation of the independent Auditor's report and consolidated financial statements originally issued in Turkish)

**REYSAŞ GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.
AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD
1 JANUARY – 31 DECEMBER 2021
TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT**



Grant Thornton

**REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
AND ITS SUBSIDIARIES
AS OF 31 DECEMBER 2021
INDEPENDENT AUDITOR'S REPORT**

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To the Shareholders Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş.
İstanbul

A) Audit of the Consolidated Financial Statements

1. Opinion

We have audited the accompanying consolidated financial statements of Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial positions as at 31 December 2021 and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements and a summary of significant accounting policies and consolidated financial statement notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards (TFRS).

2. Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by the Independent Auditing Standards (IAS) (of Turkey) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor's Response
<i>Valuation studies to determine the fair values of investment properties</i>	
<p>The Group accounts for its investment properties at fair value.</p> <p>As of 31 December 2021, investment properties constituted 86% of the Group's total assets and amounted to TL 4.908.329.172 (31 December 2020: TL 3.067.061.457) (Note 13).</p> <p>As of 31 December 2021, the fair values of investment properties were determined by an independent qualified valuation firm authorized by the Capital Markets Board and were taken as the basis for the carrying value in the balance sheet after the evaluations of the Group management.</p> <p>The fair value of investment properties depends on the valuation method adopted and the inputs and assumptions in the valuation model.</p> <p>In order to reach the valuation result, valuation studies are carried out by considering the detailed characteristics of the real estate according to the comparable market information based on current market data and transactions.</p> <p>The study on the determination of the fair value of investment properties has been determined as a key audit matter due to the fact that the book value of investment properties constitutes a significant part of the total assets of the Group, as well as the subjective nature of valuations, important assumptions and judgments.</p>	<ul style="list-style-type: none"> - The design and functional effectiveness of the control activities implemented by the Group management in determining the fair value of investment properties have been evaluated. - The following procedures have been carried out by us in relation to the expert institution that carried out the valuation study. - The real estate valuation accreditation and license of the expert institution, which was appreciated by the Capital Markets Board, was checked. - The competence, capability and impartiality of the expert body were evaluated. - The valuation reports prepared by the expert institution for each real estate were read and the valuation studies were evaluated. - The appraisal report prepared by the expert organization that carried out the valuation study of the Group, the valuation method applied and the appropriateness of the assumptions used were evaluated. - By comparing the consistency of the inputs in the appraisal report, such as the unit sales value, with observable market prices, it has been evaluated whether the appraised values are within an acceptable range. - The compliance of the fair values in the valuation report with the footnotes has been checked, it has been evaluated whether the values in the footnotes are in agreement with the valuation reports and whether the footnote explanations are sufficient in terms of TFRS.
<i>Financial Liabilities</i>	
<p>In the consolidated financial statements of the Group, the current and non-current financial liabilities amounted to TL 1,653,244,562 (31.12.2019: TL 1,312,078,353 and constituted the major part of the Group's liabilities.</p> <p>The details of Short- and Long-Term Financial Debts are given in Note 7.</p> <p>The Group presents its financial liabilities at amortized cost using exchange rate valuations and the effective interest method. Calculation of financial liabilities and accounting for their cost have been considered by us as a key audit matter.</p>	<p>Our audit procedures are designed to question the accuracy of financial liabilities.</p> <ul style="list-style-type: none"> - The accounting policies applied by the Group regarding financial liabilities and their application principles have been evaluated. - The authenticity of financial debts has been questioned by external confirmations with banks and financial institutions. - Currency valuations, discounts and accruals made by the Group for financial liabilities have been recalculated and tested. <p>The explanations in the footnotes of the consolidated financial statements regarding financial liabilities were examined and the adequacy of the information included in these notes was evaluated.</p>

4. Other Matters

The consolidated financial statements of the Group for the period 1 January - 31 December 2020 were audited by another independent auditor, whose report dated February 3, 2021 included an unqualified opinion given on the consolidated financial statements.

5. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Group management is responsible for the preparation and fair presentation of the financial statements in accordance with IAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IAS (of Turkey) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with IAS (of Turkey), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless laws or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Other Responsibilities Arising from Regulatory Requirements

a) In accordance with subparagraph 4 of Article 398 of Turkish Commercial Code ("TCC") No. 6102, the auditor's report on the early risk identification system and committee was submitted to the Group's Board of Directors on 07.02.2022.

b) In accordance with Article 402 of the Turkish Commercial Code, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit, additionally, no significant matter has come to our attention that causes us to believe that the Group's bookkeeping activities for the period 01.01.-31.12.2021 is not in compliance with the code and provisions of the Group's articles of association in relation to financial reporting.

c) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

EREN Bağımsız Denetim A.Ş.
Member Firm of GRANT THORNTON International



Jale AKKAŞ
Partner

İstanbul, 07.02.2022

REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED
31 DECEMBER 2021 AND 2020**

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REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AS OF 31.12.2021 AND 31.12.2020
(All amounts in Turkish Lira ("TL") unless indicated otherwise.)

<u>ASSETS</u>	<u>Note</u>	<u>Audited</u> <u>31.12.2021</u>	<u>Restated</u> <u>Audited</u> <u>31.12.2020</u>
CURRENT ASSETS		555,647,831	259,611,947
Cash and Cash Equivalents	6	426,697,788	223,048,020
Trade Receivables			
- Trade receivables from related parties	5	23,987,039	6,192,620
- Trade receivables from third parties	8	19,580,688	14,457,336
Other Receivables			
- Other receivables from related parties	5	55,594,526	---
- Other receivables from third parties	9	5,432,595	596,851
Inventories	13	287,767	171,708
Prepaid Expenses			
- Prepaid expenses from related parties	17	---	18,181
- Prepaid expenses from third parties	17	2,328,289	5,280,231
Assets related with current year tax		1,638,877	1,171,406
Other current assets	18	20,100,262	8,675,594
		555,647,831	259,611,947
NON-CURRENT ASSETS		5,114,735,809	3,229,376,004
Other Receivables			
- Other receivables from third parties	9	3,394	3,250
Inventories	13	56,897,916	56,897,916
Investments accounted by using equity method	10	76,978,147	29,678,582
Investment Properties	11	4,872,329,172	3,067,061,457
Tangible assets			
- Machinery and equipment	12	77,030,472	73,266,371
- Motor vehicles	12	85,858	109,819
- Furniture and fixtures	12	7,176,542	1,866,715
- Leasehold improvements	12	44,230	62,427
Prepaid expenses	17	24,067,873	307,385
Deferred tax assets	26	122,205	122,082
		5,114,735,809	3,229,376,004
TOTAL ASSETS		5,670,383,640	3,488,987,951

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

(*): These consolidated financial statements have been approved for issue by the Board of Directors on 07.02.2022

REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AS OF 31.12.2021 AND 31.12.2020
(All amounts in Turkish Lira ("TL") unless indicated otherwise.)

	Note	Audited 31.12.2021	Restated Audited 31.12.2020
LIABILITIES			
SHORT TERM LIABILITIES			
Short-term borrowings		842,290,696	616,459,288
- Bank Loans	7	155,870,675	68,066,138
Short term portion of long-term borrowings			
- Bank Loans	7	604,785,007	437,482,804
- Leasing	7	25,321,082	46,041,470
Trade payables			
- Trade payables to related parties	5	14,490,103	37,422,829
- Trade payables to third parties	8	9,227,681	4,286,807
Payables related to employee benefits	16	453,533	301,241
Other Payables			
- Other payables to related parties	5	13,475,432	9,185,401
- Other payables to third parties	9	9,025,356	7,866,753
Deferred Income	17	758,726	1,372,590
Current tax liabilities	25	59,310	--
Short-term provisions			
- Short-Term provisions for employee benefits	16	148,621	78,030
- Other short-term provision	14	8,675,170	4,355,225
		842,290,696	616,459,288
LONG-TERM LIABILITIES			
Long-term borrowings		878,272,152	764,821,627
- Bank Loans	7	843,468,718	731,241,021
- Leasing	7	23,799,080	30,444,303
Other Payables			
- Other payables to related parties	5	2,790,371	--
- Other payables to third parties	9	2,703,792	--
Deferred Income	17	226,502	13,250
Long-term provision			
- Long-term provisions for employee benefits	16	699,149	311,104
- Other long-term provision		336,892	--
Deferred tax liability	25	4,247,648	2,811,949
		878,272,152	764,821,627
		3,949,820,792	2,107,707,036
EQUITY			
Equity of Parent Company			
Share Capital Paid	19	500,000,000	246,000,001
Share Premium/Discount	19	331,244	--
Reacquired shares (-)	19	(3,052,439)	(1,047,230)
Effects of business combinations under common control	3	(10,633,456)	(10,633,456)
Other Comprehensive income or expenses that will not be reclassified subsequently to profit or loss			
- Revaluation and Measurement Gain / Loss	19	99,075,327	99,075,327
- Shares of Other Comprehensive Income of Investments Valued by the Equity	10	42,533,800	--
Method Not to be Classified in Profit/Loss			
- Other Gain / Loss	19	(178,293)	(47,348)
Restricted Reserves	19	9,568,612	7,563,403
Retained Earnings / Loss	19	1,764,526,292	1,356,369,865
Net Profit / Loss for the Period	26	1,547,649,705	410,426,474
TOTAL EQUITY OF PARENT COMPANY		3,949,820,792	2,107,707,036
Non-controlling Interest		--	--
TOTAL EQUITY		3,949,820,792	2,107,707,036
TOTAL LIABILITIES		5,670,383,640	3,488,987,951

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

(*): These consolidated financial statements have been approved for issue by the Board of Directors on 07.02.2022

REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31.12.2021 AND 31.12.2020
(All amounts in Turkish Lira ("TL") unless indicated otherwise.)

<u>CONTINUING OPERATIONS</u>	Note	Audited 01.01.- 31.12.2021	Audited 01.01.- 31.12.2020
Revenue	20	324,989,231	264,004,437
Cost of Sales (-)	20	(52,559,072)	(35,625,954)
GROSS PROFIT/LOSS		272,430,159	228,378,483
General Administrative Expenses (-)	21	(5,008,347)	(5,012,099)
Marketing, Selling and Distribution Expenses (-)	21	(332,216)	(137,524)
Other Operating Incomes	23	21,176,581	6,250,161
Other Operating Expenses (-)	23	(11,186,803)	(8,415,411)
OPERATING PROFIT/LOSS		277,079,374	221,063,610
Income from Investing Activities	24	1,578,890,310	458,274,356
Shares of Profits/Losses of Investments accounted by using Equity Method	10	4,765,764	3,235,411
OPERATING PROFIT / LOSS BEFORE FINANCING EXPENSES		1,860,735,448	682,573,377
Financial Income	25	104,202,160	33,008,318
Financial Expenses (-)	25	(415,571,338)	(304,979,922)
PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS		1,549,366,270	410,601,773
Tax expense/ income from continued operations		(1,716,565)	(175,299)
- Tax Expense / Income for the Period	26	(257,168)	--
- Deferred Tax Expense(-)/Income	26	(1,459,397)	(175,299)
NET PROFIT/LOSS FOR THE YEAR		1,547,649,705	410,426,474
Distribution of Profit / Loss for the Period			
Non-controlling Interest		--	--
Equity Holders of Parent	27	1,547,649,705	410,426,474
Earnings Per Share			
Earnings Per Share From Continuing Operations	27	3.0953	1.6684
Diluted Earnings Per Share			
Diluted Earnings Per Share From Continuing Operations	27	3.0953	1.6684
OTHER COMPREHENSIVE INCOME:			
Items not to be Reclassified Under Profit or Loss			
Gain/Loss Arising from Defined Benefit Plans		(154,766)	15,266
Shares of Other Comprehensive Income of Investments Valued by the Equity Method		42,533,800	--
Not to be Classified in Profit/Loss		--	--
Not To Be Reclassified to Profit or Loss, Tax Effect		--	--
- Deferred Tax Expense(-)/Income	26	23,821	--
OTHER COMPREHENSIVE INCOME		42,454,051	15,266
TOTAL COMPREHENSIVE INCOME		1,590,052,560	410,441,740
Attributable to:			
Non-controlling Interest		--	--
Equity Holders of Parent		1,590,052,560	410,441,740

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

(*): These consolidated financial statements have been approved for issue by the Board of Directors on 07.02.2022

REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED 31.12.2021 AND 31.12.2020
(All amounts in Turkish Lira ("TL") unless indicated otherwise.)

	Note	Capital Paid	Share Premium /Discount	Reacquired shares	Effects of business combinations under common control	Revaluation and Measurement Gain/Loss	Shares of Other Comprehensive Income of Investments Valued by the Equity Method Not to be Classified in Profit/Loss	Other comprehensive loss not to be reclassified to profit or loss		Retained earnings				Non-controlling Interests	Total Equity
								Other comprehensive loss not to be reclassified to profit or loss	Other Gain / (Loss)	Restricted Reserves	Previous Year's Profit / (Loss)	Net Profit / Loss for the Period	Equity Holders of the Parent		
Balance at 01 January 2020		246,000,001	--	(1,047,230)	(9,363,451)	99,075,327	--	(62,614)	7,563,403	807,663,012	548,706,853	1,698,535,301	--	1,698,535,301	
Transfer to reserves and previous year's profits / loss	19	--	--	--	--	--	--	--	--	548,706,853	(548,706,853)	--	--	--	
Effects of business combinations under common control	3	--	--	--	(1,270,005)	--	--	--	--	--	--	(1,270,005)	--	(1,270,005)	
Total comprehensive income - (expenses)	27	--	--	--	--	--	--	15,266	--	--	410,426,474	410,441,740	--	410,441,740	
Balance at 31 December 2020		246,000,001	--	(1,047,230)	(10,633,456)	99,075,327	--	(47,348)	7,563,403	1,356,369,865	410,426,474	2,107,707,036	--	2,107,707,036	
Balance at 01 January 2021		246,000,001	--	(1,047,230)	(10,633,456)	99,075,327	--	(47,348)	7,563,403	1,356,369,865	410,426,474	2,107,707,036	--	2,107,707,036	
Paid Capital		253,999,999	--	--	--	--	--	--	--	--	--	253,999,999	--	253,999,999	
Share Premium		--	331,244	--	--	--	--	--	--	--	--	331,244	--	331,244	
Reacquired Shares		--	--	(2,005,209)	--	--	--	--	--	--	--	(2,005,209)	--	(2,005,209)	
Reserves for Reacquired Shares		--	--	--	--	--	--	2,005,209	2,005,209	(2,005,209)	--	--	--	--	
Transfer to reserves and previous year's profits / loss	19	--	--	--	--	--	--	--	--	410,426,474	(410,426,474)	--	--	--	
Other		--	--	--	--	--	--	--	--	(264,838)	--	(264,838)	--	(264,838)	
Total comprehensive income - (expenses)	27	--	--	--	--	--	42,533,800	(130,945)	--	--	1,547,649,705	1,590,052,560	--	1,590,052,560	
Balance at 31 December 2021		500,000,000	331,244	(3,052,439)	(10,633,456)	99,075,327	42,533,800	(178,293)	9,568,612	1,764,526,292	1,547,649,705	3,949,820,792	--	3,949,820,792	

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

(*) These consolidated financial statements have been approved for issue by the Board of Directors on 07.02.2022

REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE YEARS ENDED 31.12.2021 AND 31.12.2020
(All amounts in Turkish Lira ("TL") unless indicated otherwise.)

	Note	01.01.- 31.12.2021	01.01. 31.12.2020
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) for the period		(2,808,901)	123,625,411
Adjustments Regarding Profit/(Loss) for the Period	26	1,547,649,705	410,426,474
Depreciation and amortization		(1,426,648,186)	(306,325,341)
Adjustments for Impairment/Cancellation	12	10,586,048	8,233,975
Changes in other provisions		-	24,311
- Provision for employment termination benefits	15	233,279	291,157
- Provisions for possible losses	8	586,826	-
- Provisions for court case expenses	14	4,319,946	2,101,870
Interest income and expenses			
- Interest income	8	550,994	-
- Interest expense	8	(257,782)	(2,562,511)
Adjustments for Unrealized Currency Translation Differences	23 -25	139,208,886	146,916,624
Adjustments for Fair Value Loss (Gains)	11	(1,578,562,346)	(458,270,662)
Adjustments Regarding Retained Earnings of Investments Accounted by Using Equity Method			
- Adjustments Regarding Retained Profits of Subsidiaries	10	(4,765,764)	(3,235,411)
Tax income / (expenses)	26	1,716,565	175,301
Other Adjustments Regarding Profit/Loss Reconciliation		(264,838)	-
Changes in Working Capital		(123,145,091)	20,075,424
(Increase) / decrease in inventories	13	(116,059)	6,299
Increase/(decrease) in trade receivables			
- Trade receivables from related parties	5	(17,794,419)	1,435,962
- Trade receivables from third parties	8	(5,674,346)	(4,113,181)
Increase/(decrease) in other receivables regarding operating activities			
- Other receivables from third parties	5	(55,594,526)	370,725
(Increase) / decrease in prepaid expenses	9	(4,835,744)	(182,092)
(Increase) / decrease in trade payables		(20,790,365)	2,077,512
- Trade payables to related parties			
- Trade payables to third parties	5	(22,932,726)	35,687,884
Increase/(decrease) in other payables regarding operating activities	8	5,198,656	(6,065,746)
- Other payables to related parties			
- Other payables to third parties	5	7,080,402	(1,877,696)
(Increase) / decrease in deferred income	9	3,862,395	(2,113,354)
Increase/(decrease) in payables regarding employee benefits	17	(400,612)	(616,435)
Other increase/(decrease) in working capital	16	456,162	77,235
Cash flow from provided operating activities		(11,603,909)	(4,611,689)
Tax paid/ tax refund		(2,143,572)	124,176,557
Changes in Working Capital		(665,329)	(551,144)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
Cash inflow from sale of tangible and intangible assets	11, 12	(246,323,187)	(47,876,915)
Cash outflow from purchase of tangible and intangible assets	11, 12	9,915,773	95,292
Cash outflow from purchase of investment properties		(29,533,592)	(34,798,334)
Cash inflow from sale of investment properties		(226,705,368)	(26,458,635)
		-	13,284,762
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Outflows from the Company's Own Shares	19	452,781,856	104,144,773
Proceeds from borrowings	7	(2,005,209)	-
Repayments of borrowings	7	718,500,000	1,180,227,093
Cash outflow from effects of business combinations under common control		(518,044,178)	(1,075,522,153)
Other inflows /(outflows) of cash	19	-	(560,167)
		254,331,243	-
NET INCREASE DECREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF CURRENCY TRANSLATION RESERVES		203,649,768	179,893,271
D. THE EFFECT OF CURRENCY TRANSLATION RESERVES ON CASH AND CASH EQUIVALENTS			
NET INCREASE /DECREASE IN CASH AND CASH EQUIVALENTS		203,649,768	179,893,271
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	223,048,020	43,154,749
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	426,697,788	223,048,020

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

(*): These consolidated financial statements have been approved for issue by the Board of Directors on 07.02.2022

REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 1-ORGANIZATION AND ACTIVITY OF THE GROUP

The business activities of Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. ("Company") is to conduct businesses and activities in the purposes and areas stated in the regulations of the Capital Market Board ("CMB" or "The Board") concerning real estate investment partnerships and mainly to invest in real estates, real estate-based capital market instruments, real estate projects and real estate-based rights. The Company is registered with registry number 676891 on 3 September 2008 at Istanbul Trade Registry Office.

The Company, whose main shareholder is Reysaş Taşımacılık ve Lojistik Ticaret A.Ş. ("Reysaş Logistics") (61.47%) is registered in Turkey and carries out operations based at the address below:

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

Group B shares with a nominal value of TL 65,500,000 that were offered to the public in 2010 by way of increase of the Company' share capital were registered by the CMB on 6 July 2010. The said shares were offered to the public and started to be traded at the Istanbul Stock Exchange (BIST) as from 12 July 2010.

As of 31 December 2021 the percentage of the publicly quoted shares of the Company is 38.53 % (31 December 2020: 38.06%) and shares are traded at the National Market in Borsa Istanbul A.Ş. (BIST).

As of 31 December 2021 the average number of personnel employed at the Company is 9 (31 December 2020: 7).

The shareholders of Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş are shown below.

	31 December 2021	Share (%)	31 December 2020	Share (%)
Reysaş Taşımacılık ve Lojistik Tic. A.Ş.	307,352,918	61.47%	152,381,690	61.94%
Publicly traded shares *	192,647,058	38.53%	93,618,300	38.06%
Others	24	0.00%	11	0.00%
Paid in capital	500,000,000	100.00%	246,000,001	100.00%

* 7.70% of the publicly traded shares belong to Egemen Döven.

Reysaş Turizm Yatırımları ve Ticaret Ltd. Şti. (Reysaş Turizm)

In line with the Company's Board of Directors Decision dated 29.12.2017 and numbered 415, it was decided to purchase the remaining 65.79% shareholding of Reysaş Turizm Yatırımları ve Tic.Ltd.Şti., which is a 34.21% owned subsidiary, from Reysaş Taşımacılık ve Lojistik Tic.A.Ş. This transaction, which was in the nature of a business combination under common control, has been accounted for using the "Pooling of Interest" method in accordance with the POA's principle decision numbered 2013-2. Therefore, Reysaş Tourism Investments and Trade. Ltd. Şti's assets and liabilities have been recorded at cost and the difference between the consideration paid and its net assets has been accounted for under "effect of merger involving businesses under common control".

	31.12.2021		31.12.2020	
	Share Amount	Share (%)	Share Amount	Share (%)
Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş.	38,000,000	100.00 %	38,000,000	100.00 %
Total	38,000,000	100.00%	38,000,000	100.00%

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NOTE 1-ORGANIZATION AND ACTIVITY OF THE GROUP (CONT'D)

Rey Otel Turizm İşletmeciliği ve Ticaret A.Ş. (Rey Otel)

Reyaş Turizm's field of activity is the operation of hotels and accommodation places, and all of the shares of Rey Otel were acquired based on the valuation study carried out by Bizim Menkul Değerler A.Ş. at TL 560,167. Rey Otel Turizm İşletmeciliği ve Ticaret A.Ş. operates the Eskişehir hotel in the portfolio of Reysaş GYO and the Erzincan hotels in the portfolio of Reysaş Turizm.

This transaction, which was in the nature of a business combination under common control, has been accounted for using the "Pooling of Interest" method in accordance with the POA's principle decision numbered 2013-2. Therefore, the assets and liabilities of Rey Otel Turizm İşletmeciliği ve Ticaret A.Ş. were recorded at cost values and the difference between the consideration paid and the net asset amount was accounted for in the "merger effect involving businesses under common control" account.

	31.12.2021		31.12.2020	
	Share Amount	Share (%)	Share Amount	Share (%)
Reysaş Turizm Yatırımları ve Ticaret Limited Şirketi	610,000	100.00 %	610,000	100.00 %
Total	610,000	100.00%	610,000	100.00%

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS

2.1) Accounting Standards Applied

The accompanying consolidated financial statements of the Group have been prepared in accordance with the communiqué numbered II-14,1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA") on June 13, 2013 which is published on Official Gazette numbered 28676 in order to comply with Turkish Accounting Standards / Turkish Financial Reporting Standards ("TFRS") and interpretations prepared in compliance with international standards. These standards are updated in parallel to the changes made in International Financial Reporting Standards ("IFRS").

The consolidated financial statements are presented in accordance with the formats specified in "Financial Statement Examples and User Manual" published by CMB as well as "Announcement on TAS Taxonomy" published by KGK on 15 April 2019.

The financial statements were authorized for issue by the management on 07.02.2022. The General Assembly and certain regulatory bodies have the power to amend the financial statements prepared under the legal laws and regulations after their issue.

The consolidated financial statements have been prepared at historical cost basis excluding the revaluation of land and buildings presented in investment properties, on the balance sheet date.

2.2) Application of Financial Reporting in High Inflation Economies

The law amending the Tax Procedure Law and the Corporate Tax Law was enacted on January 20, 2022, with Law No. 7352 and it stated that the financial statements pertaining to the accounting periods 2021 and 2022 in the 2021 and 2022 accounting periods, including the temporary tax periods of 2023 will not be subject to inflation adjustment, regardless of whether the conditions for the inflation adjustment within the scope of the Repeated Article 298 are met. The Public Oversight Authority made a statement on the Implementation of Financial Reporting in Hyperinflationary Economies under TFRS on January 20, 2022, and it was stated that the consolidated financial statements for 2021 were not required to be adjusted within the scope of TAS 29 Financial Reporting in Hyperinflationary Economies.

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NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

2.3) Functional Currency

The consolidated financial statements of the Group are presented in the local currencies ("functional currency") of the economic zones the Group operates in. The financial position and operational results of the Group are presented in Turkish Lira ("TL") which is functional currency of the Group and the presentation currency.

2.4) Changes and Errors in Accounting Estimates

The preparation of the consolidated financial statements requires the disclosure of the amounts of assets and liabilities reported as of the balance sheet date, the disclosure of contingent assets and liabilities, and the use of estimates and assumptions that may affect the amounts of income and expenses reported. Although these estimates are based on the best judgment and knowledge of the management, accounting estimates may not result in exactly the same amounts as the actual results due to their nature. The main notes using estimates are as follows:

Fair value measurement of investment properties

The fair value of the Company's investment properties as of the balance sheet date has been obtained according to the valuation performed by a real estate appraisal company that is not affiliated with the Company. The fair value calculations in the valuation reports prepared in accordance with International Valuation Standards were determined by discounted cash flow methods by making use of various estimates and assumptions (such as discount rates, occupancy rates, etc.). Future changes to these estimates and assumptions may have a material impact on the Company's financial statements.

2.5) Going Concern

As of 31 December 2021, the Group's current assets were TL 555,647,831 (31 December 2020: TL 259,611,947), short-term liabilities were TL 842,290,696 (31 December 2020: TL 616,459,288) and short-term liabilities exceeded short-term assets by TL 286,642,865 (31 December 2020: TL 256,847,341). Although this situation shows the existence of uncertainty regarding the continuity of the business, the Group's management increased its share capital from TL 246,000,001 to TL 500,000,000, all paid in cash, with the resolution of the Board of Directors dated 04.05.2021.

The financial statements have been prepared on a going concern basis.

2.6) Comparative Information and Restatement of the Prior Period Financial Statements

The consolidated financial statements of the Group include comparative financial information to enable the determination of trends in the financial position and performance.

Comparative figures are reclassified where necessary, to conform to changes in presentation in the current period consolidated financial statements and the significant changes are explained.

As of 31.12.2020, non-trade payables amounting to TL 6,342,777 accounted under the "Trade Payables to Related Parties" account have been reclassified to "Other Payables to Related Parties".

As of 01.01.-31.12.2020, fixed asset sales profit amounting to TL 3.694, which was accounted for under the "Other Income from Main Operations" account, was reclassified to the "Income from Investing Activities" account.

As of 01.01.-31.12.2020, the fair value increase gain of TL 456.521.760 for investment property, which was accounted for under "Other Expenses from Core Operations", was reclassified to "Income from Investment Activities".

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NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

2.7) Principles of Consolidation

As of 31 December 2021 and 31 December 2020, the subsidiaries consolidated according to the full consolidation method and the effective ownership rates are as follows:

Consolidated Companies	31 December 2021		31 December 2020	
	Rate of direct ownership %	Rate of effective shareholders %	Rate of direct ownership %	Rate of effective shareholders %
Reysaş Turizm Yatırımları ve Ticaret Ltd. Şti	100	100	100	100
Rey Otel Turizm İşletmeciliği ve Ticaret A.Ş. (*)	--	100	--	100

(*) The sole owner of Rey Otel Turizm İşletmeciliği ve Ticaret A.Ş. is Reysaş Turizm Yatırımları ve Ticaret Ltd. Şti.

Consolidated financial statements include the financial statements of the Company, its Subsidiaries, and companies under joint control. The principles of preparation of consolidated financial statements are provided as follows;

- Subsidiaries represent the businesses which are controlled by the parent company, directly or via other subsidiaries or affiliates, by holding more than 50% of the shares, voting rights under the capital and managerial relations, right to elect majority of the managers, or the managerial majority. Controlling power means the power of parent partnership to manage the financial and activity policies of the subsidiaries as well as to derive benefits from the activities.
- Subsidiaries are included in the scope of consolidation as of the date on which the control on their activities are transferred to Group and will be excluded from the consolidation as of the date on which such control ceases. Accounting policies implemented by subsidiaries are harmonized with the accounting policies implemented by the Group in order to ensure consistency
- Financial statements of the subsidiaries are consolidated using full consolidation method. In this context, the carrying amount of the subsidiaries are eliminated against their equities, and the carrying amount of the shares owned by Company and the dividends arising therefrom are eliminated against equity and income statement accounts.
- Receivables and payables of subsidiaries under consolidation to each other, as well as goods and service sales among them, and incomes and expenses incurred due to transactions among them are set off against each other.
- The amounts that correspond to the shares other than parent partnership and subsidiaries shall be deducted from all equity account items including paid-in/issued capital of subsidiaries under consolidation, which will then be indicated in the "Minority Interests" account group in the equity account group of the consolidated balance sheet.

Business Combinations Subject to Common Control

A business combination involving undertakings or businesses under common control is a business combination in which all the combining enterprises or businesses are controlled by the same person or persons before and after the business combination and this control is not temporary.

Business combinations under common control are accounted for using the pooling of interest method, therefore goodwill is not included in the consolidated financial statements.

Shares purchased from entities under joint management are accounted for at their carrying amount. The difference between the amount paid and the book value of the net asset acquired is accounted for in the "effect of merger with businesses under common control" in equity.

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NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

2.8) Summary of Significant Accounting Policies

Revenues

The Group recognizes revenue in its financial statements within the scope of the following five-stage model in line with TFRS 15, "Revenue from Contracts with Customers", which entered into force as of January 1, 2018.

- Identification of contracts with customers
- Defining performance obligations in contracts
- Determining the transaction price in the contracts
- Distribution of transaction price to performance obligations
- Revenue recognition

The Group evaluates the goods or services it has committed in each contract with customers and determines each commitment to transfer the said goods or services as a separate performance obligation.

The Company began to apply as of 1 January 2018 "TFRS 15 Revenue from Contracts with Customers" Standard which replaced the "TAS 18 Revenue" Standard. In this context, the first adoption of the standard does not have any retrospective material effects, therefore no cumulative effect method readjustment is recognized in the financial statements (Note 20).

Sale of real estate

In the event that the risk and benefit of the real estate property sold are transferred to the buyer and the income amount can be calculated reliably, income is deemed to have arisen when the title deed is transferred. Income is realized if it is considered probable for the economic benefits of this transaction to flow to the Company and the amount of this income can be measured reliably.

Rental income from real estates

Rental income from leased real estate is recorded on an accrual basis on a straight-line basis throughout the lease term. Benefits provided to lessees are recorded so as to reduce rental income during the lease term.

Service revenues

Revenue from the sale of services is considered to have been incurred when it reaches a measurable degree of completion. In cases where the income from the agreement cannot be measured reliably, the income is accepted as the recoverable amount of the expenses incurred.

Interest income

In cases where the collection is not doubtful, income is considered to be earned on an accrual basis.

Cost of sales

In accordance with the principle of directly associating the expenses with the relevant income accounts, it is the item that shows the costs of the revenue elements, which are reflected in the Statement of Profit or Loss and Other Comprehensive Income simultaneously with the recognition of the revenue. Cost of sales is presented separately as commercial activities and financial sector activities (Note 20).

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NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

Related parties

As part of this report, shareholders of Group, the subsidiaries and affiliates and other businesses which Group's shareholders are in a direct or indirect capital and management relationship, managerial staff such as board member, general manager of Group who are directly and indirectly authorized and responsible for planning, implementing and auditing the Group operations, as well as close family members of these persons and the companies under direct or indirect control of these persons are deemed as the related parties. Transactions with related parties are disclosed in the footnotes to consolidated financial statements (Note 5).

Cash and cash equivalents

Cash and cash equivalents consist of cash, cash deposited in banks, and deposits with a maturity of less than three months. Cash and cash equivalents are short-term, high-liquidity assets which are readily convertible to the cash, with a maturity less than three months, and not exposed to the risk of value loss. Cash and cash equivalents are accounted for at the sum of their acquisition values and occurred interests. Bank balances in a foreign currency are assessed in foreign exchange rate at the end of the period (Note 6).

Trade receivables and allowance for doubtful receivables

Trade receivables resulting from the provision of a product or service to a buyer by the Group are shown net of unaccrued financial income. Trade receivables after unaccrued financial income are calculated by discounting the amounts to be obtained in the following periods of the receivables recorded from the original invoice value using the effective interest method. Short-term receivables with no specified interest rate are shown at cost, unless the effect of the original effective interest rate is significant.

The Group allocates provision for doubtful receivables for related trade receivables if there is objective evidence that collection is not possible. The amount of this provision is the difference between the book value of the receivable and the recoverable amount. The recoverable amount is the discounted value of all cash flows, including the amounts that can be collected from guarantees and guarantees, based on the original effective interest rate of the trade receivable.

Following the provision for doubtful receivables, if all or part of the doubtful receivable amount is collected, the collected amount is deducted from the doubtful receivable provision and recorded in other income.

The "simplified approach" is applied within the scope of the impairment calculations for trade receivables (with a maturity of less than 1 year) that are accounted at amortized cost in the financial statements and that do not contain a significant financing component. With this approach, allowances for losses on trade receivables are measured at an amount equal to "lifetime expected credit losses" (Note 8), in cases where trade receivables are not impaired for certain reasons (other than realized impairment losses).

Account payables

Account and other account payables are recognized at their discounted costs which represent the current value of the amount, invoiced or not, to be realized in the future with respect to good and service procurement (Note 8).

Inventories

Inventories include assets held for sale in the ordinary course of business (finished goods), assets in the production process for sale in the ordinary course of business (work in process), and materials and supplies that are consumed in production.

Inventories are stated at the lower of cost and net realizable value. Cost items included in the inventories consist of costs of lands held by Group for the construction of houses for sale. In a transfer from investment property measured according to the fair value method to inventories, estimated costs will be recognized according to TAS 16 or TAS 2 at the fair value on the date the change in use of the said property occurred after the transfer. Inventories are classified as short-term and long-term considering the expected completion date of the residence construction (Note 13).

Order advances given are not in the nature of stock and are shown in "Prepaid Expenses" until the relevant stock invoice is received.

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NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

Investments Accounted by Using Equity Method

In accordance with IAS 28 Investments in Associates and Joint Ventures, affiliates and joint ventures accounted for using the equity method are shown in this item (Note 10).

As of 31 December 2021, and 31 December 2020, the share ratios of the Group's subsidiaries and associates are shown in the table below:

	The Company's direct or indirect shares (%)	
	31.12.2021	31.12.2020
Ari Lojistik	50,00	50,00

Investment Properties

Investment properties are properties held to earn rentals or for capital appreciation and are initially measured at cost including transaction costs. Subsequent to the initial recognition, investment properties are measured at fair values. Fair value should reflect the actual market state and circumstances as of the balance sheet date.

Investment properties are derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on disposal is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as income or expense in the income statement.

Fair Value Method

The Company chose the fair value method and measured its investment properties using the fair value method. (Note 11).

Profits or losses arising from changes in the fair value of investment properties are included in profit or loss statement in the period during which such profits or losses are incurred.

Transfers to, or from, investment property are made when there is a change in use, evidenced by the end of owner-occupation, as a transfer from owner-occupied property to investment property carried at fair value. For a transfer from owner-occupied property to investment property carried at fair value, IAS 16 is applied up to the date of reclassification, up to the date there is a change in use. Any difference arising between the carrying amount under IAS 16 at that date and the fair value is dealt with as a revaluation under IAS 16. A transfer from investment property carried at fair value to owner-occupied property is shown under Tangible Fixed Assets and the fair value at the change of use is the 'cost' of the property under its new classification.

Property, plant and equipment

Property, plant and equipment are held for use in the production or supply of goods and services, for lease to others, or used for administrative purposes, that are expected to be used and have future economic benefits for more than one accounting period. Pursuant to TAS, tangible fixed assets are classified in the Statement of Financial Position or in the related footnotes as land, buildings, plant, machinery and devices, vehicles, fixtures, investments in progress, assets relating to the mining exploration and assessment, other tangible assets, etc.

Property, plant and equipment is initially measured at its cost, subsequently measured either using a cost or revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life.

Tangible assets are depreciated using the straight-line method based on their expected economic useful lives.

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NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

Tangible Fixed Assets

	<u>Useful lives</u>
Machinery and equipment	5-20 years
Motor vehicle	3 years
Furniture and fixtures and office equipment	2-10 years
Leasehold improvements	3-15 years

The gain or loss on disposal is the difference between the proceeds and the carrying amount of the asset and is recognized in profit and loss (Note 12).

Those fixed assets that are separately required to be presented according to their nature and functions of assets in the business and other criteria of TAS 1 are shown as a separate item in the Statement of Financial Position.

Advances given for the purchase of tangible fixed assets are not included in property, plant and equipment until the related asset is capitalized and are included under "Prepaid Expenses".

Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately 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 date.

Financial instruments

Classification and measurement

The Group classifies its financial assets in three categories of financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss. The classification of financial assets is determined considering the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The appropriate classification of financial assets is determined at the time of the purchase.

(a) Financial assets measured at amortized cost

"Financial assets measured at amortized cost", are non-derivative assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group's financial assets measured at amortized cost comprise "cash and cash equivalents", "trade receivables" and "receivables from finance sector operations". Financial assets carried at amortized cost are measured at their fair value at initial recognition and by effective interest rate method at subsequent measurements. Gains and losses on valuation of non-derivative financial assets measured at amortized cost are accounted for under the statement of income.

(b) Financial assets measured at fair value

When the 2 criteria above are not met, borrowing instrument is classified as "recognized at fair value through profit or loss". The Group measures its financial investments as "recognized at fair value through profit or loss".

Regularly traded financial assets are recognized on the date of trading. Trading date is the date on which management promises to carry out the trading. Financial assets are derecognized when purchasing rights of cash flow arising out of financial assets are terminated, or the Group has transferred all risks and proceeds.

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NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

Financial instruments (Cont'd)

During initial recognition, the Group measures the financial asset at its fair value. Gains and losses arising out of a financial asset measured at its fair value and not being a part of financial hedging relationship are accounted for on the profit or loss in the period when they occurred. The Group is only required to reclassify all financial assets which are affected by the change in management model.

Leasing operations

A lease in which a significant portion of the risks and gains belonging to the property belong to the lessee is classified as a financial lease. All other leases are classified as operating leases.

Company as lessor

Lease income from operating leases is recognized as income by applying a linear method during the lease period, unless there is another systematic method that better reflects the timing of the reduction in benefit from the leased asset. Lease income arising from the company's operating lease is accrued at the rates determined on the gross income or gross operating profit obtained by the operators at the end of each month in accordance with contracts with the operating companies.

Company as tenant

Because rights to land leased for investment development are classified as investment property, rights to these lands are accounted for as in finance leases. For this reason, the reduced values of the lease costs to be paid for these lands are accounted for in the "financial borrowings" account as operating lease borrowings in the individual financial statements.

Financial Liabilities

Financial debts are recorded on the dates of receipt at their value after subtracting transaction expenses from the amount of financial debt received. Financial liabilities are tracked in the individual financial statements at their discounted values calculated at the effective interest rate on subsequent dates (Note 6).

Borrowing cost

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset that takes a substantial period of time to get ready for intended use or sale form part of the cost of that asset and is capitalized. Borrowing costs eligible for capitalization are the actual costs incurred less any income earned on the temporary investment of such borrowings. All other borrowing costs are recorded in the individual income statement during the period in which they are incurred.

In the case of assets that take significant time to get ready for use or sale, borrowing costs directly attributable to their acquisition, construction or production are included in the cost of the asset until it is ready for use or sale. Financial investment income obtained by temporarily investing the unspent portion of the investment loan in financial investments is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recorded in the individual income statement in the period in which they are incurred.

Corporate income tax

The part of taxes levied upon incomes under TAS 12 that are expected to be paid to tax office in the subsequent period are recognized in this item. Prepaid taxes of period profit are deducted from this amount and recognized in the item "Assets Related to Current Period Tax." (Note 24).

The tax liability on the profit or loss of the period includes current period tax and deferred tax.

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NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

Corporate income tax (Cont'd)

Revenues from activities of real estate investment trust are exempted of corporate tax according to Article 5/(1) (d) (4) of Corporate Tax Law (KVK) No 5520. According to Article 15/(3) of KVK, 15% of tax is levied over the revenue exempted from Corporate Tax. Council of Ministers is authorized to decrease the tax rates defined in Article 15 up to zero by each payment and income, increase it up to corporate tax rate, and differentiate it for the revenues defined in third paragraph within the same limitations by the funds or partnership types, or by the nature and distribution of the assets in the portfolio. Pursuant to Decree of Council of Ministers No 2009/14594, a tax at the rate of 0% is imposed upon the corporate tax-exempted portfolio management revenues of Real Estate Investment Trusts, exempted. Revenues that are taxed in this context are not subject to further dividend withholding pursuant to Article 15/(2) of KVK.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

The adjustments related to prior period tax liabilities are recognized in other operating expenses. Deferred income tax is recognized in the statement of comprehensive income, except to the extent that it relates to items recognized directly in equity or in other comprehensive income. In case, when the tax is related to items recognized directly in equity or in other comprehensive income, the tax is also recognized in equity.

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes with the enacted tax rates as of the balance sheet date.

Deferred income tax assets or liabilities are reflected to the financial statements to the extent that they will provide an increase or decrease in the taxes payable for the future periods where the temporary differences will be reversed, using tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred income tax liabilities are recognized for all taxable temporary differences, where deferred income 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. To the extent that deferred income tax assets will not be utilized, the related amounts have been deducted accordingly.

Since the income from real estate investment company activities is exempt from corporate tax in accordance with Corporate Tax Law (KVK) Article 5/(1)(d) (4), deferred tax asset or deferred tax liability is not calculated.

Period current and deferred tax

Current tax and deferred tax for relevant period are accounted for as an expense or income in other comprehensive income statement, except for those associated with the items that are directly accounted for as a receivable or liability in the equities (in which case deferred tax relating to relevant items are also directly accounted for in equities), or, for business combinations, those originating from the initial recognition.

Employee benefits / retirement pay provision

Retirement pay provision

Under the Turkish Labor Law and union agreements, severance payments are made to employees retiring or involuntarily leaving their companies. Such payments are considered as being part of defined retirement benefit plan as per International Accounting Standard No: 19 (revised) "Employee Benefits" ("IAS 19"). The retirement benefit

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NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

Employee benefits / retirement pay provision (Cont'd)

obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses (Note 16).

Unused leave rights

The unused vacation rights accrued in the financial statements represent the estimated total provision for the possible future liabilities related to the unused vacation days of the employees as of the balance sheet date (Note 14).

Operating expenses

Operating expenses are recognized in profit or loss upon utilization of the service or at the date of their origin. Expenditure for warranties is recognized and charged against the associated provision when the related revenue is recognized.

Offsetting

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Foreign currency transactions

Transactions in foreign currencies during the periods have been translated at the exchange rates prevailing at the dates of these transactions. Balance sheet items denominated in foreign currencies have been translated at the exchange rates prevailing at the balance sheet dates. The foreign exchange gains and losses are recognized in the income statement.

The year-end rates are shown below:

	31.12.2021
<i>Currency purchase</i>	
USD	13.3290
EURO	15.0867
<i>Currency sale</i>	
USD	13.3530
EURO	15.1139

Provisions, contingent liabilities and contingent assets

In order for any provision amount to be included in the financial statements, the company must have an existing legal or implied obligation arising from past events, resources containing economic benefits to fulfill this obligation are likely to come out of the business, and the amount of this obligation must be reliably estimated. If these criteria have not been established, the company explains these issues in the relevant footnotes.

If it becomes possible that the economic benefit will enter the business, the contingent asset is disclosed in the footnotes of the financial statements. If it is determined that the economic benefit will enter the business, the asset in question and the income associated with it are recognized in the financial statements on the date of the change (Note 14).

Commitments and obligations

Commitments and transactions that give rise to possible obligations refer to situations that depend on the outcome of one or more events in the future. Therefore, some transactions have been recognized as off-balance sheet items in terms of carrying losses, risks or uncertainty that may arise in the future. If an estimate is made for future liabilities or losses that may occur, these liabilities are considered expenses and debts for the company (Note 15).

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NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

Statement of cash flow

In the cash flow statement, the cash flow statements for the period are classified and reported based on operating, investment and financing activities. Cash flows from operating activities indicate cash flows from the company's operations. Cash flows related to investment activities indicate the cash flows that the company uses and receives in its investment activities (fixed investments and financial investments). Cash flows related to financing activities indicate the resources used by the company in financing activities and the repayments of these resources.

Determination of fair values

The company's various accounting policies and footnotes require the determination of fair value in both financial and non-financial assets and liabilities. Fair values are determined by the following methods for valuation and/or disclosure purposes. If applicable, the assumptions used in determining fair values are presented as additional information in footnotes to the relevant asset or liability. Valuation methods by levels are defined as:

Fair Value Estimation

Classifications of the Company for the fair values are as follows:

Level 1: Prices quoted in the active markets for certain assets and liabilities.

Level 2: Direct or indirect observable inputs for assets and liabilities other than prices quoted included in Level 1.

Level 3: Inputs for assets and liabilities which cannot be identified using an observable market data

The fair value of investment properties is within the scope of level 2 according to the discounted income approach method, which is one of the valuation method techniques.

Control of compliance with respect to portfolio restrictions

As of 31 December 2021 and 31 December 2020, the information provided in the footnote titled "Control of Compliance with respect to Portfolio Restrictions" is presented as summary information derived from the financial statements in accordance with Article 16 of the CMB Serial: II, No: 14.1 "Communiqué on the Principles of Financial Reporting in the Capital Markets" and prepared within the framework of the provisions of the Communiqué on Principles Regarding Investment Companies and the Communiqué on the Amendment of the Communiqué on Principles Regarding Investment Trusts, Serial: III, No: 48.1a, published in the Official Gazette No: 28891 dated 23 January 2014, on the control of compliance with respect to portfolio restrictions, published in the Official Gazette Serial: III, No: 48.1 dated 28 May 2013.

Events After The Reporting Period

Events after the reporting period are events, which could be favourable or unfavourable, that occurs between the end of the reporting period and the date that the financial statements are authorised for issue.

-Adjusting event is an event after the reporting period that provides further evidence of conditions that existed at the end of the reporting period, including an event that indicates that the going concern assumption in relation to the whole or part of the enterprise is not appropriate.

-Non-adjusting event is an event after the reporting period that is indicative of a condition that arose after the end of the reporting period.

Financial statements are adjusted for adjusting events - events after the balance sheet date that provide further evidence of conditions that existed at the end of the reporting period. Otherwise non-adjusting events should be disclosed (Note 28).

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Repurchased shares

In case the entity acquires its own shares within the scope of paragraph 33 of TAS 32, the purchase price of these shares is deducted from equity and shown in the "Repurchased Shares (-)" item. In case the shares are purchased by other parties included in the consolidation, the shares purchased are included in this scope, but these amounts are shown in the "Mutual Participation Capital Adjustment" item within the scope of TAS 32, the differences arising as a result of the purchase and sale of repurchased shares are not shown in profit or loss (Note 19).

2.9) New and Revised Standards and Comments

The accounting policies used in the preparation of the consolidated financial statements for the accounting period ending on 31 December 2021 have been applied consistently with those used in the previous year, except for the new and amended TAS / TFRS interpretations valid as of 1 January 2021, which are summarized below.

Explanations on the effects of the new TMS/TFRS on financial statements:

- a) Name of TAS and TFRS
- b) Accounting policy change, if any, is made in accordance with the relevant adoption principles,
- c) Explanations of change in accounting policy
- d) Explanations of adoptions of accounting policy
- e) Explanations of effects of adoptions
- f) Effects of adjustments for the current and prior period
 - i. Each financial statement item effected should be presented
 - ii. If the "TAS 33, Earnings Per Share" standard applies to the company, earnings per share must be recalculated.
- g) Adjustment amounts of prior periods not presented
- h) If retrospective application is not possible for any period or periods, the events leading up to this situation should be disclosed and the date and manner in which the change in accounting policy has been applied should be explained.

Standards, amendments and interpretations applicable as at 31 December 2021:

Amendments to TFRS 7 and TFRS 16 - Interest Rate Benchmark Reform Phase 2; effective from annual periods beginning on or after 1 January 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.

Standards, amendments and interpretations that are issued but not effective as at 31 December 2021:

Amendment to TFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the Practical expedient; as of March 2021, this amendment extended till June 2022 and effective from 1 April 2021. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to TFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

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NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONT'D)

2.9) New and Revised Standards and Comments (Cont'd)

IFRS 17, "Insurance Contracts"; Effective for annual reporting periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently allows for a wide variety of applications. TFRS 17 will fundamentally change the accounting of all entities that issue insurance contracts and investment contracts with discretionary participation features.

Amendments to TAS 1, 'Presentation of financial statements' on classification of liabilities; effective date deferred until accounting periods starting not earlier than 1 January 2024. These narrow-scope amendments to TAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what TAS 1 means when it refers to the 'settlement' of a liability.

A number of narrow-scope amendments to TFRS 3, TAS 16, TAS 37 and some annual improvements on TFRS 1, TFRS 9, TAS 41 and TFRS 16; effective from Annual periods beginning on or after 1 January 2022.

Amendments to TFRS 3, 'Business combinations' update a reference in TFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

Amendments to TAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

Amendments to TAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to TFRS 1, 'First-time Adoption of TFRS', TFRS 9, 'Financial instruments', TAS 41, 'Agriculture' and the Illustrative Examples accompanying TFRS 16, 'Leases'.

Narrow-scope changes in TAS 1, Statement of Implementation 2 and TAS 8 are effective for annual reporting periods beginning on or after 1 January 2023. These changes are intended to improve accounting policy disclosures and help financial statement users distinguish between changes in accounting estimates and changes in accounting policies.

Amendment to TAS 12 – Deferred tax related to assets and liabilities arising from a single transaction; from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

The Group will evaluate the effects of the above-mentioned changes on its operations and implement them as of effective date. It is expected that the application of the above standards and interpretations will not have a significant impact on the consolidated financial statements of the Group in the future periods. As of 31 December 2021, the standards and amendments that have been published but not yet effective and not related to the Group's activities are not given above.

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NOTE 3 – BUSINESS COMBINATIONS

a) At the Board Meeting held on 18 December 2015, the Company passed the resolution for the acquisition of the 34,21 % shares of Reysaş Turizm Yatırımları ve Tic.Ltd.Şti., 100% wholly owned by its main partner Taşımacılık ve Lojistik Ticaret A.Ş. Ltd. According to the valuation report No YMM.ÖA.466.1618.437/027 of 15.12.2015 issued by Türkmen Bağımsız Denetim ve YMM A.Ş. the value of Reysaş Turizm Yatırımları ve Tic.Ltd.Şti is determined as TL 40,295,922. On the basis of said valuation report, Company acquired 34,21% shares of Reysaş Turizm Yatırımları ve Tic.Ltd.Şti on 21.12.2015 for a price of TL 13,785,447.

The Company passed the resolution for acquisition of the entire remaining shares (65.79%). According to the valuation report of 15.12.2015 issued 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. On the basis of said valuation report, Company acquired 65,79% shares of Reysaş Turizm Yatırımları ve Tic.Ltd.Şti on 31.12.2017 for a price of TL 21,416,710.

This transaction in the nature of a combination of jointly controlled business is recognized in accounting through "Pooling of Interests" pursuant to 2013-2 numbered Decision of Public Oversight Agency. Therefore, assets and liabilities of Rey Hotel is recognized at their costs, and the difference between the consideration paid and the net assets amount is recognized in the account "Effect of Combination of Jointly Controlled Businesses".

Total Current Assets	7,733,083
Total Fixed Assets	25,660,660
Total Short-Term Liabilities	(12,308,805)
Total Long-Term Liabilities	(2,763,989)
Net Assets Acquired	18,320,949
Purchased Share (65.79%)	12,053,256
Purchasing Price	21,416,707
Effect of Combinations of Jointly Controlled Businesses	(9,363,451)

b) Reysaş Tourism purchased 100% of the shares of Rey Hotel, which is engaged in the operation of hotels and accommodation facilities, at TL 560,167 on the basis of the valuation report prepared by Bizim Menkul Değerler A.Ş. Rey Hotel is carrying out the operations of Erzincan hotel included in the portfolio of Reysaş Gayrimenkul, and Erzincan hotels included in Reysaş Tourism.

This transaction in the nature of a combination of jointly controlled business is recognized in accounting through "Pooling of Interests" pursuant to 2013-2 numbered Decision of Public Oversight Agency. Therefore, assets and liabilities of Rey Hotel is recognized at their costs, and the difference between amount paid and net assets amount is recognized in the account "Effect of Combination of Jointly Controlled Businesses".

Total Current Assets	4,452,278
Total Fixed Assets	462,552
Total Short-Term Liabilities	(5,469,832)
Total Long-Term Liabilities	(154,836)
Net Assets Acquired	(709,838)
Purchasing Price	560,167
Effect of Combinations of Jointly Controlled Businesses	(1,270,005)

NOTE 4 – SEGMENT REPORTING

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

A reportable segment is a business segment, or a geographical segment identified based on the foregoing definitions for which segment information is required to be disclosed. A business segment or geographical segment should be

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NOTE 4 – SEGMENT REPORTING (CONT'D)

identified as a reportable segment if a majority of its revenue is earned from sales to external customers and its revenue from sales to external customers and from transactions with other segments is 10% or more of the total revenue, external and internal, of all segments; or its segment result, whether profit or loss, is 10% or more of the combined result of all segments in profit or the combined result of all segments in loss, whichever is the greater in absolute amount; or its assets are 10% or more of the total assets of all segments.

The authorized body of the Group to pass resolutions with respect to the activities is the Chairman of the Board and the Board Members in line with the Board Resolutions taken and hold functions such as taking resolutions related to fund injection to the Group and its activities as well as evaluating the Group's performance. Since the Group's business scope is investment in the real estate, property-based capital market instruments, real estate projects, and property-based rights, it does not produce other goods and services, have no business in different areas. Therefore, no reporting by business units is made in the financial statements of Group (31 December 2020: None).

NOTE 5 – RELATED PARTY TRANSACTIONS

Trade Receivables from Related Parties	31.12.2021	31.12.2020
Arı Lojistik İnşaat San. ve Ticaret A.Ş.	--	371,700
Reysaş Taşımacılık ve Loj. A.Ş.	23,383,182	--
Reysaş Antrepo İşletmesi A.Ş.	--	5,696,423
Other	603,857	200,600
Discount on related party trade receivables (-)	--	(76,103)
	23,987,039	6,192,620

Other Receivables from Related Parties	31.12.2021	31.12.2020
Reysaş Taşımacılık ve Loj. A.Ş.	55,594,526	--
	55,594,526	--

For the Group's current and notes receivables from related companies, an annual interest rate of 13.48% (31 December 2020: 13.53%) is applied in TL basis.

Other Current Assets Related Parties	31.12.2021	31.12.2020
Advances given to personnel	--	18,181
	--	18,181

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NOTE 5 – RELATED PARTY TRANSACTIONS (CONT'D)

Trade Payables to Related Parties	31.12.2021	31.12.2020
Reysaş Taşımacılık ve Loj. A.Ş.	12,966,482	34,957,630
Reysaş Taşıt Muayene İst. İşletim A.Ş.	--	2,421,360
Egemence İnşaat A.Ş.	1,523,621	--
Other	--	323,281
Discount on related party trade payables (-)	--	(279,442)
	14,490,103	37,422,829

Other Payables to Related Parties (short-term)	31.12.2021	31.12.2020
Reysaş Yatırım Holding A.Ş.	--	2,842,624
Arı Lojistik İnşaat San. ve Ticaret A.Ş. (*)	12,080,247	6,342,777
Other	1,395,185	--
	13,475,432	9,185,401

(*) As of 31.12.2021, the Group's other payables from Arı Lojistik İnşaat Sanayi ve Ticaret AŞ arise from commercial transactions.

Other Payables to Related Parties (long-term)	31.12.2021	31.12.2020
Persco Personel Tedarik Yönetim ve Danışmanlık Ltd Şti	1,558,219	--
Reysaş Taşıt Muayene İstasyonları İşl.A.Ş.	655,267	--
Other	576,885	--
	2,790,371	--

Purchases from Related Parties during the Period of 01.01.-31.12.2021:

	Fixed assets	Other	Goods/ Service	Late interest	Investment	Total
Egemence İnşaat Anonim Şirketi	--	--	205,615	--	83,148,917	83,354,532
Reysaş Taşımacılık ve Lojistik Tic. A.Ş.	1,753,578	1,756,278	8,393,281	7,316,304	8,289,998	27,509,439
Other	15,282	97,114	109,170	38,336	268,993	528,895
Total	1,768,860	1,853,392	8,708,066	7,354,640	91,707,908	111,392,866

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NOTE 5 – RELATED PARTY TRANSACTIONS (CONT'D)

Sales to Related Parties during the Period of 01.01.-31.12.2021:

	Rent	Late interest	Service	Total
Rey Otel Turizm İşletmeciliği ve Tic. A.Ş.	6,093,666	191,217	--	6,284,883
Reysaş Antrepo İşletmesi A.Ş.	2,614,835	69,421	44,047	2,728,303
Reysaş Taşımacılık ve Lojistik Tic. A.Ş.	31,305,555	3,795,662	383,947	35,485,164
Reysaş Taşıt Muayene İstasyonları İşletim A.Ş.	3,401,612	--	8630	3,410,242
Reyline Uluslararası Taşımacılık Ltd. Şti.	1,018,080	19,469	--	1,037,549
Other	380,650	172,230	43,375	596,255
Total	44,814,398	4,247,999	479,999	49,542,396

Purchases from Related Parties in the Period of 01.01.-31.12.2020:

	Repair	Building	Late interest	Fixed assets	Other	Total
Reysaş Taşımacılık ve Lojistik Tic. A.Ş.	--	999,951	6,027,978	267,451	961,589	8,256,969
Remkar Taşımacılık ve Danış. Ltd. Şti	2,691,641	9,605,085	--	522,654	228,517	13,047,897
Other	--	587,397	50,107	--	230,161	867,665
Total	2,691,641	11,192,433	6,078,085	790,105	1,420,267	22,172,531

Sales to Related Parties during the Period of 01.01.-31.12.2020:

	Building	Interest	Other	Total
Reysaş Taşımacılık ve Loj. A.Ş.	--	3,841,235	1,900,304	5,741,538
Remkar Taşımacılık ve Danış. Ltd. Şti(*)	13,245,354	--	--	13,245,354
Other	--	--	420,010	420,010
Total	13,245,354	3,841,235	2,320,314	19,406,902

(*) It consists of investment expenditures made from real estates in the Group portfolio but not yet invoiced for the period 01 January - 31 December 2020.

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NOTE 5 – RELATED PARTY TRANSACTIONS (CONT'D)

Remuneration of board of directions and executive management:

The total benefits provided by the Group to its board of directors and executive management during the period ended 31 December 2021 are TL 82,036 (31 December 2020: TL 66,632).

NOTE 6 – CASH AND CASH EQUIVALENTS

	31.12.2021	31.12.2020
Cash		
- Turkish Lira	41,116	21,510
- Foreign currency	1,101	--
Banks - Demand deposits		
- Turkish Lira	1,636,035	427,683
- Foreign currency	68,608,043	10,371,378
Banks – Time deposits (*)		
- Turkish Lira	133,363,788	70,208,463
- Foreign currency	222,838,102	141,970,968
Other liquid assets		
- Turkish Lira	209,603	48,018
	426,697,788	223,048,020

(*) The details of time deposits are as follows:

			Amount in Foreign currency	TL Equivalent
31 December 2021	Average Maturity	Interest Rate		
TL	1-35 days	%17.00-%25.00	--	133,363,788
USD	3-30 days	%0.05-%1.28	9,168,064	122,201,123
EURO	3 days	%0.01 -%0.10	6,670,576	100,636,979
Total				356,201,890
			Amount in Foreign currency	TL Equivalent
31 December 2020	Average Maturity	Interest Rate		
TL	24 days	16.92-18.25%	--	70,208,463
USD	35 days	3.56%	3,259,659	23,927,528
EURO	14 days	0.25-2.53%	13,104,435	118,043,440
Total				212,179,431

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NOTE 7 – FINANCIAL LIABILITIES

As of 31 December 2021 and 31 December 2020, the Group's short and long term financial liabilities are as follows:

Short Term Financial Liabilities	31.12.2021	31.12.2020
Bank loans	155,870,675	68,066,138
Short-term portion of long-term bank loans	604,785,007	437,482,804
Financial lease liabilities, net	25,321,082	46,041,470
	785,976,764	551,590,412
Long Term Financial Liabilities	31.12.2021	31.12.2020
Bank loans	843,468,718	731,241,021
Financial lease liabilities, net	23,799,080	30,444,303
	867,267,798	761,685,324

The breakdown of financial liabilities by currency is as follows:

Short Term Financial Liabilities	31.12.2021		31.12.2020	
TL Bank loans		545,350,225		309,261,263
USD Bank loans	8,329,576	111,224,831	7,892,674	57,936,177
EURO Bank loans	6,886,418	104,080,626	15,358,907	138,351,502
		760,655,682		505,548,942
Long Term Financial Liabilities	31.12.2021		31.12.2020	
TL Bank loans		607,196,784		511,526,779
USD Bank loans	4,783,156	63,869,484	9,057,443	66,486,161
EURO Bank loans	11,406,880	172,402,450	17,010,411	153,228,081
		843,468,718		731,241,021

The repayment of Group's bank loans is as follows:

	31.12.2021	31.12.2020
Payable in 0-3 months	312,167,800	161,583,798
Payable in 4-12 months	448,487,882	343,965,144
Payable in 1-5 years	819,128,922	726,465,460
Payable in a period longer than 5 years	24,339,796	4,775,561
	1,604,124,400	1,236,789,963

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NOTE 7 – FINANCIAL LIABILITIES (CONT'D)

Short Term Financial Lease Payables	31.12.2021		31.12.2020	
TL Bank loans		699,215		23,511,446
EURO Bank loans	1,629,088	24,621,867	2,368,215	21,332,641
		25,321,082		44,844,087

Short Term Financial Lease Payables	31.12.2021		31.12.2020	
TL Bank loans		--		2,583,540
EURO Bank loans	1,574,649	23,799,080	2,368,215	27,860,763
		23,799,080		30,444,303

The repayment of Group's financial lease payables is as follows:

	31.12.2021	31.12.2020
Payable in 0-3 months	6,763,574	11,748,917
Payable in 4-12 months	18,557,508	34,292,552
Payable in 1-5 years	23,799,080	30,444,304
	49,120,162	76,485,773

The effective interest (internal rate of return)* rates of financial debts are as follows:

	31.12.2021	31.12.2020
TL Bank loans	7.84% - 24.73%	7.84% - 23.75%
USD Bank loans	8.10% -10.94%	1.61% - 7.81%
EURO Bank loans	4.38% -5.48%	6.63% - 8.40%

* Internal rate of return is the rate that equates the present value of cash inflows in a project to the present value of cash outflows. Therefore, the internal rate of return announced for bank loans and financial leasing obligations does not represent the interest rate used in loans and leasing.

The amount of the guarantees given by the Group for its financial debts is given in Note 15.

The financial ratios of the Group as of 31 December 2021 and 31 December 2020 are as follows:

	31.12.2021	31.12.2020
Current rate	66%	42%
Current ratio	54%	40%
Financial Leverage Ratio	21%	39%
Financing Rate	53%	65%

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NOTE 8 – TRADE RECEIVABLES AND PAYABLES

	31.12.2021	31.12.2020
Trade receivables		
-Non-Group trade receivables	16,178,619	11,921,157
-Trade receivables from related parties (Note 5)	23,987,039	6,268,723
Notes receivables	3,689,195	2,672,455
Discount on trade receivables (-)	(287,126)	(212,379)
Doubtful trade receivables	7,825,218	7,420,177
Provision for doubtful trade receivables (-)	(7,825,218)	(7,420,177)
	43,567,727	20,649,956

The Group makes loss reserves for bad debts on the basis of customers. Amount of loss reserves comprise of receivables which may not be collected from the relevant customers. The movement of provisions for doubtful receivables in the periods ended 31.12.2021 and 31.12.2020 is as follows:

	01.01.- 31.12.2021	01.01.- 31.12.2020
1 January	7,420,177	6,767,642
Provisions for the period (Notes 22)	987,665	967,818
Receivables collected during the period (-) (Note 22)	(582,181)	(379,610)
Acquisition of subsidiary	--	64,327
Waived receivables which are uncollectible	(443)	--
End of the period	7,825,218	6,998,048

Short Term Trade Payables	31.12.2021	31.12.2020
Trade payables		
-Non-Group trade receivables	6,889,660	4,113,351
-Trade receivables to related parties (Note 5)	14,490,103	44,045,048
Note payables	2,432,786	207,244
Discount on trade payables (-)	(94,765)	(313,230)
	23,717,784	48,052,413

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NOTE 9 – OTHER RECEIVABLES AND PAYABLES

Short Term Other Receivables	31.12.2021	31.12.2020
Deposits and guarantees given	1,881,696	159,453
Other receivables to related parties (Note 5)	55,594,526	--
Doubtful Other receivables	1,953,740	1,953,740
Provision for doubtful other receivables (-)	(1,953,740)	(1,953,740)
Other (*)	3,550,899	437,398
	61,027,121	596,851

(*) As of 31.12.2021, TL 1.154.048 of the Group's other short-term receivables consists of insurance claims.

Long Term Other Receivables	31.12.2021	31.12.2020
Deposits and guarantees given	3,394	3,250
	3,394	3,250

Short Term Other Payables	31.12.2021	31.12.2020
Deposits and guarantees received	3,273,164	3,210,892
Taxes and funds payable	4,257,668	4,536,375
Other receivables to related parties (note 5)	13,475,432	9,185,401
Deferred payable to public sector in installments (*)	1,493,204	119,486
Other	1,320	--
	22,500,788	17,052,154

Long Term Other Payables	31.12.2021	31.12.2020
Other receivables to related parties (note 5)	2,790,371	--
Deferred payable to public sector in installments (*)	2,703,792	--
	5,494,163	--

(*) As of 31.12.2021, installment debts consist of property tax debts belonging to past periods that must be paid to municipalities in accordance with the "law on restructuring some receivables and amending some laws" No. 7256.

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NOTE 10 – INVESTMENTS ACCOUNTED BY USING EQUITY METHOD

Subsidiaries and Affiliates

As of 31 December 2021 and 31 December 2020, the book values of the Group's subsidiaries/affiliates in the balance sheet are as follows:

	31.12.2021		31.12.2020	
	Amount	%	Amount	%
Arı Lojistik (*)	76,978,147	50.00	29,678,582	50.00
	76,978,147		29,678,582	

(*) Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş., acquired the 16% shares of Arı Lojistik İnşaat Sanayi ve Ticaret A.Ş., a subsidiary of parent partnership Reysaş Taşımacılık ve Lojistik Ticaret A.Ş., which has a nominal value of TL 1,525,305, for a price of TL 4,127,642, with the board resolution of 22 February 2011, and 33% shares of said subsidiary, which has a nominal value of TL 3,050,000, for a price of TL 16,836,000, with the board resolution of 28 March 2013.

Following this acquisition, Reysaş Taşımacılık ve Lojistik Tic. A.Ş did not have any shareholding in Arı Lojistik İnş.San.ve Tic. A.Ş, and the share of Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. increased to 50%.

Financial statement summary information of investments accounted by equity method is as follows:

	31 December 2021				
	Total Assets	Total Payables	Equity	Net Sales	Profit / (Loss)
Arı Lojistik	193,960,809	(40,004,514)	153,956,294	10,179,684	9,531,529

	31 December 2020				
	Total Assets	Total Payables	Equity	Net Sales	Profit / (Loss)
Arı Lojistik	71,358,225	(12,001,060)	59,357,165	8,696,345	6,470,823

Arı Lojistik	31.12.2021	31.12.2020
Total Assets	193,960,809	71,358,225
Total Liabilities	(40,004,514)	(12,001,060)
Net Assets	153,956,295	59,357,165
Carrying Amount of Subsidiary in GYO by Equity Method (50%)	76,978,147	29,678,583

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NOTE 10 – INVESTMENTS ACCOUNTED BY USING EQUITY METHOD (CONT'D)

As of 31 December 2021 and 2020, the movements of the investment in Arı Logistics are as follows:

	01.01.- 31.12.2021	01.01.- 31.12.2020
Balances as of 1 January	29,678,583	26,443,171
Share of Subsidiary in Period Profit / (Loss)	4,765,764	3,235,412
Share of the Subsidiary's property, plant and equipment valuation	42,533,800	--
Total	76,978,147	29,678,583

NOTE 11 – INVESTMENT PROPERTIES

As of 31 December 2021 and 31 December 2020, the details of investment properties are as follows:

	31.12.2021	31.12.2020
Investment properties	4,791,605,001	2,968,990,000
Investment properties under project	80,724,171	98,071,457
Total	4,872,329,172	3,067,061,457

The fair value of the warehouses and warehouses under construction of the Company as of 31 December 2021 is calculated based on the valuation carried out by a qualified independent Property Valuation Company, Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş. The property valuations were conducted in accordance with International Valuation Standards, based on the Market Method, Cost (Expense) Method and Income (Productivity) Method. Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş. is an independent property valuer company authorized by Turkish Capital Market Board.

Insurance coverage on investment properties amounted to TL 1,294,888,553 (31 December 2020: TL 1,089,847,194).

Details on mortgages instituted on investment properties are given in Note 14.

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NOTE 11 – INVESTMENT PROPERTIES (CONT'D)

As of 31 December 2021, the movement table of the lands is as follows:

Province	District	Location	31.12.2020	Addition	Fair Value	31.12.2021
İstanbul	Pendik	Kurna Köyü	40,000,000	--	10,000,000	50,000,000
Kocaeli	Çayırova	Akse-12	16,000,000	--	3,000,000	19,000,000
Kocaeli	Kartepe	Maşukiye	3,200,000	--	1,050,000	4,250,000
Kocaeli	Kartepe	Uzuntarla-2	3,640,000	--	1,110,000	4,750,000
Sakarya	Arifiye	Yukarıkirezce-1	15,000,000	--	5,000,000	20,000,000
Samsun	Çarşamba	Irmaksırtı	6,100,000	--	2,900,000	9,000,000
Düzce	Merkez	Darıcı	7,250,000	--	2,000,000	9,250,000
Ankara	Gölbaşı	Oğulbey	5,350,000	--	2,450,000	7,800,000
Kastamonu	Merkez	Kuzeykent	4,500,000	--	1,250,000	5,750,000
Kocaeli	Gebze	Muallimköy	12,000,000	--	3,000,000	15,000,000
Ankara	Kahramankazan	Saray	19,000,000	--	8,000,000	27,000,000
Kocaeli	Gebze	Balçık	11,000,000	75,983,370	12,016,630	99,000,000
Ankara	Çankaya	Lodumu	1,400,000	--	440,000	1,840,000
Erzurum	Palandöken	Palandöken	4,250,000	--	1,050,000	5,300,000
İstanbul	Tuzla	Orhanlı	3,250,000	--	1,150,000	4,400,000
İzmir	Kemalpaşa	Ansızca	--	15,224,631	775,369	16,000,000
Ankara	Sincan	Yeni cimşit	--	12,750,000	3,750,000	16,500,000
Total			151,940,000	103,958,001	58,941,999	314,840,000

As of 31 December 2020, the movement table of the lands is as follows:

Province	District	Location	01.01.2020	Additions	Fair Value	31.12.2020
İstanbul	Pendik	Kurna Köyü	45,580,000	-	(5,580,000)	40,000,000
Kocaeli	Çayırova	Akse-12	12,750,000	-	3,250,000	16,000,000
Kocaeli	Kartepe	Maşukiye	2,900,000	-	300,000	3,200,000
Kocaeli	Kartepe	Uzuntarla-2	3,220,000	-	420,000	3,640,000
Sakarya	Arifiye	Yukarıkirezce-1	12,045,000	-	2,955,000	15,000,000
Samsun	Çarşamba	Irmaksırtı	5,990,000	-	110,000	6,100,000
Düzce	Merkez	Darıcı	5,846,000	-	1,404,000	7,250,000
Ankara	Gölbaşı	Oğulbey	5,217,000	-	133,000	5,350,000
Kastamonu	Merkez	Kuzeykent	3,942,000	-	558,000	4,500,000
Kocaeli	Gebze	Muallimköy	10,285,000	-	1,715,000	12,000,000
Ankara	Kahramankazan	Saray	15,438,000	270,067	3,291,933	19,000,000
Kocaeli	Gebze	Balçık(*)	-	9,488,566	1,511,434	11,000,000
Ankara	Çankaya	Lodumu	1,293,000	-	107,000	1,400,000
Erzurum	Palandöken	Palandöken	3,849,000	-	401,000	4,250,000
İstanbul	Tuzla	Orhanlı	3,330,000	-	(80,000)	3,250,000
Total			131,685,000	9,758,633	10,496,367	151,940,000

(*) Pursuant to the Board Resolution No. 608 dated 30.12.2020, the jointly owned land of 9,364.62 m² located on Parcel 7 Map Section 379 Balçık Neighborhood Gebze Town Kocaeli Province was purchased with 100% prepayment at TL 9,488,566.

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NOTE 11 – INVESTMENT PROPERTIES (CONT'D)

As of 31 December 2021, the movement table of the buildings is as follows:

Province	District	Location	31.12.2020	Additions	Transfer	Fair Value	31.12.2021
Adana	Seyhan	Sarıhamzalı	27,000,000	--	--	9,700,000	36,700,000
Adana	Yüreğir	Dağcı	25,100,000	--	--	20,940,000	46,040,000
Ankara	Kazan	Orhaniye	21,000,000	18,747	--	12,011,253	33,030,000
Eskişehir	Odunpazarı	OSB	8,950,000	--	--	5,265,000	14,215,000
Giresun	Tirebolu	İstiklal	5,900,000	--	--	2,700,000	8,600,000
Giresun	Bulancak	Pazarsuyu	11,250,000	--	--	6,500,000	17,750,000
İstanbul	Tuzla	Orhanlı-2	86,600,000	--	--	38,400,000	125,000,000
İstanbul	Tuzla	Orhanlı-4	160,000,000	--	--	72,000,000	232,000,000
İstanbul	Arnavutköy	Ömerli	28,050,000	--	--	12,250,000	40,300,000
İzmir	Torbali	Torbali	40,000,000	--	--	26,000,000	66,000,000
Kocaeli	Çayırova	Akse-2	77,075,000	--	--	47,790,000	124,865,000
Kocaeli	Çayırova	Akse-1+7+10	213,000,000	1,931,167	--	125,068,833	340,000,000
Kocaeli	Çayırova	Akse-5	36,850,000	--	--	14,150,000	51,000,000
Kocaeli	Çayırova	Akse-3	90,320,000	1,572,029	--	36,107,971	128,000,000
Ordu	Ünye	Yüceler	16,000,000	--	--	8,250,000	24,250,000
Sakarya	Arifiye	Yukarıkirezce-2	6,250,000	326,593	--	1,738,407	8,315,000
Samsun	Terme	Söğütlü	7,250,000	--	--	2,825,000	10,075,000
Samsun	Çarşamba	Epçeli	7,100,000	--	--	3,900,000	11,000,000
Samsun	Çarşamba	Dikbıyık	24,000,000	--	--	14,000,000	38,000,000
Düzce	Merkez	Arapçiftliği	11,630,000	--	--	6,370,000	18,000,000
Düzce	Akçakoca	Çiçekpınar	6,500,000	44,000	--	2,706,000	9,250,000
Kocaeli	Kartepe	Uzuntarla-3	16,000,000	--	--	6,410,000	22,410,000
Kocaeli	Çayırova	Akse-9	201,300,000	118,857	--	98,581,143	300,000,000
Kocaeli	Çayırova	Akse-6	32,880,000	--	--	10,620,000	43,500,000
Antalya	Kepez	Sütçüler	16,000,000	--	--	6,050,000	22,050,000
İstanbul	Üsküdar	Bulgurlu-2	23,000,000	207,838	--	15,792,162	39,000,000
Kocaeli	Çayırova	Akse-8	16,400,000	--	--	7,290,000	23,690,000
Bolu	Merkez	Saraycık	27,750,000	15,671	--	9,734,329	37,500,000
Sakarya	Arifiye	Yukarıkirezce-3	19,000,000	52,400	--	8,447,600	27,500,000
Antalya	Serik	Çandır-1,Çandır-2	103,000,000	196,348	--	56,803,652	160,000,000
Sakarya	Arifiye	Hanlıköy	22,500,000	--	--	7,000,000	29,500,000
İzmir	Menderes	Görece-3	31,760,000	--	--	13,240,000	45,000,000
Antalya	Kumluca	Sarıkaya	17,500,000	--	--	5,500,000	23,000,000
Ankara	Kahramankazan	Saray	25,000,000	21,886	--	19,478,114	44,500,000
Adana	Sarıçam	Suluca	21,000,000	158,990	--	19,841,010	41,000,000
İstanbul	Tuzla	Orhanlı-5	170,000,000	--	--	80,000,000	250,000,000
Eskişehir	Tepebaşı	Eskibağlar	101,000,000	--	--	65,000,000	166,000,000
İstanbul	Üsküdar	Bulgurlu-1	19,000,000	--	--	25,000,000	44,000,000
Kocaeli	Çayırova	Akse-11	164,500,000	--	--	75,500,000	240,000,000
İzmir	Menderes	Görece-4	70,950,000	--	--	29,550,000	100,500,000
İstanbul	Esenyurt	Esenyurt	181,000,000	4,450	--	112,995,550	294,000,000
İstanbul	Tuzla	Tepeören	400,000,000	600,340	--	199,399,660	600,000,000
Kocaeli	Çayırova	Akse-12	95,000,000	95,455	--	52,404,545	147,500,000
Adana	Sarıçam	Suluca-2	47,000,000	64,000	--	37,936,000	85,000,000
İzmir	Menderes	Görece	27,000,000	413,173	--	11,586,827	39,000,000
Kastamonu	Merkez	Kuzeykent	8,100,000	--	--	1,200,000	9,300,000
Karabük	Merkez	Çerçiler	3,785,000	--	--	1,015,000	4,800,000
Bartın	Merkez	Balamba	3,370,000	--	--	430,000	3,800,000
Kastamonu	Tosya	Dilküşah	1,060,000	--	--	170,000	1,230,000
Eskişehir	Sivrihisar	Kurşunlu	1,055,000	--	--	245,000	1,300,000
Erzincan	Hilton Bina		41,315,000	--	--	12,980,000	54,295,000
Kocaeli	Çayırova	Akse-15	--	--	79,940,000	38,060,000	118,000,000
Adana	Sarıçam	151 ada 1-9-11 parsel	--	20,307,738	47,264,972	9,427,291	77,000,001
Total			2,817,050,000	26,149,682	127,204,972	1,506,360,347	4,476,765,001
General Total Lands and Buildings			2,968,990,000	130.107.683	127,204,972	1,565,302,346	4,791,605,001

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NOTE 11 – INVESTMENT PROPERTIES (CONT'D)

As of 31 December 2020, the movement table of the buildings is as follows:

Province	District	Location	01.01.2020	Additions	Transfer	Fair Value	31.12.2020
Adana	Seyhan	Sarıhamzalı	22,602,000	-	-	4,398,000	27,000,000
Adana	Yüreğir	Dağcı	22,000,000	60,000	-	3,040,000	25,100,000
Ankara	Kazan	Orhaniye	17,845,000	634,396	-	2,520,604	21,000,000
Eskişehir	Odunpazarı	OSB	7,035,000	-	-	1,915,000	8,950,000
Giresun	Tirebolu	İstiklal	4,760,000	-	-	1,140,000	5,900,000
Giresun	Bulancak	Pazarsuyu	9,796,000	-	-	1,454,000	11,250,000
İstanbul	Tuzla	Orhanlı-2	74,010,000	-	-	12,590,000	86,600,000
İstanbul	Tuzla	Orhanlı-4	134,093,000	35,637	-	25,871,363	160,000,000
İstanbul	Arnavutköy	Ömerli	25,064,000	-	-	2,986,000	28,050,000
İzmir	Torbali	Torbali	26,550,000	168,616	-	13,281,384	40,000,000
Kocaeli	Çayırova	Akse-2	60,620,000	64,023	-	16,390,977	77,075,000
Kocaeli	Çayırova	Akse-1+7+10	170,610,000	105,702	-	42,284,298	213,000,000
Kocaeli	Çayırova	Akse-5	14,400,000	-	-	22,450,000	36,850,000
Kocaeli	Çayırova	Akse-3	79,000,000	407,249	-	10,912,751	90,320,000
Ordu	Ünye	Yüceler	13,661,000	-	-	2,339,000	16,000,000
Sakarya	Arifiye	Yukarıkirezce-2	5,155,000	-	-	1,095,000	6,250,000
Samsun	Terme	Söğütlü	6,004,000	-	-	1,246,000	7,250,000
Samsun	Çarşamba	Epçeli	5,985,000	-	-	1,115,000	7,100,000
Samsun	Çarşamba	Dikbıyık	16,043,000	-	-	7,957,000	24,000,000
Düzce	Merkez	Arapçiftliği	7,325,000	8,654,031	-	(4,349,031)	11,630,000
Düzce	Akçakoca	Çiçekpınar	5,108,000	-	-	1,392,000	6,500,000
Kocaeli	Kartepe	Uzuntarla-3	12,650,000	-	-	3,350,000	16,000,000
Kocaeli	Çayırova	Akse-9	169,000,000	265,318	-	32,034,682	201,300,000
Kocaeli	Çayırova	Akse-6	28,280,000	240,885	-	4,359,115	32,880,000
Antalya	Kepez	Sütçüler	12,756,000	-	-	3,244,000	16,000,000
İstanbul	Üsküdar	Bulgurlu-2	19,056,000	-	-	3,944,000	23,000,000
Kocaeli	Çayırova	Akse-8	96,200,000	-	-	(79,800,000)	16,400,000
Bolu	Merkez	Saraycık	21,137,000	-	-	6,613,000	27,750,000
Sakarya	Arifiye	Yukarıkirezce-3	15,748,000	184,253	-	3,067,747	19,000,000
Antalya	Serik	Çandır-1,Çandır-2	91,000,000	-	-	12,000,000	103,000,000
Sakarya	Arifiye	Hanlıköy	17,353,000	407,555	-	4,739,445	22,500,000
İzmir	Menderes	Görece-3	24,966,000	335,160	-	6,458,840	31,760,000
Antalya	Kumluca	Sarıkaya	13,233,000	-	-	4,267,000	17,500,000
Ankara	Kahramankazan	Saray	21,339,000	-	-	3,661,000	25,000,000
Adana	Sarıçam	Suluca	18,388,000	-	-	2,612,000	21,000,000
İstanbul	Tuzla	Orhanlı-5	146,162,000	29,590	-	23,808,410	170,000,000
Eskişehir	Tepebaşı	Eskibağlar	85,000,000	-	-	16,000,000	101,000,000
İstanbul	Üsküdar	Bulgurlu-1	16,000,000	-	-	3,000,000	19,000,000
Kocaeli	Çayırova	Akse-11	137,275,000	-	-	27,225,000	164,500,000
İzmir	Menderes	Görece-4	57,245,000	171,025	-	13,533,975	70,950,000
İstanbul	Esenyurt	Esenyurt	154,281,000	-	-	26,719,000	181,000,000
İstanbul	Tuzla	Tepeören	319,116,000	297,054	-	80,586,946	400,000,000
Kocaeli	Çayırova	Akse-12	80,000,000	185,210	-	14,814,790	95,000,000
Adana	Sarıçam	Suluca-2	39,000,000	-	-	8,000,000	47,000,000
İzmir	Menderes	Görece	-	-	22,202,736	4,797,264	27,000,000
Kastamonu	Merkez	Kuzeykent(1)	5,159,000	-	-	2,941,000	8,100,000
Karabük	Merkez	Çerçiler(1)	2,034,000	-	-	1,751,000	3,785,000
Bartın	Merkez	Balamba(1)	1,920,000	-	-	1,450,000	3,370,000
Kastamonu	Tosya	Dilküşah(1)	496,000	-	-	564,000	1,060,000
Eskişehir	Sivrihisar	Kurşunlu(1)	742,000	-	-	313,000	1,055,000
Erzincan	Hilton Bina		39,486,099	-	-	1,828,901	41,315,000
Total Buildings			2,372,688,099	12,245,704	22,202,736	409,913,461	2,817,050,000
General Total Lands and Buildings			2,504,373,099				2,968,990,000

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NOTE 11 – INVESTMENT PROPERTIES (CONT'D)

As of 31 December 2021, the movement table of Investment properties under project is as follows:

Province	District	Location	31.12.2020	Additions	Transfer	Fair Value	31.12.2021
Kocaeli	Çayirova	Akse-15 (*)	79,940,000	--	(79,940,000)	--	--
Kocaeli	Çayirova	Akse 13 (***)	17,000,000	28,516,853	--	13,260,000	58,776,853
Adana	Sarıçam	(**)	--	47,264,972	(47,264,972)	--	--
Other			1,131,457	20,815,861	--	--	21,947,318
Total			98,071,457	96,597,686	(127,204,972)	13,260,000	80,724,171

(*) The Building Occupancy Permit (Settlement) of the 19,349 m2 logistics warehouse, which was built on a 14,703,44 m2 land in Kocaeli Province Çayirova District Şekerpınar District 420 Island 33 Plot, was obtained on January 5, 2021, and the investment was completed.

(**) The Building Occupancy Permit for the masonry warehouse, masonry building, masonry house and 3 masonry coops built on a 46,946.40 m2 plot located in Adana Province Sarıçam District Dağcı Mahallesi 151 Island 12 Plot was obtained on 30 December 2021 and the investment was completed.

(***) The fair value difference recognized as of 31 December 2021 belongs to the land included in the cost of the investments.

As of 31 December 2021, the movement table of Investment properties under project is as follows:

Province	District	Location	01.01.2020	Additions	Disposal (-)	Transfer	Fair Value	31.12.2020
İzmir	Menderes	Görece	21,918,000	284,736	-	(22,202,736)	--	-
Kocaeli	Çayirova	Akse-15(*)	41,345,000	3,584,087	--	-	35,010,913	79,940,000
Kocaeli	Çayirova	Akse 13	14,142,000	8,080	--	-	2,849,920	17,000,000
Diğer	-	-	13,838,823	577,396	(13,284,762)	--	-	1,131,457
			91,243,823	4,454,299	(13,284,762)	(22,202,736)	37,860,833	98,071,457

As of 31 December 2021, the Company has leased these warehouses and obtained a rental income of TL 303,239,798 (31 December 2020: TL 239,724,211) (Note 20).

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NOTE 12 – PROPERTY, PLANT AND EQUIPMENT

The movements in tangible fixed assets and accumulated depreciations for the period ended 31 December 2021 and the year ended 31 December 2020 are as follows:

	31.12.2020	Additions	Disposals(-)	31.12.2021
Property, plant and equipment	35,276,093	23,312,559	(10,023,312)	48,565,340
Property, plant and equipment - leasing	61,785,386	--	--	61,785,386
Motor vehicle	168,996	--	--	168,996
Furniture and fittings	5,257,664	6,221,033	--	11,478,697
Leasehold improvements	243,800	--	--	243,800
Cost	102,731,939	29,533,592	(10,023,312)	122,242,219
Property, plant and equipment	8,424,979	3,577,578	(107,539)	11,895,018
Property, plant and equipment - leasing	15,370,129	6,012,107	--	21,382,236
Motor vehicle	59,177	23,961	--	83,138
Furniture and fittings	3,390,949	954,206	--	4,345,155
Leasehold improvements	181,373	18,197	--	199,570
Accumulated Depreciations (-)	27,426,607	10,586,049	(107,539)	37,905,117
Net Book Value	75,305,332			84,337,102

	31.12.2019	Additions	Disposals (-)	Acquisition of subsidiaries	Transfer	31.12.2020
Property, plant and equipment	9,390,987	22,701,392	(25,424)	--	3,209,138	35,276,093
Property, plant and equipment - leasing	53,795,775	11,198,749	--	--	(3,209,138)	61,785,386
Motor vehicle	49,194	119,802	--	--	--	168,996
Furniture and fittings	3,610,450	778,391	(76,253)	945,076	--	5,257,664
Leasehold improvements	--	--	--	243,800	--	243,800
Cost	66,846,406	34,798,334	(101,677)	1,188,876	--	102,731,939
Property, plant and equipment	5,518,413	1,436,310	(847)	--	1,471,103	8,424,979
Property, plant and equipment - leasing	10,595,044	6,246,188	--	--	(1,471,103)	15,370,129
Motor vehicle	49,194	9,983	--	--	--	59,177
Furniture and fittings	2,254,558	518,380	(5,537)	623,548	--	3,390,949
Leasehold improvements	--	23,118	--	158,255	--	181,373
Accumulated Depreciations (-)	18,417,209	8,233,979	(6,384)	781,803	--	27,426,607
Net Book Value	48,429,197					75,305,332

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NOTE 12 – PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The allocation of the depreciation and amortization expense related to tangible and intangible assets included in the statement of income statements is as follows:

	01.01.- 31.12.2021	01.01.- 31.12.2020
Cost of sales (Note 20)	10,586,049	8,233,979
	10,586,049	8,233,979

NOTE 13 – INVENTORIES

As of 31 December 2021 and 31 December 2020, the details of short-term and long-term inventories are as follows:

Short Term Inventories	31.12.2021	31.12.2020
Hotel business supplies	287,767	171,708
	287,767	171,708
Long Term Inventories	31.12.2021	31.12.2020
Land inventories	56,897,916	56,897,916
	56,897,916	56,897,916

With the Board Decision dated 04/05/2016 and numbered 298, the Company signed a "preliminary contract for real estate sale" with Sur Yapı Endüstri San. Ve Tic. A.Ş. for the housing project to be built on 10,783,80 m2 residential land located in Sancaktepe, Istanbul and 18.316,57 m2 residential land located in Sancaktepe, Istanbul. The construction to start in 2016 is to be completed within 30 months, on the basis of "Revenue Sharing Arrangement". As of 30 June 2017, the construction and manufacturing of the sales office was completed and the construction of the sample flat is underway. The project has been launched under the name "Muhit" and the sales process is continuing. As of December 31, 2021, the construction percentage of the Muhit project is 52% and works related to construction and sales are in continuing.

Istanbul Province Sancaktepe District 9-10 Section 1674 Parcel, 10,783,80 m2 and registered as "field" in the land registry, as a result of the separation (allocation) made on 04.08.2016, 1974 parcel (3,301.30 m2), 1975 parcel (It was divided into two parcels, 6.965.62 m2), and meanwhile, the zoning road (516.88 m2) was abandoned within the framework of Articles 15 and 16 of the Zoning Law. 1974 parcel (3,301,30 m2), which was formed by the separation process, was donated to Sancaktepe Municipality on 25.10.2016. The nature of the 1975 parcel (6,965.62 m2), which remained under the ownership of Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş., in the land registry was changed to "land".

The parts of the park (2.123.19 m2) and the road (76 m2) (total 2.199.19 m2) of the 6650 Island 17 Plot in the Sancaktepe District of Istanbul were abandoned on 04.08.2016, and the surface area after the abandonment was 16.117.38 m2. The total land area where the project will take place (6,965.62+16.117.38=) is 23,083 m2.

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NOTE 13 – INVENTORIES (CONT'D)

These immovables were taken into stocks in 2016. The stocks are classified as long-term considering the first stage probable completion date of the housing constructions is 31.12.2022.

The valuation reports of the residential zoned lands were prepared by Net Corporate Gayrimenkul Değerleme ve Danışmanlık A.Ş. and its total fair value as of 31 December 2021 is TL 150,760,000 (31 December 2020: TL 135,000,000).

NOTE 14 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Provisions:

As of 31 December 2021, and 31 December 2020, the explanations regarding provisions are as follows:

	31.12.2021	31.12.2020
Provisions for litigation expenses (*)	8,675,171	4,355,225
Provisions for accrued personnel leave expenses	148,620	78,030
Total	8,823,791	4,433,255

(*) As of 31 December 2021, the total number of cases to which the Company is a party to is 52. Provision has been made for 27 of the 31 lawsuits filed against the Company, and the total provision for lawsuits is TL 8,675,171 (31 December 2020: TL 4,355,225). There are 30 lawsuits filed in favor of the Company, and provision has been made for all of these lawsuits.

As of 31 December 2021, there are reciprocal lawsuits between the parties for 4 lawsuits against the Company, and the trial process continues. No provision has been made for the lawsuits in question, as a clear risk determination could not be made.

NOTE 15 – COMMITMENTS

a) Guarantee, pledge and mortgage given by the Group are as follows:

Guarantee, pledge and mortgage given by the Group	31.12.2021	31.12.2020
A. Total amount of Guarantees provided by the Company on behalf of itself	2,778,423,553	2,388,329,122
B. Total amount of Guarantees provided on behalf of the associates accounted under full consolidation method	--	--
C. Provided on behalf of third parties in order to maintain operating activities	--	--
D. Other Guarantees given		
i. Total amount of Guarantees given on behalf of the parent Company	--	--
ii. Total amount of Guarantees provided on behalf of the associates which are not in the scope of B and C	--	--
iii. Total amount of Guarantees provided on behalf of third parties which are not in the scope of C	--	--
Total	2,778,423,553	2,388,249,122

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NOTE 15 – COMMITMENTS (CONT'D)

Type	Type of FX	FX amount	31.12.2021 TL equivalent
Mortgage	TL		2,152,645,000
Mortgage	USD	24,000,000	320,472,000
Mortgage	EURO	20,000,000	302,278,000
Guarantee letter	TL		3,028,553
Total			2,778,423,553

Type	Type of FX	FX amount	31.12.2020 TL equivalent
Mortgage	TL		1,677,820,000
Mortgage	USD	72,100,000	529,250,050
Mortgage	EURO	20,000,000	180,158,000
Guarantee letter	TL		1,021,072
Total			2,388,249,122

b) Guarantee, Pledge and Mortgage received by the Group is as follows:

Type	Type of FX	FX amount	31.12.2021 TL equivalent
Guarantee letter	TL		2,493,000
Surety bond	TL		9,914,573
Surety bond	USD	147,040	1,963,425
Surety bond	EURO	22,000	332,506
Total			14,703,504

Type	Type of FX	FX amount	31.12.2020 TL equivalent
Guarantee letter	TL		2,329,000
Guarantee letter	USD	219,220	1,609,184
Surety bond	TL		9,196,823
Surety bond	USD	147,040	1,079,347
Surety bond	EURO	22,000	198,174
Total			14,412,528

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NOTE 16 – EMPLOYEE BENEFITS

a) Payables within the scope of employee benefits:

	31.12.2021	31.12.2020
Due to personnel	304,662	188,225
Social security premiums payables	123,387	83,186
Personnel tax deductions	25,484	29,830
	453,533	301,241

b) Provision for Employee Termination Benefits

In accordance with existing social legislation in Turkey the Group is required to make lump-sum payment to employees whose employments are terminated due to retirement or for reasons other than resignation or misconduct except the ones who are subject to press regulations. In addition, under the existing Social Security Law No.506, clause No. 60, amended by the Labor Laws dated 06.03.1981, No.2422 and 25.08.1999, No.4447, the Group is also required to pay termination benefits to each employee who has earned the right to retire by receiving termination indemnities. As of 31.12.2021 the amount payable of one month's salary for each year of service is limited to a maximum of TL 8,284 (31.12.2020: TL 7,117).

The provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of employees. IAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans.

According to this calculation following actuarial assumptions are used.

	31.12.2021	31.12.2020
Discount rate	%24.00	%13.72
Expected rate of salary / limit increases	%19.00	%10.04
Net discount rate	%4.20	%3.34

The basic assumption is that the ceiling provision for each year of service will increase in proportion to inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the expected effects of inflation. The Group's severance pay provision is calculated over the full ceiling amount of 10,848,59 TL effective from 1 January 2022, since the severance pay ceiling is adjusted every six months.

The movement table of the provision for employee termination benefits is as follows:

	01.01.- 31.12.2021	01.01.- 31.12.2020
Beginning balance	311,104	102,857
Current service cost	222,875	81,953
Interest cost	10,404	9,630
Actuarial gain / (loss)	154,766	(16,325)
Acquisition of subsidiary	--	132,989
Balance, end of the period	699,149	311,104

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NOTE 16 – EMPLOYEE BENEFITS (CONT'D)

The allocation of the provision for employment termination benefits in the statement of income is summarized as below:

	01.01.- 31.12.2021	01.01.- 31.12.2020
Cost of sales	233,279	91,583
	233,279	91,583

NOTE 17 – PREPAID EXPENSES AND DEFERRED INCOME

As of 31 December 2021 and 31 December 2020, the details of prepaid expenses are as follows:

Short Term	31.12.2021	31.12.2020
Advances given for purchasing inventory	--	2,280,563
Advances given to related parties (note 5)	--	18,181
Expenses for the next months	2,318,163	2,987,768
Advances given to personnel	10,126	11,900
	2,328,289	5,298,412
Long Term	31.12.2021	31.12.2020
Advances given for purchasing fixed assets	23,883,370	37,580
Expenses for the next years	184,503	269,805
	24,067,873	307,385

As of 31 December 2021, and 31 December 2020, the details of deferred income are as follows:

Short term deferred income	31.12.2021	31.12.2020
Order advances received	758,726	360,945
Sales to be delivered in the next period	--	1,011,645
	758,726	1,372,590
Long term deferred income	31.12.2021	31.12.2020
Sales to be delivered in the next period	226,502	13,250
	226,502	13,250

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NOTE 18 – OTHER ASSETS AND LIABILITIES

Other current assets	31.12.2021	31.12.2020
VAT carried forward	20,045,231	8,675,594
Advances given to personnel	55,031	--
	20,100,262	8,675,594

NOTE 19 – CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS

Paid-in capital

As of 31 December 2021, the share capital of the Group is TL 246,000,001 (31 December 2020: TL 246,000,001). The nominal share capital is divided into 246,000,001 (31 December 2020: 246,000,001) shares, each worth TL 1.

	31.12.2021		31.12.2020	
	Share amount	Share %	Share amount	Share %
Reysaş Taşımacılık ve Lojistik Tic. A.Ş.	307,352,918	61.47	152,381,690	61.94
Other	24	0.00	11	0.00
Public	192,647,058	38.53	93,618,300	38.06
Paid-in capital	500,000,000	100.00	246,000,001	100.00

According to the Ordinary Annual General Meeting held on 29 May 2015 for the annual year 2014, it was resolved to increase the issued capital from TL 240,000,000 to TL 246,000,001, to be provided from profits of the year 2014, as a result of which the paid in capital increased from TL 240,000,000 to TL 246,000,001.

The company increased its issued capital, which was 246,000,001 TL within the registered capital ceiling of 1,000,000,000 TL, to 500,000,000 TL by increasing 253,999,999 TL, fully paid in cash, and the capital increase was completed as of 15.09.2021.

According to Articles of Association of the Company, the Company's shares are divided into 2 groups as 578,824 Group A registered shares, and 49,421,176 Group B bearer Shares. Group A shareholders have the right to nominate Board Members. 4 of the 6 board members are elected by general assembly, provided they are among the candidates nominated by Group A Shareholders by a majority.

Two of the Board Members are elected by General Assembly provided that the independence principles as required by Capital Market Legislation have been met.

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NOTE 19 – CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS (CONT'D)

Share Premium/Discount

The share premiums included in the consolidated financial statements are formed as a result of the issuance of the shares at a price higher than the nominal value in the capital increases after the initial establishment of the parent company, and the issuance expenses are deducted from the difference between the issue price and the nominal value.

	31.12.2021	31.12.2020
Share premium	331,244	--
	331,244	--

Repurchased shares

The Group resolved to repurchase its own shares on 27.11.2012 under the Principles and Procedures No 26/767, dated 10.08.2011 for Repurchase by the Companies of Their Own Shares published by Capital Market Board, which was publicly disclosed by a special announcement on the Public Disclosure Platform.

Reacquired	Reacquired Date	Reacquired Unit	Reacquired Unit Price (TL)	Reacquired Amount (TL)
1.	12.11.2012	58,979	0.73	43,055
2.	04.02.2013	393,500	0.70	275,450
3.	11.02.2013	453,912	0.69	313,200
	11.02.2013	252,347	0.70	176,642
4.	15.02.2013	341,262	0.70	238,883
5.	17.09.2021	2,005,209	1.00	2,005,209
Total				3,052,439

Other comprehensive income/ (expense) not to be reclassified under profit or loss

	31.12.2021	31.12.2020
Revaluation reserve of tangible fixed assets	99,075,327	99,075,327
	99,075,327	99,075,327

The Group recognized 18 Warehouses, and 3 warehouses under construction that were contributed as capital in-kind by its parent partner Taşımacılık ve Lojistik Ticaret A.Ş. through a partial de-merger transaction at fair value at a total amount of TL 206,939,059 on May 2010. From these 21 warehouses, the warehouses located in Trabzon- Arsin, Bursa-Nilüfer and Sakarya-Karasu were sold as of 31 December 2014. Following these sales, the difference between the fair value, and the book value forming the basis of the in-kind share capital contribution through the partial demerger transaction amounted to TL 91,095,151 on 31 December 2014. As there have been no sales during 2015, the difference between the fair value, and the book value forming the basis of the in-kind share capital contributed through the partial demerger was also TL 91,095,151 at 31 December 2015.

In 2016, the warehouse located in Ordu-Central Town was sold. As of 31 December 2016, the fair value difference of said warehouse of TL 1,342,264 was deducted from the fund of TL 91,095,151 as a result of which the difference between the fair value and the book value forming the basis of the in-kind share capital contributed through the partial demerger amounted to TL 89,752,887.

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NOTE 19 – CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS (CONT'D)

	31.12.2021	31.12.2020
Actuarial gain / (loss)	(178,293)	(47,348)
	(178,293)	(47,348)

Amendments to TAS 19 changes the accounting of defined benefit plans and severance pays. Pursuant to amendments, changes in the defined benefit liabilities and assets must be accounted for at fair value. Thus, 'corridor' method permitted in the previous version of TAS 19 are eliminated, facilitating the recognition of the past employment costs. Amendments require all actuarial losses and gains to be accounted for immediately as other comprehensive income in order to ensure net pension assets or liabilities to be indicated in the financial position statements reflect the full value of the plan short or excess. In addition, a 'net interest' amount is used, calculated by applying a discount rate to the projected revenues to be generated from plan assets, described in the previous edition of TAS 19, and net benefit liabilities or assets defined in place of interest expense relating to plan assets.

Previous year's profit / (losses)

	31.12.2021	31.12.2020
Extraordinary reserves	3,406,890	3,406,890
Previous year's profit / (losses)	1,761,119,402	1,352,962,975
	1,764,526,292	1,356,369,865

Restricted reserves

Reserves restricted from profits consist in the legal reserves and real estate sales gains exempted from corporate tax. Pursuant to Turkish Commercial Act, legal reserves are divided into first degree and second-degree legal reserves. Pursuant to Turkish Commercial Act, first degree legal reserves are set aside by 5% of annual profit until it reaches 20% of the paid capital of the company. Second degree legal reserves are 10% of the distributed profit which exceed the 5% of the paid-in capital. Pursuant to Turkish Commercial Act, legal reserves can only be used to net off the losses insofar as it does not exceed 50% of the paid-in capital and are not permitted for other uses.

	31.12.2021	31.12.2020
Legal Reserves	6,516,173	6,516,173
Reserves for reacquired shares (*)	3,052,439	1,047,230
	9,568,612	7,563,403

(*) Legal reserves were set aside for the reacquired shares by the Group under Turkish Commercial Code No. 6102, pursuant to article No. 520 and the Communiqué of the Capital Market Board numbered 2-22,1 in regards Reacquired Shares Article No. 20.

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NOTE 20 – REVENUE AND COST OF SALES

	01.01.- 31.12.2021	01.01.- 31.12.2020
Sales		
Rental income	303,239,798	239,724,211
Other income	24,421,158	26,950,429
Sales returns (-)	(2,671,725)	(2,670,203)
Net Sales	324,989,231	264,004,437
Cost of Sales		
Insurance expenses	(2,421,130)	(2,716,058)
Depreciation and amortization expenses	(10,586,048)	(8,233,979)
Maintenance and repair expenses	(6,121,826)	(3,486,698)
Electricity expenses	(15,804,733)	(10,823,466)
Taxes and fees expenses	(4,273,402)	(4,122,138)
Expertise expenses	(609,708)	(452,254)
Personnel expenses (*)	(4,037,940)	(2,646,173)
Hilton commission expense (*)	(2,491,060)	--
Other	(6,213,225)	(3,145,188)
Cost of Service Sold (-)	(52,559,072)	(35,625,954)
Gross Profit	272,430,159	228,378,483

(*) Expenses of the subsidiary Rey Turizm.

NOTE 21 – GENERAL AND ADMINISTRATIVE EXPENSES AND MARKETING, SALES AND DISTRIBUTION EXPENSES

	01.01.- 31.12.2021	01.01.- 31.12.2020
General and administrative expenses		
Personnel expenses	1,716,284	823,839
Consulting and audit expenses	570,066	124,054
Electricity and water expenses	292,860	586,839
Taxes and fees expenses	906,305	549,702
CMB registration expenses	25,177	20,177
Insurance expenses	1,260,643	1,240,761
Other	237,012	1,666,727
	5,008,347	5,012,099
Marketing, sales and distribution expenses		
Commission expenses	326,966	135,913
Other	5,250	1,611
	332,216	137,524

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NOTE 22 – FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR/INDEPENDENT AUDIT FIRMS

	01.01.- 31.12.2021	01.01.- 31.12.2020
Audit and assurance fees (*)	75,000	45,000
Tax consultancy fees (*)	48,000	50,000
	123,000	95,000

(*) Related services are shown exclusive of VAT.

NOTE 23 – OTHER INCOME / (EXPENSES) FROM OPERATING ACTIVITIES

	01.01.- 31.12.2021	01.01.- 31.12.2020
Other income from operating activities		
Provisions for doubtful trade receivable collected	582,181	387,695
Income to be invoiced	--	772,606
Discount on notes payable	257,782	972,351
Foreign exchange income (**)	17,554,014	1,643,400
Insurance damage income	2,220,054	--
Other	562,550	2,474,109
	21,176,581	6,250,161

(**) The amount of unrealized foreign exchange profits in the period of 01.01.-31.12.2021 is TL 8,196,588.

	01.01.- 31.12.2021	01.01.- 31.12.2020
Other expenses from operating activities		
Current term provisions for doubtful trade receivables	(987,665)	(967,818)
Provisions for court case expenses	(4,319,946)	(3,577,413)
Disallowable expenses	(229,866)	(1,495,801)
Discount on notes receivable	(550,994)	(692,290)
Foreign exchange losses (***)	(3,373,023)	(329,025)
Donations and grants	(175,000)	--
sell-lease-back expenses	(1,413,715)	--
Other	(136,594)	(1,353,064)
	(11,186,803)	(8,415,411)

(***) The amount of unrealized foreign exchange losses in the period of 01.01.-31.12.2021 is TL 3,160,207.

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NOTE 24 – GAIN / (LOSSES) FROM INVESTING ACTIVITIES

	01.01.- 31.12.2021	01.01.- 31.12.2020
Profit on sales of fixed assets	327,964	3,694
Investment property fair value appreciation gain (*)	1,578,562,346	458,270,662
	1,578,890,310	458,274,356

(*) The details of the fair values of the Group's investment properties are shown in Note 13.

NOTE 25 – FINANCIAL INCOME / (EXPENSES)

Financial income	01.01.- 31.12.2021	01.01.- 31.12.2020
Interest income	32,314,711	10,823,056
Foreign exchange income (**)	71,887,449	22,185,262
	104,202,160	33,008,318

(**) The amount of unrealized foreign exchange profits in the period of 01.01.-31.12.2021 is TL 71,887,445.

Financial expenses (-)	01.01.- 31.12.2021	01.01.- 31.12.2020
Bank commission expenses	(3,681)	(1,530)
Interest expenses	(190,495,064)	(132,639,632)
Foreign exchange expenses (***)	(224,440,846)	(172,338,760)
Other	(631,747)	--
	(415,571,338)	(304,979,922)

(***) As of 01.01.-31.12.2021, the total of unrealized foreign exchange losses is TL 224,439,460.

NOTE 26 – INCOME TAXES (DEFERRED TAX ASSETS AND LIABILITIES INCLUDED)

Revenues from activities of real estate investment trust are exempted of corporate tax according to Article 5/(1) (d) (4) of Corporate Tax Law (KVK) No 5520. According to Article 15/(3) of KVK, 15% of tax is levied over the revenue exempted from Corporate Tax. Council of Ministers is authorized to decrease the tax rates defined in Article 15 up to zero by each payment and income, increase it up to corporate tax rate, and differentiate it for the revenues defined in third paragraph within the same limitations by the funds or partnership types, or by the nature and distribution of the assets in the portfolio. Pursuant to Decree of Council of Ministers No 2003/6577, a tax at the rate of 0% is imposed upon the corporate tax-exempted portfolio management revenues of Real Estate Investment Trusts, exempted according to Article 94 (6)(a)(i) of Income Tax Act. Revenues that are taxed in this context are not subject to further dividend withholding pursuant to Article 15/(2) of KVK.

Since the earnings of Reysaş Gayrimenkul from real estate investment trust activities are exempt from corporate tax, no deferred tax assets and liabilities are calculated.

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NOTE 26 – INCOME TAXES (DEFERRED TAX ASSETS AND LIABILITIES INCLUDED) (CONT'D)

The deferred tax arising from the timing differences between the legal financial statements of the Group's subsidiaries and the financial statements prepared in accordance with TFRS is reflected in the consolidated financial statements.

The Group's Corporate Tax Liability as of 31 December 2021 and 31 December 2020 is as follows:

	31.12.2021	31.12.2020
Provision for Corporate Tax – Current term	257,168	--
Prepaid taxes and funds (-)	(197,858)	--
	59,310	--

As of 01.01.-31.12.2021 and 01.01.-31.12.2020, period tax income charges are as follows:

	01.01.- 31.12.2021	01.01.- 31.12.2020
Provision for corporate tax	(257,168)	--
Deferred tax income / (expenses)	(1,459,397)	(175,299)
Tax expenses reflected to income statement	(1,716,565)	(175,299)

The tax rate used in the deferred tax calculation for the Subsidiary has been taken into account as 23% (31 December 2020: %22).

	31.12.2021		31.12.2020	
	Cumulative Temporary Difference	Asset / (Liability)	Cumulative Temporary Difference	Asset / (Liability)
Difference between the carrying values and the tax bases of property, plant, equipment and intangible assets	(38,614,911)	(4,247,648)	(24,601,984)	(2,810,195)
Provisions for employee termination benefits	386,592	88,916	208,192	45,802
Effective interest accrual for loans	--	--	34,706	7,635
Deferred finance income	--	--	53,969	11,873
Deferred finance expenses	--	--	(7,973)	(1,754)
Provision for doubtful debt	52,558	12,088	87,558	19,263
Provisions for accumulated personnel leave expenses	92,177	21,201	59,143	13,011
Other	--	--	111,353	24,498
Deferred tax assets / (liabilities), net	(4,125,443)	(4,125,443)	(2,689,867)	(2,689,867)

As of 31.12.2021, the total of carry-forward tax losses of Rey Otel Turizm İşletmeciliği ve Ticaret A.Ş., a consolidated subsidiary of the Group amounted to TL 4.300.292. No deferred tax asset was provided thereon due to uncertainty regarding the timing of taxable income available to offset such tax losses.

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NOTE 26 – INCOME TAXES (DEFERRED TAX ASSETS AND LIABILITIES INCLUDED) (CONT'D)

	31.12.2021	31.12.2020
Deferred tax assets	122,205	122,082
Deferred tax liabilities (-)	(4,247,648)	(2,811,949)
Deferred tax assets / (liabilities), net	(4,125,443)	(2,689,867)

The movement of deferred tax assets/ (liabilities) for the periods ended 01.01.-31.12.2021 and 01.01.-31.12.2020 is as follows:

	01.01.- 31.12.2021	01.01.- 31.12.2020
Beginning of the period	(2,689,867)	(2,541,015)
Actuarial gain / (losses)	23,821	--
Current tax income / (expenses) for the period	(1,459,397)	(148,852)
End of the period	(4,125,443)	(2,689,867)

NOTE 27 – EARNINGS PER SHARE

Earnings per share are calculated by dividing the net profit distributed to shareholders by the weighted average number of shares issued.

	01.01.- 31.12.2021	01.01.- 31.12.2020
Net profit / (loss) attributable to shareholders (TL)	1,547,649,705	410,426,474
Weighted average number of issued shares	500,000,000	246,000,001
Earnings / (loss) per share (TL)	3.0953	1.6684

NOTE 28 – NATURE OF LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Capital Risk Management

The Group aims at ensuring continuity of the activities in the capital management on one hand, while increasing the profitability by using balance between the liabilities and equity in the most efficient way on the other hand. Group's capital structure consists in the debts which also include the loans disclosed in Note 7; cash and cash equivalents which are disclosed in Note 6, and equities which also include issued capital, capital reserves, profit reserves, and accumulated profits disclosed in Note 19.

The capital costs as well as risks of the Group which are associated with each capital class are evaluated by senior management. Based on the evaluations of senior management, it is aimed at acquiring new borrowing, or repaying the existing debts in order to protect and re-arrange the capital structure, as well as to keep dividend payments in balance by issuing new shares. Group follows up the capital by using liability/total capital ratio. This ratio is found by dividing the financial liability to the total equity capital. Net liability is calculated by deducting cash and cash equivalents from the total liabilities (as indicated in the balance sheet, includes loans, financial leasing payables, account payables and other payables). Total capital is calculated by summing up the owners' equity and net liabilities as indicated in the balance sheet.

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NOTE 28 – NATURE OF LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (CONT'D)

Group's strategy remained same in 2021 since 2019, and ratio of equities to liabilities as of 31 December 2021 and 31 December 2020 are provided below:

	31.12.2021	31.12.2020
Total Liabilities	1,653,244,562	1,313,275,736
Cash and Cash Equivalents (-)	(426,697,788)	(223,048,020)
Net Liability	1,226,546,774	1,090,227,716
Total Equity	3,949,820,792	2,107,707,036
Rate of Net Liabilities to Equity	31%	52%

Significant Accounting Policies

The Group's significant accounting policies about financial instruments are disclosed in Note 2 'Basis of Presentation of Financial Statements'.

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group.

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements and in turn credit risk arises from cash and cash equivalents, deposits in banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. These risks are monitored by credit ratings and limiting the aggregate risk to any individual counter party and receiving guarantees when required (Note 7).

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NOTE 28 – NATURE OF LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (CONT'D)

The following tables analyses the Group's credit and receivable risk as of 31.12.2021 and 31.12.2020.

	Receivables				Deposits in banks	Other
	Trade receivables		Other receivables			
	Related party	Third party	Related party	Third party		
31.12.2021						
Maximum net credit risk as of balance sheet date (A+B+C+D+E)	23,987,039	19,580,688	55,594,526	5,432,595	426,445,968	--
- The part of maximum risk under guarantee with collateral etc.	--	--	--	--	--	--
A. Net book value of financial assets that are neither past due nor impaired	23,987,039	19,580,688	55,594,526	5,432,595	426,445,968	--
B. Net book value of financial assets whose conditions are renegotiated, otherwise will be classified as past due or impaired	--	--	--	--	--	--
C. Net book value of assets past due but not impaired	--	--	--	--	--	--
- The part covered by guarantees etc.	--	14,703,504	--	--	--	--
D. Net book value of assets impaired	--	--	--	--	--	--
- Past due (gross book value)	--	7,825,218	--	1,953,740	--	--
- Impairment amount (-)	--	(7,825,218)	--	(1,953,740)	--	--
- The part of net value covered with guarantees etc.	--	--	--	--	--	--
- Not due (gross book value)	--	--	--	--	--	--
- Impairment amount (-)	--	--	--	--	--	--
- The part of net value covered with guarantees etc.	--	--	--	--	--	--
E. Off balance items exposed to credit risk	--	--	--	--	--	--

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NOTE 28 – NATURE OF LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (CONT'D)

	Receivables				Deposits in banks	Other
	Trade receivables		Other receivables			
	Related party	Third party	Related party	Third party		
31.12.2020						
Maximum net credit risk as of balance sheet date (A+B+C+D+E)	6,268,723	14,593,612	--	596,851	222,978,492	--
- The part of maximum risk under guarantee with collateral etc.	--	--	--	--	--	--
A. Net book value of financial assets that are neither past due nor impaired	6,268,723	14,593,612	--	596,851	222,978,492	--
B. Net book value of financial assets whose conditions are renegotiated, otherwise will be classified as past due or impaired	--	--	--	--	--	--
C. Net book value of assets past due but not impaired	--	--	--	--	--	--
- The part covered by guarantees etc.	--	11,657,823	--	--	--	--
D. Net book value of assets impaired	--	--	--	--	--	--
- Past due (gross book value)	--	7,420,177	--	1,953,740	--	--
- Impairment amount (-)	--	(7,420,177)	--	(1,953,740)	--	--
- The part of net value covered with guarantees etc.	--	--	--	--	--	--
- Not due (gross book value)	--	--	--	--	--	--
- Impairment amount (-)	--	--	--	--	--	--
- The part of net value covered with guarantees etc.	--	--	--	--	--	--
E. Off balance items exposed to credit risk	--	--	--	--	--	--

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NOTE 28 -- NATURE OF LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (CONT'D)

Liquidity Risk Management

The Group manages liquidity risk by keeping under control estimated and actual cash flows and by maintaining adequate funds and borrowing reserves through matching the maturities of financial assets and liabilities.

Liquidity risk is the inability of the Group to match to net funding requirements with sufficient liquidity. Uncertainty in the markets or occurrence of events as a result of decrease in funding resources such as decrease in credit ratings can give rise to Liquidity Risk. The management of the Group manages Liquidity Risk by keeping enough cash and similar resources ready in order to fulfill its current and potential responsibilities by distributing the funding resources. The tables below demonstrate the maturity distribution of non-derivative financial liabilities and are prepared based on the earliest date on which the Group can be required to pay:

As of 31.12.2021, maturity of non-derivative financial liabilities is as follows:

Contractual maturity analysis	Carrying value	Total cash outflow according to contract (=I+II+III+IV+V)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)	Demand (V)
Non-derivative financial liabilities							
Financial liabilities	1,604,124,400	1,949,559,742	315,322,535	478,709,345	1,132,003,206	23,524,656	--
Financial lease liabilities	49,120,162	49,120,162	6,763,574	18,557,508	23,799,080	--	--
Expected maturities							
Non-derivative financial liabilities							
Trade payables	23,717,784	23,812,549	--	23,812,549	--	--	--
Other payables	27,994,951	27,994,951	4,257,668	18,241,800	5,494,163	--	1,320

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NOTE 28 – NATURE OF LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (CONT'D)

As of 31.12.2020, maturity of non-derivative financial liabilities is as follows:

Contractual maturity analysis	Carrying value	Total cash outflow according to contract (=I+II+III+IV+V)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)	Demand (V)
Non-derivative financial liabilities							
Financial liabilities	1,236,789,963	1,512,870,139	163,193,767	369,691,785	971,056,591	8,927,996	--
Financial lease liabilities	76,485,773	83,191,591	11,916,142	36,365,750	34,909,584	115	--
Expected maturities							
Non-derivative financial liabilities							
Trade payables	47,718,549	48,031,779	48,031,779	--	--	--	--
Other payables	4,286,807	10,772,520	4,536,375	6,236,145	--	--	--

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NOTE 28 – NATURE OF LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (CONT'D)

Market Risk

Market risk refers to the change in market prices such as interest rate, exchange rate and share prices. The Company is exposed to market risk as changes in market prices affect the Company's revenues. The purpose of market risk management is; is to optimize the returns of the risks taken while keeping the risk factors under control within acceptable parameters.

Foreign currency risk

Transactions in foreign currencies lead to the foreign exchange risk. Group is exposed to foreign exchange risk due to change in foreign exchange rates used in the conversion of assets and liabilities in a foreign currency to Turkish Liras. Foreign exchange risks emerge due to the commercial transactions in the future, and the difference between assets and liabilities accounted for. Group's financial liabilities are exposed to the foreign exchange risk depending on the direction of the fluctuation of the foreign exchange due to its account receivables and payables in foreign currency. Group is mainly exposed to the foreign exchange risk due to its assets and liabilities in USD. Another important currency unit is Euro in terms of foreign exchange risk.

a) Foreign Currency Position Table and Sensitivity Analysis

The table below summarizes the foreign currency position risk of the Group as at 31.12.2021 and 31.12.2020. Foreign currency denominated assets and liabilities of the Group and related foreign currency position are as follows:

	31.12.2021	31.12.2020
Foreign currency asset	291,566,968	152,734,810
Foreign currency liabilities (-)	(502,506,478)	(467,107,695)
Net short position	(210,939,510)	(314,372,885)

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NOTE 28 – NATURE OF LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (CONT'D)

FOREIGN CURRENCY POSITION			
CONSOLIDATED	31.12.2021		
	TL Equivalent	USD	EUR
1. Trade Receivables	119,722	2,527	5,703
2a. Monetary Financial Assets (Cash, Bank accounts included)	291,447,246	11,766,920	8,922,161
2b. Non-Monetary Financial Assets	--	--	--
3. Other	--	--	--
4. Current Assets (1+2+3)	291,566,968	11,769,447	8,927,864
5. Trade Receivables	--	--	--
6a. Monetary Financial Assets	--	--	--
6b. Non-Monetary Financial Assets	--	--	--
7. Other	--	--	--
8. Non-Current Assets (5+6+7)	--	--	--
9. Total Assets (4+8)	291,566,968	11,769,447	8,927,864
10. Trade Payables	2,508,130	148,027	35,168
11. Financial Liabilities	239,927,334	8,329,576	8,515,506
12a. Monetary Other Liabilities	--	--	--
12b. Non-Monetary Other Liabilities	--	--	--
13. Short Term Liabilities (10+11+12)	242,435,464	8,477,603	8,550,674
14. Trade Payables	--	--	--
15. Financial Liabilities	260,071,014	4,783,156	12,981,529
16a. Monetary Other Liabilities	--	--	--
16b. Non-Monetary Other Liabilities	--	--	--
17. Long Term Liabilities (14+15+16)	260,071,014	4,783,156	12,981,529
18. Total Liabilities (13+17)	502,506,478	13,260,759	21,532,203
19. Net Asset/ (Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)	--	--	--
19a. Amount of Asset Nature Off-Balance Sheet Derivative Instruments	--	--	--
19b. Amount of Liability Nature Off-Balance Sheet Derivative Instruments	--	--	--
20. Net Foreign Asset / (Liability) Position (9-18+19)	(210,939,510)	(1,491,312)	(12,604,339)
21. Net Foreign Currency Asset / (Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	(210,939,510)	(1,491,312)	(12,604,339)
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	--	--	--
23. Hedged foreign currency asset	--	--	--
24. Hedged foreign currency liabilities	--	--	--
25. Export	--	--	--
26. Import	--	--	--

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NOTE 28 – NATURE OF LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (CONT'D)

FOREIGN CURRENCY POSITION			
CONSOLIDATED	31.12.2020		
	TL Equivalent	USD	EUR
1. Trade Receivables	503,236	--	55,866
2a. Monetary Financial Assets (Cash, Bank accounts included)	152,231,575	3,252,090	14,249,671
2b. Non-Monetary Financial Assets	--	--	--
3. Other	--	--	--
4. Current Assets (1+2+3)	152,734,810	3,252,090	14,305,537
5. Trade Receivables	--	--	--
6a. Monetary Financial Assets	--	--	--
6b. Non-Monetary Financial Assets	--	--	--
7. Other	--	--	--
8. Non-Current Assets (5+6+7)	--	--	--
9. Total Assets (4+8)	152,734,810	3,252,090	14,305,537
10. Trade Payables	1,912,370	88,069	140,532
11. Financial Liabilities	217,620,320	7,892,674	17,727,122
12a. Monetary Other Liabilities	--	--	--
12b. Non-Monetary Other Liabilities	--	--	--
13. Short Term Liabilities (10+11+12)	219,532,690	7,980,743	17,867,654
14. Trade Payables	--	--	--
15. Financial Liabilities	247,575,004	9,057,443	20,103,336
16a. Monetary Other Liabilities	--	--	--
16b. Non-Monetary Other Liabilities	--	--	--
17. Long Term Liabilities (14+15+16)	247,575,004	9,057,443	20,103,336
18. Total Liabilities (13+17)	467,107,694	17,038,187	37,970,991
19. Net Asset/ (Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)	--	--	--
19a. Amount of Asset Nature Off-Balance Sheet Derivative Instruments	--	--	--
19b. Amount of Liability Nature Off-Balance Sheet Derivative Instruments	--	--	--
20. Net Foreign Asset / (Liability) Position (9-18+19)	(314,372,884)	(13,786,097)	(23,665,454)
21. Net Foreign Currency Asset / (Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	(314,372,884)	(13,786,097)	(23,665,454)
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	--	--	--
23. Hedged foreign currency asset	--	--	--
24. Hedged foreign currency liabilities	--	--	--
25. Export	--	--	--
26. Import	--	--	--

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NOTE 28 – NATURE OF LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (CONT'D)

As of report and balance sheet date, Effect of exchange rate changes on foreign currency position of the Group:

Table of Sensitivity Analysis for Foreign Currency Risk				
31.12.2021				
	Profit / Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:				
1- Asset / Liability denominated in USD	(1,991,349)	1,991,349	(1,991,349)	1,991,349
2- The part of USD risk hedged (-)	--	--	--	--
3- USD Effect - net (1+2)	(1,991,349)	1,991,349	(1,991,349)	1,991,349
Change of EUR by 10% against TL:				
4- Asset / Liability denominated in EUR	(19,050,072)	19,050,072	(19,050,072)	19,050,072
5- The part of EUR risk hedged (-)	--	--	--	--
6- EUR Effect (4+5)	(19,050,072)	19,050,072	(19,050,072)	19,050,072
TOTAL (3+6)	(21,041,421)	21,041,421	(21,041,421)	21,041,421

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NOTE 28 – NATURE OF LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (CONT'D)

Table of Sensitivity Analysis for Foreign Currency Risk				
31.12.2020				
	Profit / Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:				
1- Asset / Liability denominated in USD	(10,119,684)	10,119,684	(10,119,684)	10,119,684
2- The part of USD risk hedged (-)	--	--	--	--
3- USD Effect - net (1+2)	(10,119,684)	10,119,684	(10,119,684)	10,119,684
Change of EUR by 10% against TL:				
4- Asset / Liability denominated in EUR	(21,317,604)	21,317,604	(21,317,604)	21,317,604
5- The part of EUR risk hedged (-)	--	--	--	--
6- EUR Effect (4+5)	(21,317,604)	21,317,604	(21,317,604)	21,317,604
TOTAL (3+6)	(31,437,288)	31,437,288	(31,437,288)	31,437,288

b) Interest Rate Position Schedule and Sensitivity Analysis

Interest rate risk

As part of its fund management policy, the interest risk of interest-bearing assets is calculated by performing sensitivity analysis. The sensitivity of interest sensitive assets in response to changes in market interest rates is computed based on the average maturities and average interest sensitive assets; the interest rate risk arising from the securities portfolio held as part of fund management function is monitored within expectations of market rates by closely following the financial markets.

The interest position table is as follows:

Interest Position Table

		31.12.2021	31.12.2020
Financial instruments with fixed interest rate			
Financial assets	Time deposits	356,201,890	212,179,431
	Available-for-sale financial assets	--	--
Financial liabilities		1,386,370,656	1,221,736,485
Financial instruments with floating interest rate			
Financial assets	Assets held to maturity	--	--
Financial liabilities		266,873,906	90,341,868

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NOTE 29 – FINANCIAL INSTRUMENTS (FAIR VALUE AND FINANCIAL RISK MANAGEMENT DISCLOSURES)

Fair value is the price to be obtained from sales of an asset, or to be paid in case of transfer of a debt, in an ordinary transaction between market participants on the measurement date.

Group determined the estimated fair values of the financial instruments by using available market data and suitable valuation methods. However, interpretation and sound judgment is required to estimate fair values by using market data. As a result, estimates provided here may not be indicators of the amounts that Group can obtain in current market transaction.

The following methods and assumptions are used to estimate the fair values of the financial instruments of which actual fair values are impossible to be estimated.

Monetary Assets

Balances in a foreign currency are converted into Turkish Liras on the basis of foreign exchange buy rate effective at the end of the period. These balances are held to be close to the book value.

Certain financial assets including the cash and cash equivalents are carried forward at their cost values, and as they are short-term, their book values are held to be approx. equal to reasonable values.

Book values of the account receivables are held to reflect the reasonable value, together with the provisions for Doubtful Receivables.

Monetary Liabilities

Book values of bank loans and other monetary liabilities, as they are short-term, are assumed to approach to reasonable values.

The Reasonable values of the balances in foreign currency converted on the basis of year-end exchange rates are considered to approach to their book values.

Fair Value Estimation:

Classifications of the Company for the fair values are as follows:

Level 1: Prices quoted in the active markets for certain assets and liabilities.

Level 2: Direct or indirect observable inputs for assets and liabilities other than prices quoted included in Level 1.

Level 3: Inputs for assets and liabilities which cannot be identified using an observable market data

Fair Value Level as of 31 December 2021

<u>Financial Asset</u>	<u>31.12.2021</u>	<u>1. Seviye</u>	<u>2. Seviye</u>	<u>3. Seviye</u>
Investment Properties	4,872,329,172	-	4,872,329,172	-

Fair Value Level as of 31 December 2020

<u>Financial Asset</u>	<u>31.12.2020</u>	<u>1. Seviye</u>	<u>2. Seviye</u>	<u>3. Seviye</u>
Investment Properties	3,067,061,457	-	3,067,061,457	-

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NOTE 30 – SUBSEQUENT EVENTS

Material event disclosures published by the Group on the public disclosure platform after the reporting period are as follows:

- Pursuant to subparagraph (ç) of the 3rd paragraph of Article 40 of the Capital Markets Board's Communiqué on Principles Regarding Real Estate Investment Trusts (III-48.1); The real estate purchase transaction, which does not exceed 2% of the total assets in our last financial statements disclosed to the public in 2021, is 56,464.230,8 TL and there is no sale transaction. The total of our real estate lease agreements in the assets of Reysas GYO was 375,745,901.05 TL including VAT.
- In line with our Company's Board of Directors Decision dated 14/01/2022 and numbered 690; To My Yeşil Yapı Emlak İnş.Turizm Mob.Har.Nak.ve Petrol Ürünleri San.Tic.Ltd.Şti., located on Adana Province Sarıçam District Suluca Mahallesi 0 Island 1828, 1829, 1832, 1833, 1834, 1835, 1901 Plot. The land of 46.032.10 m2 belonging to the company was purchased in cash with a price of 27.158.998 TL including VAT. The said land was purchased due to the serious need for logistics warehouses in the market, and it is planned to build a logistics warehouse of approximately 35,000 m2 for our Existing and New Customers as Adana 6 project on the land. With our 6th warehouse in Adana to be built, it is aimed to reach a total of 116,581 m2 in closed area in the region.

NONE 31 – OTHER MATTERS WHICH ARE SIGNIFICANT TO THE FINANCIAL STATEMENTS OR WHICH SHOULD BE DISCLOSED FOR THE PURPOSE OF TRUE AND FAIR INTERPRATION OF THE FINANCIAL STATEMENTS

None.

ADDITIONAL NOTE: CONTROL OF COMPLIANCE WITH PORTFOLIO RESTRICTIONS

Information provided in the statement "Additional Note 45 - Control of compliance with portfolio restrictions" are summary information derived from the financial statements as of 31 December 2021 pursuant to "Communiqué on Principles on Financial Reporting in the Capital Market" Series: II, No: 14.1 of CMB published in Official Gazette No 28676 of 13 June 2013, and prepared under the provisions related with the control of the compliance with portfolio restrictions of "Communiqué on Principles on Real Estate Investment Partnerships" Series: III, No: 48.1 of CMB published in Official Gazette No 28660 of 28 May 2013, and "Communiqué on Amendment to Communiqué on the Principles on Real Estate Investment Partnerships" Series: III, No: 48.1.e of CMB published in Official Gazette No 28660 of 9 October 2020.

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In this context, information about total assets, total portfolio, and portfolio restrictions as of 31 December 2021 and 31 December 2020 are as follows:

	Non-Consolidated (Individual) Financial Statement Main Account Items	Relevant Regulation in the Communique	Current period (TL)	Prior Period (TL)
A	Money And Capital Market Instruments	Art.24/(b)	426,087,297	222,856,883
B	Properties, Property-Based Projects, Property-Based Rights	Art.24/(a)	4,813,634,171	3,067,061,457
C	Subsidiaries	Art.24/(b)	124,524,585	29,678,582
	Receivables from related parties (non-trade)	Art.23/(f)	55,594,526	--
	Other Asset		225,874,903	169,391,029
D	Total Assets (Total Assets)	Art.3/(p)	5,645,715,482	3,488,987,951
E	Financial Payables	Art.31	1,604,124,400	1,236,789,963
F	Other Financial Liabilities	Art.31	--	--
G	Financial Leasing Payables	Art.31	49,120,162	75,288,390
H	Payables to related parties (non-trade)	Art.23/(f)	16,179,224	--
İ	Equities	Art.31	3,944,540,294	2,107,707,037
	Other Liabilities		31,751,402	69,202,561
D	Total Liabilities	Art.3/(p)	5,645,715,482	3,488,987,951

	Other Non-Consolidated (Individual) Financial Information	Relevant Regulation in the Communique	Current Period (TL) 31.12.2021	Prior Period (TL) 31.12.2020
A1	The part of money and capital market instruments held for the 3 years of property payments	Art.24/(b)	--	--
A2	Foreign Currency Draw-Time Deposits / Special Current-Contribution Account and TL time deposit/contribution account	Art.24/(b)	426,087,297	222,856,879
A3	Foreign Capital Market Instruments	Art.24/(d)	--	--
B1	Foreign Properties, Property-Based Projects, Property-Based Rights	Art.24/(d)	--	--
B2	Inactive Lands	Art.24/(c)	310,440,000	148,690,000
C1	Foreign Subsidiaries	Art.24/(d)	--	--
C2	Participation In Operating Company*	Art.28/1(a)	--	560,167
J	Non-Cash Loans	Art.31	3,028,553	1,021,072
K	Mortgage Amounts Of The Mortgaged Lands On Which A Project Will Be Developed, But Not Owned By The Partnership	Art.22/(e)	--	--
L	Sum of the money and capital market instrument investments in a single company	Art.22/(l)	--	--

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	Portfolio Restrictions	Relevant Regulation in the Communique	Current Period 31.12.2021	Prior Period 31.12.2020	Minimum/ Maximum Rate
1	Mortgage Amounts Of The Mortgaged Lands On Which A Project Will Be Developed, But Not Owned By The Partnership	Art.22/(e)	0%	0%	≤ %10
2	Properties, Property-Based Projects, Property-Based Rights	Art.24/(a),(b)	85%	87%	≥ %51
3	Money and Capital Market Instruments and Subsidiaries	Art.24/(b)	10%	8%	≤ %49
4	Foreign Properties, Property-Based Projects, Property-Based Rights, Subsidiaries, Capital Market Instruments	Art.24/(d)	0%	0%	≤ %49
5	Inactive Lands	Art.24/(c)	6%	4%	≤ %20
6	Participation in operating company	Art.28/1(a)	0%	0%	≤ %10
7	Borrowing Limit	Art.31	42%	62%	≤ %500
8	Foreign Currency Draw-Time Deposits / Special Current Contribution Account and TL time deposit/contribution account	Art.24/(b)	8%	6%	≤ %10
9	Sum of the money and capital market instrument investments in a single company	Art.22/(l)	0%	0%	≤ %10