

REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

**FOOTNOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS OF ACCOUNT
PERIOD ENDED ON 1 JANUARY 2020 - 31 DECEMBER 2020**

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REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**INDEPENDENTLY AUDITED****NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATED 31 DECEMBER 2020 AND 31 DECEMBER 2019***(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))*

ASSETS	Note	Current Period 31 December 2020	Previous Period 31 December 2019
Current Assets		253,993,713	61,789,499
Cash and Cash Equivalents	7	222,856,883	43,137,369
Account Receivables		20,274,196	11,068,008
– Trade Receivables from Related Parties	6	6,264,534	798,242
– Trade Receivables From Non-Related Parties	11	14,009,662	10,269,766
Other Receivables		578,782	806,269
– Other Receivables from related parties	6	-	395,037
– Other Receivables From Non-Related Parties	13	578,782	411,232
Inventories	16	-	-
Prepaid Expenses		5,190,411	6,157,591
– Prepaid Expenses to Related Parties	6	13,650	151,649
– Prepaid Expenses to Non-Related Parties	18	5,176,761	6,005,942
Assets Related with Current Period Tax	21	1,171,395	620,262
Other Current Assets		3,922,046	-
– Other Current Assets from Related Parties	6	-	-
– Other Current Assets from Non-related Parties	22	3,922,046	-
Fixed Assets		3,225,564,593	2,730,989,550
Inventories	16	56,897,916	56,897,916
Investments Valued by Equity Method	25	72,619,858	73,590,494
Investment Properties	26	2,924,425,000	2,461,557,000
Investment Properties in the Project Stage	26	98,071,457	91,243,823
Tangible Fixed Assets	27	73,242,977	46,249,021
– Plant, Machinery And Equipment	27	71,996,016	45,401,318
– Furniture and Fixture	27	1,246,961	847,703
Intangible Fixed Assets	28	-	-
Prepaid Expenses		307,385	1,451,296
– Prepaid Expenses to Related Parties	6	-	-
– Prepaid Expenses to Non-Related Parties	18	307,385	1,451,296
TOTAL ASSETS		3,479,558,306	2,792,779,049

The following footnotes form an integral part of the financial statements.

REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**INDEPENDENTLY AUDITED****NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATED 31 DECEMBER 2020 AND 31 DECEMBER 2019***(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))*

	Footnote Ref.	Current Period 31 December 2020	Previous Period 31 December 2019
RESOURCES			
Short-Term Liabilities		610,049,783	463,022,265
Short-Term Borrowing		68,066,138	48,352,918
-Short-Term Borrowings from Non-Related Parties		68,066,138	48,352,918
--Bank Loans (Short-term)	9	68,066,138	48,352,918
-- Liabilities due to Financial Leasing Transactions (Short-term)	9	-	-
Short-Term Portions of Long-Term Borrowings		482,326,891	383,589,017
-Short-Term Parts of the Long-Term Borrowings from Non-Related Parties		482,326,891	383,589,017
--Bank Loans	9	437,482,804	351,540,214
--Liabilities due to Financial Leasing Transactions	9	44,844,087	32,048,803
Account Payables		46,278,882	13,452,072
-Trade Payables to Related Parties	6	42,529,821	8,271,471
-Trade Payables to Non-Related Parties	11	3,749,061	5,180,601
Liabilities under the Employee Benefits	14	62,359	56,647
Other Payables		7,775,452	14,244,924
Other Liabilities to Related Parties	6	-	4,531,889
-Other Liabilities to Non-Related Parties	13	7,775,452	9,713,035
Deferred Incomes		1,165,949	1,062,946
-Deferred Incomes from Related Parties (Short-term)	6	-	-
-Deferred Incomes from Non-related Parties (Short-term)	18	1,165,949	1,062,946
Period Profit Tax Liability	20	-	-
Short-Term Provisions		4,374,112	2,263,741
-Provisions for Employee Benefits	23	18,887	10,386
-Other Short-Term Provisions	23	4,355,225	2,253,355
Other Short-Term Liabilities	22	-	-
Long-Term Liabilities		761,801,486	631,221,484
Long-Term Borrowings	9	761,685,324	630,208,791
-Long-Term Borrowings from Non-Related Parties		761,685,324	630,208,791
--Bank Loans	9	731,241,021	590,568,151
--Liabilities due to Financial Leasing Transactions	9	30,444,303	39,640,640
Other Payables		-	130,540
Other Liabilities to Related Parties	6	-	-
-Other Liabilities to Non-Related Parties	13	-	130,540
Deferred Incomes		13,250	779,296
--Deferred Incomes from Related Parties	6	-	-
--Deferred Incomes from Non-related Parties	18	13,250	779,296
Long-Term Provisions		102,912	102,857
-Long-Term Provisions for Employee Benefits	23	102,912	102,857
-Other Long-Term Provisions	23	-	-
OWNERS' EQUITY		2,107,707,037	1,698,535,300
Paid-In Capital	29	246,000,001	246,000,001
Repurchased Shares (-)	29	(1,047,230)	(1,047,230)
Other Comprehensive Incomes or Expenses Not To Be Reclassified In The Profit Or Loss		89,705,539	89,690,273
--Revaluation and Assessment Gains/ (Losses)	29	89,705,539	89,690,273
—Tangible Fixed Assets Revaluation Increases/Decreases	29	89,752,887	89,752,887
—Re-Assessment Gains (Losses) of Defined Benefit Plans	29	(47,348)	(62,614)
Other Comprehensive Incomes or Expenses to be Re-Classified in Profit or Loss	29	-	-
Restricted Reserves Allocated from Profits		7,563,403	7,563,403
--Legal Reserves	29	6,516,173	6,516,173
--Reserves for Re-acquired Shares	29	1,047,230	1,047,230
Effect of Combinations of Jointly Controlled Businesses	29	(1,270,003)	-
Past Years Profits or Losses	29	1,356,328,853	807,622,002
Net Profit or (Loss) for the Period		410,426,474	548,706,851
TOTAL EQUITY		3,479,558,306	2,792,779,049

The following footnotes form an integral part of the financial statements.

REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INDEPENDENTLY AUDITED

NON-CONSOLIDATED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT OF PERIOD

ENDED ON 31 DECEMBER 2020 - 31 DECEMBER 2019

(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))

Profit & Loss Statement	Footnote Ref.	Current Period 01.01.-31.12.2020	Previous Period 01.01.-31.12.2019
Continued operations			
Revenues	30	261,280,649	214,045,774
Cost of Sales (-)	30	(29,456,568)	(26,425,687)
Gross Profit from Commercial Operations		231,824,081	187,620,087
General Administration Expenses (-)	31	(2,535,118)	(2,134,155)
Marketing, Sales and Distribution Expenses (-)	31	-	-
Research and Development Expenses (-)	31	-	-
Other Incomes from Main Operations	33	460,401,842	543,398,238
Other Expenses from Main Operations (-)	33	(7,886,592)	(9,846,479)
Main Operating Profit/Loss (-)		681,804,213	719,037,691
Incomes from Investment Operations	34	-	-
Expenses from Investment Operations (-)	35	-	-
Profit/Loss Shares from Investments Valued by Equity Method	25	299,367	10,139,929
Operating Profit/(Loss) Before Financing Income (Expense)		682,103,580	729,177,620
Financing Incomes	36	33,267,196	47,517,950
Financing Expenses (-)	37	(304,944,302)	(227,988,719)
Continued Operations Profit/Loss Before Tax		410,426,474	548,706,851
Continued Operations Tax Income/Expense (-)		-	-
- Period Tax Income/Expense (-)	39	-	-
- Deferred Tax Income / Expense (-)	39	-	-
Period Profit/Loss from the Continued Operations		410,426,474	548,706,851
Suspended Operations Period Profit/Loss (-)		-	-
Period Profit/Loss		410,426,474	548,706,851
Profit (Loss) Per Share from Continued Operations	40	1.6684	2.2305
Profit (Loss) Per Share from Suspended Operations		-	-
Period Profit/Loss from the Continued Operations		410,426,474	548,706,851
Other Comprehensive Income Statement			
Items Not To Be Reclassified In The Profit Or Loss		15,266	(62,614)
Re-Assessment Gains (Losses) Of Defined Benefit Plans	29	15,266	(62,614)
Items To Be Reclassified In The Profit Or Loss		-	-
Other Comprehensive Income/Expense		15,266	(62,614)
Total Comprehensive Income		410,441,740	548,644,237

The following footnotes form an integral part of the financial statements.

REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

INDEPENDENTLY AUDITED

NON-CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE ACCOUNT PERIOD ENDING ON 31 DECEMBER 2020 AND 31 DECEMBER 2019

(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))

	Note	Paid-In Capital	Repurchase d Shares	Revaluation and Assessment Profits/Losses		Restricted Reserves Allocated from Profits	Effect of Combinations of Jointly Controlled Businesses	Accumulated Profits		Equities
				Tangible Fixed Assets Revaluation Increases/Decreases	Re-Assessment Profits/Losses Of Defined Benefit Plans			Accumulated Profits / Losses (-)	Net Period Profit/Loss (-)	
Balance on 1 January 2019	29	246,000,001	(1,047,230)	89,752,887	(33,446)	7,563,403	---	595.513.321	212,108,681	1,149,857,617
Transfers								212.108.681	(212,108,681)	-
Total Comprehensive Income(Expense)		-	-	-	(29,168)	-	-	-	548,706,851	548,677,683
Balance on 31 December 2019	29	246,000,001	(1,047,230)	89,752,887	(62,614)	7,563,403	---	807.622.002	548,706,851	1,698,535,300
Balance on 31 January 2020	29	246,000,001	(1,047,230)	89,752,887	(62,614)	7,563,403	---	807.622.002	548,706,851	1,698,535,300
Transfers		-	-	-	-	-	-	548,706,851	(548,706,851)	-
Total Comprehensive Income (Expense)		-	-	-	15,266	-	-	-	410,426,474	410,441,740
Effect of Combinations of Jointly Controlled Businesses		-	-	-	-	-	(1,270,003)	-	-	(1,270,003)
Balance on 31 December 2020	29	246,000,001	(1,047,230)	89,752,887	(47,348)	7,563,403	(1,270,003)	1,356,328,853	410,426,474	2,107,707,037

The following footnotes form an integral part of the financial statements.

REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
INDEPENDENTLY AUDITED
NON-CONSOLIDATED STATEMENT OF CASH FLOW DATED 31 DECEMBER 2020 AND 31 DECEMBER 2019
(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))

A. CASH FLOWS GENERATED FROM MAIN ACTIVITIES	Note	01.01.- 31 December 2020	01.01.- 31 December 2019
CASH FLOWS GENERATED FROM OPERATIONS		121,897,146	130,975,300
Profit (Loss) For The Period		410,426,474	548,706,851
Period Profit (Loss) from the Ongoing Operations		410,426,474	548,706,851
Adjustments Due To Reconciliation Of Net Profit/Loss Of The Period		(302,881,737)	(453,265,403)
Adjustments Due To Depreciation And Redemption Expenses	27	7,441,245	4,522,601
Adjustments Due To Impairment (Cancellation)	9	51,055	37,760
- <i>Adjustments due to Receivables Impairment Loss (cancellation)</i>		51,055	37,760
Adjustments Due To Provisions	23	2,125,692	1,266,473
Adjustments Due To Provisions for Employee Benefits (Cancellation)	23	23,822	1,379
Adjustments Due To Provisions for Lawsuits and/or Penalties (Cancellation)		2,101,870	1,265,094
Adjustments Due To Gains/Losses Arisen From Disposal Of Fixed Assets	26-27	-	(42,000)
Adjustments Due To Gains/Losses Arisen From Disposal Of Investment Properties	26-27	-	(42,000)
Adjustments Due To Interest (Incomes) and Expenses	11	(2,595,225)	3,856,865
Adjustments Due To Interest Expenses	9	(2,420,439)	4,466,012
Deferred Financing Expenses due to Forward Purchases	11	(181,654)	(70,748)
Unearned Financing Income due to Forward Sale	11	6,868	(538,399)
Adjustments Due To Fair Value Losses (Gains)	26	(456,521,761)	(535,374,366)
Adjustments Due To Fair Value Gains (Losses) of Investment Properties	26	(456,521,761)	(535,374,366)
Adjustments due to Retained Profits of Investments Valued by Equity Method	25	(299,367)	(10,139,929)
Adjustments due to Retained Profits of Subsidiaries	25	(299,367)	(10,139,929)
Adjustments Due To Unrealized Foreign Exchange Rate Conversions	39	146,916,624	82,607,193
Changes Occurring On The Company Capital		14,903,542	35,046,925
Decrease (Increase) in Financial Investments		-	150,122
Adjustments Due To Increase/Decrease In Trade Receivables		(9,213,056)	14,057,378
Decrease (Increase) In Account Receivables From Related Parties	6	(5,490,420)	57,935
Decrease (Increase) In Account Receivables From Non-Related Parties	11	(3,722,636)	13,999,443
Adjustments Due To Increase/Decrease In Other Receivables Related With Operations		176,432	(285,375)
Decrease (Increase) In Other Account Receivables From Operations with Related Parties	6	343,982	(432,797)
Decrease (Increase) In Other Account Receivables From Operations with Non-Related Parties	13	(167,550)	147,422
Adjustments Due To Inventory Decrease (Increase)	16	-	(31,727)
Decrease (Increase) in Prepaid Expenses	18	2,111,091	10,859,621
Adjustments Due To Increase (Decrease) In Trade Receivables		33,008,464	3,378,177
Increase (Decrease) In Trade Payables To Related Parties	6	34,452,099	2,047,646
Increase (Decrease) In Trade Payables To Non-Related Parties	11	(1,443,635)	1,330,531
Increase (Decrease) in Liabilities under Employee Benefits	14	5,712	27,237
Adjustments Due To Increase (Decrease) in Other Liabilities Related With Operations		(6,600,012)	4,722,432
Increase (Decrease) in Other Liabilities due to Operations with Non-Related Parties	6	(4,531,889)	1,556,631
Decrease (Increase) In Other Liabilities Due To Operations with Non-Related Parties	13	(2,068,123)	3,165,801
Increase (Decrease) in Deferred Incomes (Other Than Liabilities Arisen out of Customer Contracts)	18	(663,043)	(5,741,350)
Adjustments Due To Other Increase (Decrease) Occurred on Company Capital		(3,922,046)	7,910,410
Decrease (Increase) in Other Assets Related with Operations	22	(3,922,046)	7,910,410
Increase (Decrease) in Other Liabilities Related with Operations	22	-	-
Cash Flows Generated From Operations		122,448,279	130,488,373
Tax Returns (Payments)		(551,133)	486,927
B. CASH FLOWS GENERATED BY INVESTMENT OPERATIONS		(47,609,073)	(69,346,905)
Cash Inflows due to Sale of Tangible and Intangible Assets		95,292	-
Cash Inflows due to Sale of Tangible Fixed Assets	27	95,292	-
Cash Outflows due to Sales of Tangible and Intangible Assets		(34,530,492)	(17,131,439)
Cash Outflows Due to Purchase of Tangible Fixed Assets	27	(34,530,492)	(17,131,439)
Cash Inflows Due To Sale of Investment Properties	26	13,284,762	400,000
Cash Outflows Due To Purchase of Investment Properties	26	(26,458,635)	(54,560,886)
Dividends received*	29	-	1,945,420
C. CASH FLOWS DUE TO FINANCING OPERATIONS		105,431,441	(112,923,443)
Cash Inflows due to the Borrowing		1,180,227,092	384,565,704
Cash Inflows from Loans	9	1,143,933,196	352,768,260
Cash Inflows due to Other Financial Borrowings		36,293,896	31,797,444
Cash Outflows Due to the Debt Repayments		(1,074,795,651)	(497,489,147)
Cash Outflows Due to the Loan Repayments	9	(1,027,492,380)	(453,780,245)
Cash Outflows due to Other Financial Liability Payments		(47,303,271)	(43,708,902)
NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY CONVERSION DIFFERENCES		179,719,514	(51,295,048)
Effect of Foreign Exchange Conversion Differences on Cash and Cash Equivalents		-	-
Net Increase in Cash and Cash Equivalents	7	179,719,514	(51,295,048)
Opening Cash and Cash Equivalents	7	43,137,369	94,432,417
Closing Cash and Cash Equivalents		222,856,883	43,137,369

The following footnotes form an integral part of the financial statements.

REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ
FOOTNOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS OF ACCOUNT PERIOD ENDED ON 31 DECEMBER 2020

(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))

NOTE 1 - ORGANIZATION AND BUSINESS AREA OF THE COMPANY

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

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

Küçük Çamlıca Mah.Erkan Ocaklı Sok.No: 11 34696 Üsküdar/ Istanbul/Turkey.

Group B shares with a nominal value of TRY 65,500,000 offered to the public in 2010 by way of increase in Company Capital are registered by CMB on 6 July 2010. Said shares have been offered to the public and started to be traded at Borsa Istanbul (BIST) as of 12 July 2010.

Free float percentage of the Company is 38.53 % as of 31 December 2020 (31 December 2019: 38.53%,) and shares are freely traded at National Market in Borsa Istanbul A.Ş. (BIST).

Company has 7 employees, on average, as of 31 December 2020. (31.12.2019: 7 persons)

The details of the partners of Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. are provided below.

Capital Structure	31 December 2020	Share Ratio (%)	31 December 2019	Share Ratio (%)
Reysaş Taşımacılık ve Lojistik Tic.A.Ş.	152,381,690	61,94%	152,381,690	61,94%
Publicly-Traded*	93,618,300	38,06%	93,618,300	38,06%
Others	11	0,00%	11	0,00%
Paid-In Capital	246,000,001	100,00%	246,000,001	100,00%

*7.14% of publicly-traded shares are owned by Egemen Döven.

NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS

2.1. Basic Principles of Presentation and Statement of Compliance with TAS

The financial statements enclosed herewith were prepared in accordance with the Turkish Accounting Standards ("TAS") published and put into force the Public Oversight Accounting and Auditing Standards Authority ("KGK") pursuant to the provisions of the "Communiqué on the Principles of Financial Reporting in Capital Market" Series II, No. 14.1 of the Capital Market Board ("CMB") ("Communiqué"), published in the Official Gazette No 82676 of 13 June 2013. TAS consists of Turkish Accounting Standards, and Turkish Financial Reporting Standards, as well as their annexes and interpretations.

Non-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.

NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.1. Basic Principles of Presentation and Statement of Compliance with TAS (cont'd)

Adjustment of financial statements during the high inflation periods

With its B.02.1.SPK.017/152-764 numbered Decision held on 18 March 2005, CMB announced that it is no longer necessary for the companies which operate in Turkey and prepare their financial statements in accordance with the accounting and reporting principles ("CMB Financial Reporting Standards") adopted by CMB to implement inflationary accounting, effective as of 1 January 2005. Therefore, "Financial Reporting Standards in Hyperinflationary Economies" No. 29 issued by the International Accounting Standards Committee ("IAS 29") has not been applied starting by 1 January 2015.

Netting - Offsetting

Financial assets and liabilities are indicated nettably in case required legal right exists, intention for evaluating concerned assets and liabilities nettably exists or acquirement of assets and fulfillment of liabilities are simultaneous.

Reporting Currency Unit

Financial statements of the Company are presented in currency unit (functional currency unit) effective in the main economic environment they operate in. The results and financial position of company are expressed in TL, which is the functional currency of the Company, and the presentation currency for the financial statements.

Transactions in Foreign Currency

For conversion of transactions and balances in foreign currency into Turkish Liras, Company uses the foreign exchange rates effective on the transaction date.

Monetary Assets and Liabilities in Foreign Currency are converted into Turkish Liras on the basis of Turkish Central Bank currency buy rate effective on balance sheet date.

Incomes or expenses of foreign exchange differences due to conversion of transactions in Foreign Currency to Turkish Liras, or recognition of the monetary items are accounted for on income/(expense) statement in the relevant period.

Comparative Information and Adjustment of Previous Period Financial Statements

Company's financial statements of current period are prepared as comparative with previous period in order to allow for determination of financial situation and performance trends. Comparative information are to be reclassified when necessary in terms of ensuring conformity with presentation of current period's financial statements.

Going-Concern

Financial statements are prepared on the basis of going-concern under the assumption that Company will benefit from its assets as well as fulfill its liabilities in the following year and in the regular course of the business.

NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.2. Changes in Accounting Policies (cont'd)

2.2. Changes in Accounting Policies

In the current period, no change was made to the accounting policies which may impact the proper and reliable presentation of the effects of transactions and events on the financial status, performance or cash flows of the Company in the financial statements. No change is expected in the accounting policies in the near future.

Company made changes in accounting policies in 2016, and abandoned measurement of investment properties at their costs, instead, started to measure at their fair values.

2.3. Changes and Errors in Accounting Estimates

If the effect of the changes in accounting estimation concerns only one period, it is reflected in the financial statements only in the current period where change is made, and if it also concerns future periods, then both in the period where change is made and in the future periods by considering it in determination of net period profit or loss.

Corrected amount of an error is considered retrospectively. An error is corrected by re-adjusting the comparative amounts pertaining to past period where it occurred, or if it occurs before next reporting period, then re-adjusting the accumulated profits account of said period. If re-adjustment of the information leads to an excessive cost, comparative information pertaining to previous periods are not re-arranged, and accumulated profit account of next period is re-arranged considering the cumulative effect of error before start of said period.

No error occurred in the accounting estimates in the current period.

2.4. Summary of Important Accounting Policies

2.4.1. Cash and Cash Equivalents

Cash means the cash at hand and demand deposits. Cash equivalents are the assets that are held at hand for short-term cash liabilities, and not used for investment or other purposes. To consider an asset as a cash equivalent, its value must be convertible into cash which value can be determined definitely, and risk of change in its value must be insignificant.

Cash and cash equivalents are an integral part of cash management of a business. Financial instruments that will be included in the scope of cash equivalents consist in the checks (payable on demand), receivables from liquid funds, short-term bonds and bill funds, reverse repo transactions, deposits with a maturity less than 3 months (deposits with a maturity longer than 3 months are recognized as financial investments), government bonds and treasury bills with a remaining maturity of less than 3 months, or other liquid borrowing instruments traded in an active market, and receivables from money markets.

2.4.2. Financial Assets

Financial instruments are the contracts which increase the financial assets of a business and financial liabilities or capital instruments of another business. As of 1 January 2010, Company classified its financial assets in two categories as those measured at fair value and redeemed cost pursuant to TFRS 9. This classification varies depending on whether a financial asset is a debenture or capital investment.

NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.2. Changes in Accounting Policies (cont'd)

(a) Financial assets measured at redeemed cost

A financial asset are classified according to "redeemed cost" if it meets both the criteria that it is held under a management model which aims at collection of contract-originated cash flows, and the contractual provisions of financial asset generates cash flows only for payment of the principal and interest for remaining principal on the certain dates. The contents of the derivative embedded in the financial asset should be taken into account when cash flows of investment are not only due to payment of principal or interest of remaining balance, and are not separately accounted for.

Gains and losses arising out of a financial assets which is measured at redeemed cost and not being a part of financial hedging relation are accounted for through profit or loss using effective interest method when said financial asset is derecognized or impaired.

(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". Company 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 Company has transferred all risks and proceeds.

During initial recognition, Company 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. Company is only required to reclassify all financial assets which are affected by the change in management model.

Impairment

TFRS 9 "Financial Instruments" Standard defined "projected credit losses model" to replace the "credit loss realization model" stipulated by the "TAS 39 "Financial Instruments: Recognition and Measurement" Standards effective prior to 1 January 2019. Projected credit losses is an estimate weighted according to the likelihood of credit losses during projected life of a financial instrument. Besides the past credit losses, Company's future estimates are taken into account the calculation of projected credit losses.

2.4.3. Derivatives

Derivatives which meet the financial asset or financial liability definition under TAS 32 are accounted for under provisions of TAS 39 (TFRS 9) and presented in the financial position statement.

2.4.4. Receivables from Finance Industry Operations

Receivables arising out of the finance industry operations, other than cash and cash equivalent and financial investments are indicated in this section.

NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.4. Summary of Important Accounting Policies (cont'd)

2.4.5. Account Receivables

Account Receivables incurred when company provides goods or services to a buyer are recognized net of the deferred financing income.

Company preferred to adopt "simplified approach" as provided in the TFRS 9 Standard in the calculation of impairment of the accounts receivables which are recognized at the amortized cost and does not involve a material financing element.

TFRS 39 "Financial Instruments" Standard, effective prior to 1 January 2019, defined "projected credit losses model" to replace the "credit loss realization model" stipulated by the "TAS 39 "Financial Instruments: Recognition and Measurement" Standards. Projected credit losses is an estimate of financial instruments where potential credit loss during their projected useful life are weighted according to past statistics. Besides the past credit losses, Company's future estimates are taken into account the calculation of projected credit losses.

If entire or a part of doubtful receivables is collected after reserving provision for said doubtful receivable, then collected amount is deducted from the provision for said doubtful receivable and recognized as other incomes from core activities.

2.4.6. Other Receivables

These are receivables other than Account Receivables and financial investments. Examples include deposits and Guarantees given, other receivables from related parties, receivables from public entities, other than assets related to current period tax, and other miscellaneous receivables.

The part of these receivables that are from related parties are accounted for in a separate item, following the sample format provided.

2.4.7. Inventories

It is the item to show the assets held for sales as part of the ordinary activities of the business, produced for sales, in the form of raw materials and inputs to be used in production process or service provision.

Inventories are assessed at the lower of the cost or net realizable value. Cost item included in the inventories consist in the cost of the land held by Company for construction of houses for sales. In a transfer from investment property measured according to the fair value method to an investment property, estimated cost used in the recognition according to the TAS 16 or TAS 2 after the transfer shall be the fair value on the date when change in use of the said property occurred. Inventories are classified as short and long-term considering the expected completion date of the residence construction.

Order advances given are not considered as an inventory, they are shown in "Prepaid Expenses" until recognition of the related inventory.

2.4.8. Biological Assets

Biological Assets included in the scope of TAS 41 and the agricultural produces during cultivation are shown in this item if they are related to agricultural activities. This item is used only by businesses engaging in agricultural activities.

NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.4. Summary of Important Accounting Policies (cont'd)

2.4.9. Prepaid Expenses

In general, sums paid to suppliers and to be transferred to expense and cost accounts in a later period are shown in this item. If the item is insignificant, related sums are presented in other current/fixed assets.

2.4.10. Assets Related with Current Period Tax

Assets relating to current period tax, such as various taxes and funds, that are prepaid and to be paid over the tax-deductible income under TAS 12 Income Taxes Standard are shown in this item.

2.4.11. Other Current/Fixed Assets

Current/Fixed Assets not shown in the aforementioned items, such as Carried-Forward VAT, Deductible VAT, other VAT, inventory shortages are shown in this item.

2.4.12. Fixed Assets Classified For Sales

Under the TFRS 5 Fixed Assets Held for Sale and Discontinued Operations Standard, The assets, measured at the carrying amount, classified as held for sales as they are recoverable via sales rather than use, and all assets relating to groups to be disposed of are recognized in this item.

Also, fixed assets classified for distribution to partners, and all assets relating to groups to be disposed of pursuant to TFRS, are recognized in this item after when a commitment made for distribution of them to partners. In this case, item may be named so that it will refer to these assets.

2.4.13. Investments Valued by Equity Method

Pursuant to TAS 28 Investments in Associates and Joint Ventures, Subsidiaries and joint ventures valued by equity method are recognized in this item.

- (a) Arı Lojistik İnşaat Sanayi ve Ticaret Anonim Şirketi ("Subsidiary") ("Arı Logistics") is a capital company founded and registered in İstanbul on 11.04.1986, and main business area include acquisition of any kind of vehicles, and transportation via vehicles, engaging in brokerage, representation, agency, dealership and distributorship, providing transportation and warehousing services. Company participated in the Arı Logistics by acquiring 16.67% share on 22 February 2011.

On 28 March 2013, with a Board Resolution, Company acquired from Reysaş Taşımacılık Lojistik Ticaret A.Ş. 33,33% shares, having a total nominal value of TRY 3,050,000, of Arı Logistics, a subsidiary of its main partner Reysaş Taşımacılık ve Lojistik Ticaret A.Ş. in exchange for TRY 16,836,000, which value determined by an independent valuation company. Following this acquisition, Reysaş Taşımacılık ve Lojistik Tic.A.Ş. had no longer shares in Arı Lojistik İnş.San.ve Tic.A.Ş., and the share of Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. has increased to 50%.

Company valued its subsidiary Arı Lojistik İnşaat Sanayi ve Ticaret Anonim Şirketi by Equity Method, and detailed information is provided in the footnote "Investments Valued by Equity Method."

NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.4. Summary of Important Accounting Policies (cont'd)

- (b) At the Board Meeting held on 18 December 2015, Company passed the resolution for acquisition of the 34,21 % shares of Reysaş Turizm Yatırımları ve Tic.Ltd.Şti. ("Reysaş Tourism"), 100% wholly owned by its main partner Taşımacılık ve Lojistik Ticaret A.Ş. 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 TRY 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 TRY 13,785,447.

At the meeting No 9/287 held on 10.03.2016, Capital Market Board passed resolution that acquisition of Reysaş Turizm Yatırımları ve Tic. Ltd.Şti is not consistent with the provisions of Article 28 Communiqué on Principles of Real Estate Investment Trusts, and accordingly it shall be made a subsidiary that is consistent with Article 28 of said Communiqué within 3 months, but in a way not causing Company incur loss.

As a result of the efforts of the Company, Reysaş Turizm Yatırımları ve Tic.Ltd.Şti. was made a subsidiary that is consistent with the Article 28 of said Communiqué in April/2016 period, and accordingly supporting information and documents were submitted to Capital Market Board.

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 TRY 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 TRY 21,416,710.

Company valued Reysaş Turizm Yatırımları ve Tic.Ltd.Şti by Equity Method, and detailed information is provided in the footnote "Investments Valued by Equity Method. The part of subsidiary assets so acquired that exceeds the net reasonable value are associated with the income statement.

- (c) Company acquired entire shares of Reysaş Turizm Yatırımları ve Tic.Ltd.Şti., engaging in the Tourism Investments, and Rey Otel Turizm İşletmeciliği ve Ticaret Ltd.Şti, engaging in the management of hotel and accommodation facilities, for a price of TRY 560,167 pursuant to 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 REIT, and Erzincan hotels included in Reysaş Tourism.

Company valued its investments in Reysaş Turizm Yatırımları ve Ticaret Limited Şirketi, and Rey Otel Turizm İşletmeciliği ve Ticaret A.Ş. by equity method, which are indirectly reflected in the individual financial statements of Reysaş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi.

2.4.14. Investment Properties

Investment properties are the properties held in order to acquire lease and/or value increment earning and is assessed at their initial values and transaction costs thereof. After initial recognition, investment properties are valued at their fair values which reflect market conditions as of balance sheet date.

Investment Properties are derecognized when they are sold or become unusable, and determined that no future economic benefit can be derived from their sales. Profit/Loss from expiration of lifetime of the investment properties or sales of them are accounted for on income statements in the period when they occurred.

NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.4. Summary of Important Accounting Policies (cont'd)

Fair Value Method

Company elected the fair value method in 2016 and measured its investment properties via fair value method (Note 26).

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

Transfers are made when a change occurred in the use of investment properties. In a transfer from investment property measured on the fair value method to an investment property used by its owner, the cost estimated used in the recognition made after the transfer is the fair value on the date when said property's use was changed. If a property used by its owner is converted to an investment property to be recognized on the fair value basis, then, business continues to apply accounting policy applied to Tangible Fixed Assets until the date when change in use occurred. The properties being used by Company for its own purposes are recognized in the Tangible Fixed Assets.

2.4.15. Tangible Fixed Assets

These are fixed assets held for using in production or supply of goods and services, leasing to others, or using for administrative purposes, that have an expected physical nature allowing their use for multiple periods. Pursuant to TAS, tangible fixed assets can be classified in Financial Position Statement, or footnotes as lands, buildings, plant, machinery and devices, vehicles, fixtures, investments in progress, assets relating to the mining exploration and assessment, other tangible assets, etc.

Tangible Fixed Assets are accounted for at their cost values netted of accumulated amortization.

Company sets aside amortization using linear amortization method on the basis of useful lives over values of tangible assets.

Tangible Fixed Asset	Useful Life
Plant, Machinery and Equipment	5-20 years
Fixtures	5-10 years

The loss or gain occurring as a result of disposal of the tangible fixed assets and de-commissioning of a tangible fixed asset is determined as the difference between sales proceeds and book value of the assets and included in the income statement.

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

Advances given for acquisition of Tangible Fixed Assets are shown in the item "Prepaid Expenses", not in this Item, until recognition of said asset.

NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.4. Summary of Important Accounting Policies (cont'd)

2.4.16. Intangible Fixed Assets

Non-monetary and non-physical, identifiable assets are accounted for in this item. Among these assets, goodwill represents the future economic benefits arising out of other assets acquired from a business combination, that are not identifiable individually and cannot be recorded separately, and separately accounted for on the Financial Status Statement in accordance with the sample format.

Rights, development expenses, software, rights and reserves relating to non-renewable resources such as petroleum, natural gas, assets relating to the exploration and assessment of mineral resources, and intangible fixed assets other than goodwill are classified as other intangible fixed assets.

2.4.17. Deferred Tax Asset

Deferred Tax Assets refer to sums that are recoverable in the future due to taxes levied upon income due to the deductible temporary differences, unused financial losses that are carried forward, and unused tax advantages that are carried forward.

In terms of Tax legislation, deferred tax asset item may not be used for the non-deductible sums (perpetual).

2.4.18. Short-Term / Long-Term Liabilities

Liabilities are the current obligations arising out of the past events that, once settled/performed, will cause the values containing economic benefits outflow from the business. This definition specify the basic properties of the liabilities, but do not determine the basic criteria that they must meet for inclusion of them in Financial Position Statement. Therefore, definition of liability also include the liabilities which cannot be included in the Financial Position Statement due to not being met the criteria of reflection in the financial statement.

Under the paragraphs 69-76 of TAS 1, liabilities which meet any of the following criteria are classified as short-term:

- (a) Expected to be settled in normal operating cycle;
- (b) Held primarily for the purposes of trading;
- (c) Due to be settled within twelve months after the reporting period (balance sheet date); or
- (d) Business not having an unconditional right to defer of settlement of the liability for at least twelve months after the reporting period (balance sheet date). Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Business classifies all other liabilities as long term.

2.4.19. Debt Instruments

Out of the financial liabilities defined in TAS 32, bank loans, bills, bonds and notes issued, principal installments and interests of long-term ones, debts from financial leasing transactions, etc. debt instruments acquired from financial markets, which are in the nature of debt instruments, namely measured at the redeemed costs calculated by effective interest method after the initial recognition, are recognized in this item.

NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.4. Summary of Important Accounting Policies (cont'd)

Out of financial debt instruments, those which meet the aforementioned criteria relating to the short-term liabilities are classified as short-term and others as long-term. With respect to the financial debt instruments, the disclosures are provided in the footnotes under the TFRS 7 Financial Instruments Standard.

2.4.20. Short-Term Portions of Long-Term Debt Instruments

It is the item where short-term parts of the long-term debt instruments are recognized. If the short-term parts of long-term debt instruments are insignificant, then they are recognized, together with "Short-Term Debt Instruments, in a new and single item named "Financial Liabilities".

2.4.21. Other Financial Liabilities

Out of the Financial Liabilities defined in TAS 32, financial liabilities, such as financial guarantee contracts, liabilities arising out of derivative instruments, which are not in the nature of debt instrument, namely not measured at the redeemed costs calculated by using effective interest method after the initial recognition, are recognized in this item.

2.4.22. Debts from Finance Industry Operations

Debts of the partnerships engaging in financial industry, which are included in the consolidation, are recognized in this item. Details by each industry are to be provided in the footnote. For instance; debts from banking activities (deposit, participation account), debts from underwriting activities (debts from underwriting and reinsurance activities, deposits, pension activities etc.), debts from financial leasing activities.

2.4.23. Account Payables

These are the debts owed to third parties acting as suppliers.

Pursuant to Paragraph 11 of TAS 37, it is necessary for a debt to be recognized as account payable that it must be invoiced, or formally agreed between a supplier and company in the similar manner. Debts which meet the financial statement recognition criteria as of reporting date but not yet formally agreed are classified as accrual in the same paragraph. However, in order to ensure harmony with financial reporting practices in our Country, said accruals are recognized as "Account Payables" items in the Financial Position Statement. Deposits and guarantees received are recognized in other payables not in this item.

Term interest, interests etc. accruals, if any, relating to account payables are also recognized in account payables, and related disclosures are to be provided in footnotes. Said interest expenses and exchange differences are recognized in the "Other Expenses from Main Activities" in Other Comprehensive Income Statement, and Profit or Loss. Even when account payables have a payment term longer than 12 months, they will still be classified as short term liabilities if they are in the normal operating cycle of the business.

2.4.24. Liabilities under the Employee Benefits

Debts incurred as part of employee benefits such as wages, salaries and social security contribution due are recognized in this item. It can alternatively be named as "Employee Salary Accruals" etc. provided it reflects the contents. If the item is insignificant, it can be recognized in "Account Payables".

NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.4. Summary of Important Accounting Policies (cont'd)

2.4.25. Other Payables

These are the debts, other than account payables, not arising out of financing activities. Examples include debts to related parties other than supplier or customer, deposits and guarantees received, debts owed to public entities, and other miscellaneous debts. Financial market debt instruments for acquiring funds from related parties are not recognized in this item, but in the short or long-term debts according to their maturity terms. If amounts are material, separate items will be created for these accounts.

2.4.26. Government Incentives and Supports

As part of TAS 20, if related alternative is chosen in the presentation of the incentives relating to the assets, then amounts recognized as deferred income will be indicated in this item.

2.4.27. Deferred Incomes

The liabilities provision of which is completely or partially collected or accrued as receivables in the current period such as advances received from customers or other parties by reason of sales agreements or for other reasons but belonging to future periods. Insignificant deferred income is indicated in other short term / long term liabilities.

2.4.28. Period Profit Tax Liability

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."

Taxes calculated over revenues of the company

Tax liability over period profit or loss consists in current period tax and deferred tax.

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 period tax

Current period tax liability consists in records of tax liability calculated over the taxable part of period profit, at the tax rate applicable as of financial position statement date, pursuant to applicable tax legislation.

NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.4. Summary of Important Accounting Policies (cont'd)

Deferred Tax:

Deferred Tax is calculated over the temporary differences between the values of assets and liabilities recognized in financial position statement and their tax values. Tax value of the assets and liabilities refers to said assets and liabilities under tax legislation and the sums which will affect the tax base in the future periods. Deferred Tax is calculated over the tax rates expected to be applied in the period in which tax assets will be realized or tax liability will be settled by considering the tax rates, currently or in future, effective on the date of financial position statement and the tax legislation.

Deferred tax asset or liability are reflected in the financial statements at rates of increase and decreases to be caused by them in the taxes payable in the future period where said temporary differences will disappear. Deferred tax liability is calculated for all taxable temporary differences, whereas deferred tax asset is recognized on the financial statements provided that it is highly probable in the future to benefit from deductible temporary differences by generating taxable profit. Recorded value of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets can be set off against deferred tax liability, or vice a versa, provided that they are subject to the tax legislation of the same country, and there exists a legally-enforceable right to set off current tax assets against current tax liabilities,

As the 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, deferred tax asset or deferred tax liabilities were 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.

2.4.29. Provisions

Provisions are the liabilities with uncertain timing or amount, and calculated according to the most realistic estimate made by company management. Provisions relating to the Employee Benefits as part of TAS 19 Employee Benefits Standard, provisions relating to the finance industry, and provisions for guarantees, and provisions for probable compensation, fines and damages, restructuring, onerous contracts etc. other provisions under TAS 37 are recognized in the sub-items.

Employee Benefits

This item include the debt accruals (or provisions) which must be recognized in the financial statements as part of IAS 19 Employee Benefits.

According to provisions of applicable laws and collective labor agreements, in Turkey, severance pay is made in the cases of retirement or dismissal. Pursuant to Current Version of IAS 19 Employee Benefits Standard (IAS 19), said payments are referred as the defined benefit plans.

NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.4. Summary of Important Accounting Policies (cont'd)

Under the applicable laws of Turkey, Companies are required to provide severance pay to personnel who completed one year of service and dismissed without any justified grounds, called for military service, deceased, completed 25 years of service for men and 20 years for women or reached his/her retirement age. Severance pays are calculated over gross salary of 30-days for each employment year.

In the calculation, present values of the severance pay as of balance sheet date are found using real discount rate.

Amendments to TAS 19 changes the accounting of defined benefit plans and severance pays. The most important amendment is related to the recognition of defined benefit liabilities and plan assets. Amendments require that any changes in the defined benefit liabilities and assets must be accounted for at fair value, and 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. Amendments to TAS were applied retrospectively.

Benefit Plans

Company has no benefit plans.

2.4.30. Liabilities Related with Current Period 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.

2.4.31. Deferred Tax Liability

It refers to the income taxes to be paid over the taxable temporary differences in the future periods.

In terms of tax legislation, Deferred Tax Liability item may not be used for the non-taxable sums (perpetual).

Since the revenues of Real Estate Investment Trusts or Partnerships are exempt from corporate taxes pursuant to Article 5(1)(d) of Corporate Tax Act No 5520, company does not calculate provisions for tax and deferred tax.

2.4.32. Other Short-Term / Long-Term Liabilities

Inventory Overages, other miscellaneous debts and liabilities etc. short-term/long-term liabilities which are recognized in the items above are recognized in this item.

NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.4. Summary of Important Accounting Policies (cont'd)

2.4.33. Liabilities Relating to Asset Groups Classified As Held For Sale

Under TRFS 5, the liabilities relating to the disposal groups measured at carrying amount, to be recovered by sale instead of use are recognized in this item.

Also, liabilities held for distribution to partners relating to disposal group pursuant to TFRS, are recognized in this item after when a commitment made for distribution of them to partners. In this case, item may be named so that it will refer to these liabilities.

2.4.34. Equities

Equities are the shares of a company relating to remaining assets when all liabilities are subtracted from the assets.

Paid-in capital, share certificate issuance premiums, capital adjustment positive differences, reserves from profit, accumulated profits and losses, and period profit/loss are recognized in this item.

2.4.35. Capital Adjustment Positive Differences

Pursuant to Resolution of CMB No 11/367 of 17 March 2005, the financial statements were accounted for hyperinflationary accounting for the last time in 31 December 2004 pursuant to TAS 29 Financial Reporting in Hyperinflationary Economies. Therefore, capital adjustment differences item in the equities in the balance sheet of 31 December 2020 and 31 December 2019 reflects the inflation adjustments on the capital until 31 December 2004.

No capital adjustment differences exists in the equities on the financial position statements of Company dated 31 December 2020 and 31 December 2019.

2.4.36. Repurchased Shares (-)

If the company repurchases its own shares under Paragraph 33 of TAS 32, then acquisition prices of these shares are subtracted from the equities and recognized in the "Repurchased Shares (-)" item. When the shares are purchased by the other parties included in the consolidation, such shares also falls within this scope, and these amounts are recognized in the "Mutual Associate Capital Adjustment" under TAS, and differences arising out of trading of the repurchased shares are not recognized in the profit or loss.

2.4.37. Capital Adjustments due to Cross-Ownership(-)

This item is used to adjust the paid-in capital via an item other than paid-capital in order to ensure recognition of paid-in capital at its registered amount when the shares of the business is purchased by other parties included in the consolidation.

2.4.38. Premiums / Discounts Related with Shares

This is the item where the amounts deemed as a part of capital, arising out the capital movements such as share issuance bonuses, cancelled partnership shares, profits from sales of the share of partnerships which power of control continues, are accounted for. Negative differences arisen due to the difference between the nominal value relating to the shares issued at a price lower than nominal value, and its issue price are separately disclosed in the footnotes.

NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.4. Summary of Important Accounting Policies (cont'd)

2.4.39. Other Comprehensive Incomes or Expenses Not Be Re-Classified in Profit or Loss

Recognized in this item are the income items such as revaluation and measurement gains/losses which are defined as an item of other comprehensive income, and reported directly as an equity item in the period they have arisen, and not transferred to profit or loss (tangible fixed assets revaluation increases/decreases, intangible fixed assets increases/decreases, defined benefit plans re-measurement gains/losses) and other gains and losses.

Company has accumulated incomes or expenses arising out of severance pay actuarial gains and losses at the account group "Accumulated Other Comprehensive Incomes or Expenses Not To Be Reclassified In The Profit Or Loss" as of the financial statement period.

2.4.40. Other Comprehensive Incomes or Expenses to be Re-Classified in Profit or Loss

Recognized in this item are comprehensive income (expense) items defined as other comprehensive income (expense) item and recognized as a direct equity item in the period they have arisen and later transferable to profit or loss, such as foreign exchange rates conversion differences, revaluation and re-classification gains/losses (Revaluation and/or Reclassification Earnings (Losses) of Financial Assets Available for Sales, Shares of Investments Valued by Equity Method To Be Classified in Other Comprehensive Income), Hedging Profits/Losses (Cash Flow Hedging Profits/Losses, Profits/Losses from Hedging for Investment in Overseas Business), and other gains/losses.

Company has no accumulated other comprehensive incomes or expenses to be reclassified in profit or loss as of financial statement period.

2.4.41. Restricted Reserves Set Aside From Profits (Reserves Set Aside For Purposes Other Than Profit Distribution)

These are reserves set aside from the accumulated profits due to the requirements arising out of the laws or contracts, or for certain purposes other than profit distribution (for instance to derive tax advantage from subsidiary sale earnings). These reserves are recognized at their recorded values, and the differences arising out of valuations under TAS are associated with the accumulated profit/loss.

2.4.42. Accumulated Profits/Losses

Accumulated profits/losses other than net period profit are recognized in this item at netted values. Extraordinary reserves, which are by their nature having a character of accumulated profit/loss, therefore non-restricted, are also deemed as accumulated loss and recognized in this item.

Disclosures on the accumulated profits/losses of the company as of financial statement period are provided in Note 29.

2.4.43. Cash Flow Chart

Company prepares the cash flow charts in order to inform financial statement users about the changes in net assets, its financial structure and ability to direct its amount and timing of the cash flows according to the changing conditions. Cash flows for a period are reported by classifying through based on business, investment and financing activities in cash flow statement.

NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.4. Summary of Important Accounting Policies (cont'd)

Cash flows from the business activities show the cash flows from the core activities of the Company. Cash flows relating to the investment activities show the cash flows used and generated by Company in the investment activities (fixed asset investments and financial investments). Cash flows relating to the financing activities show the funds used by Company in the financing activities and repayments of said funds. Cash equivalents consists of the cash and bank demand deposits as well as the liquid, short-time investment with high liquidity and a payment term of three months or shorter.

2.4.44. Main Activities

Main Activities are the activities from which a business generates its main revenues. Other activities not included in the scope of investment and financing activity not defined below are considered as part of main activities.

Revenues

Company recognizes the revenues by following the five-step model in line with the TFRS 15 Revenues from Contracts with Customers Standards became effective as of January 1, 2018.

- Definition of the contracts with customers
- Definition of the contractual performance obligations
- Determination of the transaction price in the contracts
- Distribution of transaction price to the performance obligations
- Recognition of Revenues

Company evaluates the goods or services committed in any contracts with customers and identifies each commitment for transferring said goods or services as a separate performance obligation.

Company determines if each performance obligation will be delivered over a certain period or at one specific time before entering into such contract. If company transfers the control of a good or service in the course of time and therefore delivers sales-related performance obligations over a certain period, it recognizes the revenues over a certain period by measuring the progress made towards full delivery of said performance obligations.

When or as long as company transfers a committed good or service to customer so delivers his performance obligation, it recognizes transaction amount corresponding to such performance obligation as a revenue in its financial statements. Once (as long as) the control of the goods or services were passed to customers, then good or service were transferred.

In evaluating the transfer of sold goods or services to the customer, Company considers:

- a) Company's right to collect the payments for goods or services,
- b) Customer's right to legal ownership of the goods or services,
- c) Transfer of the possession of the goods or services,
- d) Customer's ownership of the material risk and proceeds arising out of the ownership of goods or services.
- e) Customer's conditions to accept goods or services.

NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.4. Summary of Important Accounting Policies (cont'd)

If Company predicts, at the outset of the contract, that the period between transfer of the committed goods and services to the customer and payment date of the customer for the same will be one year or shorter, then it does not apply adjustment in the committed amount for the effect of a material financing element. On the other hand, if revenues include a material financing element, then revenue will be determined by discounting the future collections with the interest rate included in the financing element. The difference will be recognized in the relevant periods as other incomes on the accrual basis.

Sale of Real Estate

Revenue shall be deemed to have realized when risk and benefit of a real estate sold is transferred to buyer, income can be calculated reliably, and title deed is transferred. Income is realized when it is probable that the economic benefit generated by this transaction will inflow into Company, and amount of this income is measurable reliably.

Rent incomes generated from real estate leasing.

Rent incomes generated from leased real estates are recorded according to the accrual basis linearly during the leasing period. If Company provides benefits to its tenants, these are recorded during the leasing period so that it will reduce the rent incomes.

Service Incomes

Income arising out of the service sales are deemed to have realized when it reaches up to a measurable completion level. In the cases where incomes from a contract are not measurable reliably, then income is assumed as such amount of costs that are recoverable.

Interest incomes

In the cases where collection is not doubtful, income is deemed to have been recovered according to accrual basis.

Cost of Sales

Pursuant to the principle of direct association of the incomes with the related income accounts, it is the item which shows the cost of revenue items reflected in the Profit or Loss and Other Comprehensive Income Statement simultaneously with the reflection of the revenue in the financial statements. Cost of Sales are recognized separately as commercial activities and finance industry activities.

2.4.45. Overhead Expenses, Marketing Expenses, Research and Development Expenses

Overhead Expenses, marketing, sales and distribution expenses, and Research and Development Expenses that are directly associated with the profits or losses under TAS 38 Intangible Fixed Assets Standard are recognized separately. Said expenses include the related amortization and redemption expenses, and the employee benefits.

2.4.46. Other Incomes/Expenses from Main Activities

These are incomes and expenses related to the revenues which do not meet the definition of revenue other than incomes and expenses relating to the main activities, despite not arising out of the main activities, losses not included in the cost of sales, and activities considered as a main activity because of not falling within the scope of investment and financing activity.

NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.4. Summary of Important Accounting Policies (cont'd)

2.4.47. Investment Activities

Investment activities are the activities relating to the acquisition and disposal of other investments not falling within the scope of long-term assets and cash equivalents. The activities that fall within the scope of investment activities are determined under TAS 7.

Profit/loss from investment activities are calculated by deducting incomes generated by investment activities from the related expenses. Any profit or loss shares of the investments valued according to equity method are added to or subtracted from related item.

When investments valued by Equity Method is a part of the main activity of the reporting business, then this item is reported in the "Main Activities Section".

2.4.48. Financial Incomes/Financial Expenses

Financing activities are the activities which cause a change in the structure and amount of the equities and liabilities. The activities that fall within the scope of financing activities are determined under TAS 7.

In the event that a non-settled interest accrued before acquisition of a security embodying interest, the interest collected later are divided into pre-and post-acquisition period, and only income in the post-acquisition period is recognized on the financial statements.

Interests charged to credit deposit accounts and long and short-term debt instruments, and, in the borrowings in foreign currency, exchange differences as long as they are considered as an adjustment to interest costs are recognized in the financial expenses.

2.4.49. Earnings Per Share

Earnings per ordinary share are calculated by dividing the gains or loss per share of ordinary share holders of parent company (nominator) with the weighted average of the number of ordinary shares in related period (denominator). In calculation of the earnings per diluted share, Company adjusts the profit or loss per share of ordinary share holders of parent company, and the weighted average of the number of ordinary shares according to the effects of potential ordinary shares which have an effect of dilution. (Note 40)

2.4.50. Effects of the Currency Conversion

Transactions in a foreign currency is converted into TRY over the foreign exchange rate effective on the transaction date. Monetary Assets and Liabilities in foreign currency are converted into TRY over the foreign exchange rate effective on the balance sheet at the end of the period. Exchange differences from these type of transactions are reflected in the income statements.

2.4.51. Events after the Balance Sheet Date

Events after the Balance Sheet Date; even if they take place after any kind of profit-related announcement or public disclosure of other specific financial data, includes all events taking place from balance sheet date to the authorization date for balance sheet distribution. Company adjusts the amounts recorded in financial statements in accordance with this new emerging situation, in case of events requiring adjustment after balance sheet date.

NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.5. Important Accounting Assessment, Estimates and Assumptions

Preparation of the financial statements require use of the estimates and assumptions which may affect the amounts of assets and liabilities reported as of date of financial position statement, disclosure of the contingent assets and liabilities, and amount of the incomes and expenses reported during the account period. These estimates and assumptions may differ from the actual results despite they are based upon the best information available to Company management relating to present events and transactions.

2.6. New standards, amendments and interpretations

The accounting policies which are taken as a basis for the preparation of the non-consolidated financial statements of the interim account period ending on 31 December 2020 are applied in consistent with the those used in the previous year except for the new and amended TFRS standards and TFRYK interpretations effective as of 1 January 2020 summarized as follows. The effects of these standards and interpretations on the financial status and performance of the Group are described in the relevant paragraphs.

a) New standards, amendments and interpretations effective as of 1 January 2019

Definition of a Business (Amendments to TFRS 3)

In May 2019, KGK issued the amendments to the definition of a business in TFRS 3 "Business Combinations". This amendment is intended to assist entities determine whether a transaction should be accounted for as a business merger or as an asset acquisition.

Amendments are as follows:

- Clarification of minimum requirements for a business;
- Removal of the assessment of whether market participants are capable of replacing any missing elements;
- Addition of the guidance to help entities assess whether an acquired process is substantive;
- Narrowing the definitions of a business and of outputs, and
- Introduction of an optional fair value concentration

test.

Amendments shall be effective for the annual account periods beginning on and after 1 January 2020.

The said amendments had no a material effect on the financial position or performance of the Company.

Amendments to TFRS 9, TAS 39 and TFRS 7 - Interest Rate Benchmark Reform

Facilitating applications are introduced to TFRS 9 and TAS 39 in four core issues under interest rate benchmark reform, effective for the annual reporting periods beginning on and after 1 January 2020. These applications are related to the hedge accounting, and briefly

- the highly probable requirement,
- prospective assessments,
- retrospective assessments, and
- separately identifiable risk components.

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NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

It is intended to provide a disclosure of exclusions from amendments to TFRS 9 and TAS 39 in the financial statements pursuant to arrangement in TFRS 7.

The said amendments had no a material effect on the financial position or performance of the Company.

Definition of Materiality (Amendments to TAS 1 and TAS 8)

In June 2019, KGK issued amendments to "TAS 1 Presentation of Financial Statements" and "TAS 8 Accounting Policies, Changes in Accounting Policies and Errors". These amendments are intended to harmonize the definition of "materiality" across standards and clarify certain parts of the definition. According to new definition, information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of financial statements make on the basis of those financial statements. Amendments clarify that the materiality of information will be dependent upon its nature, size, or both. Companies are obliged to, as part of materiality, assess the effect of information, if used alone or together with other information, on the financial statements. Amendments shall be effective for the annual account periods beginning on and after 1 January 2020. No early adoption is permitted.

The said amendments had no a material effect on the financial position or performance of the Company.

Standards published but not entered into force, and not permitted for early application

New standards, interpretations and amendments published as of approval date of the non-consolidated financial statements but not entered into force for the current reporting period and not be applied earlier by the Company are as follows. Unless otherwise specified, Company will make necessary amendments which will affect the non-consolidated financial statements and footnotes after coming into force of new standard and interpretations.

TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment

In December 2017, KGK deferred indefinitely the effective date of said amendments to TFRS 10 and TAS 28, subject to amendment depending on the outputs of the ongoing research project relating to equity method. However, early application is still permitted. Company will assess the effects of said amendments once said standards become final.

TFRS 17 - New Insurance Contracts Standard

In February 2019, KGG issued TFRS 17, a new comprehensive accounting standard which covers recognition, measurement, presentation and disclosures of insurance contracts. TFRS 17 introduces a model which both enable liabilities arising out of insurance contracts to be measured at their current balance sheet values, and profit to be recognized in the period during which services are provided. Certain changes occurred in the future cash flow forecasts and risk adjustment are also recognized in the period during which services are provided. Businesses may opt in to recognize effects of changes in discount rates in profit or loss or other comprehensive income. Standard contains special guidance for measurement and presentation of insurance contracts which are of participatory nature. TFRS 17 will become effective for annual account periods beginning on or after 1 January 2023, and early application is permitted for the businesses which apply TFRS 9 Financial Instruments and TFRS 15 Revenue from Contracts with Customers on or before said date. The effects of said standard on the financial position or performance of the Company are currently under evaluation.

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NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Amendments to IAS 1 - Classification of Liabilities as Current and Non-Current

On 12 March 2020, KGK issued amendments to "TAS 1 Presentation of Financial Statements" Standard. Effective for the annual reporting periods beginning on or after 1 January 2022, these amendments introduce clarifications to the criteria for classification of liabilities as current or non-current. Amendments should be applied retrospectively according to TAS 8 "Accounting Policies, Changes and Errors in Accounting Estimates". No early adoption is permitted. The effects of said amendment on the financial position or performance of the Company are currently under evaluation.

NOTE 3 - BUSINESS COMBINATIONS

- a) On 22 February 2011, with a Board Resolution, Company acquired from its parent partner Reysaş Taşımacılık Lojistik Ticaret A.Ş. 16.67 % shares, having a total nominal value of TRY 1,525,305, of Arı Logistics, a subsidiary of its parent partner in exchange for TRY 4,127,642, which value determined by an independent valuation company.

On 28 March 2013, with a Board Resolution, Company acquired from Reysaş Taşımacılık Lojistik Ticaret A.Ş. 33,33% shares, having a total nominal value of TRY 3,050,000, of Arı Logistics, a subsidiary of its main partner Reysaş Taşımacılık ve Lojistik Ticaret A.Ş. in exchange for TRY 16,836,000, which value determined by an independent valuation company. Following this acquisition, Reysaş Taşımacılık ve Lojistik Tic.A.Ş. had no longer shares in Arı Lojistik İnş.San.ve Tic.A.Ş., and the share of Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. has increased to 50%.

- b) At the Board Meeting held on 18 December 2015, Company passed the resolution for 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. According to the valuation report No YMM.ÖA.466.1618.437/027 issued by Türkmen Bağımsız Denetim ve YMM A.Ş. the value of Reysaş Turizm Yatırımları ve Tic.Ltd.Şti is determined as TRY 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 TRY 13,785,447.

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 TRY 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 TRY 21,416,710.

Since said investment have material effects, Company accounted for them in the investments valued by Equity Method. The part of subsidiary assets so acquired that exceeds the net reasonable value are associated with the income statement. Transaction is are disclosed in detail in Note 25.

- c) Company acquired entire shares of Reysaş Turizm Yatırımları ve Tic.Ltd.Şti., engaging in the Tourism Investments, and Rey Otel Turizm İşletmeciliği ve Ticaret Ltd.Şti, engaging in the management of hotel and accommodation facilities, for a price of TRY 560,167 pursuant to 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 REIT, and Erzincan hotels included in Reysaş Tourism.

Company valued its investments in Reysaş Turizm Yatırımları ve Ticaret Limited Şirketi, and Rey Otel Turizm İşletmeciliği ve Ticaret A.Ş. by equity method, which are indirectly reflected in the individual financial statements of Reysaş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi.

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NOTE 4 - SHARES IN OTHER BUSINESSES AND JOINT VENTURES

Company's have no joint ventures. (31.12.2019: None.)

NOTE 5 - REPORTING BY UNITS

The authorized body of the company to pass resolutions with respect to the activities is Chairman and Board Members in line with the Board Resolutions, and have functions such as adopting decisions relating to the fund injection to the Company and activities as well as evaluation of the Company performance. Since Company'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 Company. (31.12.2019: None.)

NOTE 6 - DISCLOSURE ON RELATED PARTIES

For the purposes of these financial statements, partners, senior managers, Board Members, their families and companies and associates controlled or related to them are deemed as the related parties.

a) Payables and Receivables Balances with Related Parties

Payables and Receivables Balances as of 31 December 2020

Related Parties	Account Receivables	Non-Account Receivables	Prepaid Expenses	Account Payables	Other Non-Trade Liabilities to Non-related Parties
Arı Lojistik İnşaat San.ve Ticaret A.Ş. ⁽¹⁾	371,700	-	-	6,342,777	-
Reysaş Taşımacılık ve Loj.A.Ş.	-	-	-	33,721,844	-
Rey Otel Turizm İşl.Ve Tiz.Ltd.Şti	223,400	-	-	-	-
Reysaş Antrepo İşletmesi A.Ş. ⁽²⁾	5,696,423	-	-	-	-
Reysaş Taşıt Muayene İst.İşletim A.Ş.	-	-	-	2,421,360	-
Other related companies	-	-	-	323,281	-
Minus: Deferred Financing Income from Related Parties	(26,989)	-	-	(279,441)	-
Advances To Personnel	-	-	13,650	-	-
Total	6,264,534	-	13,650	42,529,821	-

⁽¹⁾ Account Receivables-Arı Lojistik İnşaat San.ve Ticaret A.Ş.

It issues to the Company the Checks received in exchange for the rents from Warehouses included in the portfolio of Arı Lojistik İnşaat San. ve Ticaret A.Ş. 50% owned by the Company, recognized in the account Investments Valued by Equity Method. In this context, checks received from Arı Lojistik İnşaat San.ve Ticaret A.Ş. amount to TRY 371,700 as of 31 December 2020. 31 December 2019: No Checks Received.

⁽¹⁾ Account Payables-Arı Lojistik İnşaat San.ve Ticaret A.Ş.

With the effect of the transactions in the 2020, the debts owed to Arı Lojistik İnşaat San.ve Ticaret A.Ş. is realized as TRY 6,342,777 as of 31 December 2020.

⁽²⁾ Receivable from Reysaş Antrepo İşletmesi A.Ş. has arisen out of the rent incomes of Reysaş Antrepo İşletmesi A.Ş., and are fully collected as of 13 January 2021.

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NOTE 6 - DISCLOSURE ON RELATED PARTIES (cont'd)

An annual interest rate of 13.53% in TRY is applied for account and note receivables of Company from its related companies. Interest amounts are indicated in the statement of incomes and expenses from related parties provided below.

Payables and Receivables Balances as of 31 December 2019

Related parties	Account Receivables	Non-Account Receivables	Prepaid Expenses	Account Payables	Other Non-Trade Liabilities to Non-related Parties
Arı Lojistik İnşaat San.ve Ticaret A.Ş.	-	395,037	-	-	4,531,889
Reysaş Taşımacılık ve Loj.A.Ş.	-	-	-	8,274,060	-
Others	801,103	-	144,274	83,104	-
Minus: Deferred Financing Income from Related Parties	(2,861)	-	-	(85,693)	-
Advances To Personnel	-	-	7,375	-	-
Total	798,242	395,037	151,649	8,271,471	4,531,889

Annual interest rates of 13.97%, 5.85%, 5.43% in TRY, USD and Euro, respectively, are applied for account and note receivables of Company from its related companies. Interest amounts are indicated in the statement of incomes and expenses from related parties provided below.

b) Purchases from Related Parties and Sales to Related Parties

Purchases From Related Parties

01 January - 31 December 2020

Purchases from related parties	Repair Maintenance Expenses	Real Estate Acquisition	Interest Expenses	Fixture Purchase	Others	Total
Reysaş Taşımacılık Ve Lojistik Tic.A.Ş.	-	999,951	6,032,243	267,451	2,648,720	9,948,365
Remkar Taşımacılık ve Danış.Ltd.Şti	2,691,641	9,605,085	-	522,654	228,517	13,047,897
Others	-	587,397	50,107	-	234,904	872,408
Total	2,691,641	11,192,433	6,082,350	790,105	3,112,141	23,868,670

01 January - 31 December 2019

Title of Related Party	Real Estate Acquisition	Interest Expenses	Others	Total
Reysaş Taşımacılık ve Loj.A.Ş.	-	3,841,235	1,031,106	4,872,340
Remkar Taşımacılık ve Danış.Ltd.Şti	13,245,354	-	-	13,245,354
Total	13,245,354	3,841,235	1,031,106	18,117,694

(*) It consists in the expenses incurred but not yet invoiced for the real estates contained in the Company portfolio in the period from 1 January to 31 December 2019.

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NOTE 6 - DISCLOSURE ON RELATED PARTIES (cont'd)

Sales To Related Parties

Title of Related Party	01 January - 31 December 2020		Total
	Rent-Warehousing Service	Interest Expenses	
Reysaş Taşıt Muayene İstasyonları İşletim A.Ş.	2,825,239	-	2,825,239
Rey Otel Turizm İşletmeciliği Ve Tic. Ltd. Şti.	5,427,206	-	5,427,206
Reyline Uluslar Arası Taşımacılık Ltd. Şti.	786,313	-	786,313
Remkar Taşımacılık ve Danışmanlık Ltd. Şti.	27,617	1,298,866	1,326,483
Reysaş Taşımacılık Ve Lojistik Tic. A.Ş.	39,946,428	-	39,946,428
Reysaş Antrepo İşletmesi A.Ş.	5,538,832	400,971	5,939,803
Others	270,374	-	270,374
Total	54,822,009	1,699,837	56,521,846

Title of Related Party	01 January - 31 December 2019		Total
	Rent-Warehousing Service	Interest Expenses	
Reysaş Taşıt Muayene İstasyonları İşletim A.Ş.	2,431,740	-	2,431,740
Rey Otel Turizm İşletmeciliği Ve Tic.A.Ş.	4,951,830	-	4,951,830
Reysaş Taşımacılık Ve Lojistik Tic.A.Ş.	16,990,077	1,404,731	18,394,808
Others	882,781	26,656	909,437
Total	25,256,428	1,431,387	26,687,815

c) Remunerations and salaries paid to senior managers:

The total sum of the benefits and remunerations provided to senior managers amounts to TRY 66,632 as of 31 December 2020, which entirely consists of salaries. (31 December 2019: TRY 229,217)

NOTE 7 - CASH AND CASH EQUIVALENTS

	31 December 2020	31 December 2019
Banks		
-Demand Deposit	10,677,452	1,815,478
-Time Deposit (*)	212,179,431	41,321,891
Total	222,856,883	43,137,369

(*) Details of time deposits are provided below;

31 December 2020	Average Maturity	Interest Rate	Amount in Foreign Currency	TRY equivalent
TRY	24 days	16.92 -18.25%	70,208,463	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 - CASH AND CASH EQUIVALENTS (cont'd)

31 December 2019	Average Maturity	Interest Rate	Amount in	TRY equivalent
TRY	22 days	10.89 -12.12%	29,101,637	29,101,637
USD	24 days	2,33%	716,824	4,258,080
EURO	13 days	0,67%	1,197,211	7,962,174
Total				41,321,891

NOTE 8 - FINANCIAL INVESTMENTS

Short-term Investments

None. (31 December 2019: None.)

Long-term Investments

None. (31 December 2019: None.)

NOTE 9 - FINANCIAL LIABILITIES

Company has following short- and long-term financial liabilities as of 31 December 2020 and 31 December 2019:

<u>Short-Term Borrowing</u>	31 December 2020	31 December 2019
Bank loans	68,066,138	48,352,918
Financial Leasing Liabilities	-	-
Total	68,066,138	48,352,918
<u>Short-Term Portion of Long-Term Debt Instruments</u>	31 December 2020	31 December 2019
Bank loans	437,482,804	351,540,214
Financial Leasing Liabilities	44,844,087	32,048,803
Total	482,326,891	383,589,017
<u>Long-Term Borrowings</u>	31 December 2020	31 December 2019
Bank loans	731,241,021	590,568,151
Financial Leasing Liabilities	30,444,303	39,640,640
Total	761,685,324	630,208,791

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NOTE 9 - FINANCIAL LIABILITIES (cont'd)

Bank loans

Details of Short-Term Bank Loans on the basis of foreign currency as of 31 December 2020 are provided below.

	Foreign Currency Balance	Internal Rate of Return*	TRY equivalent
TRY	309,261,263	7.84% - 23.75%	309,261,263
EURO	15.358.907	1.61% - 7.81%	138,351,502
USD	7,892,674	6.63%-8.40%	57,936,177
Total			505,548,942

Details of Short-Term Bank Loans on the basis of foreign currency as of 31 December 2019 are provided below.

	Foreign Currency Balance	Internal Rate of Return*	TRY equivalent
TRY	176,696,021	9.9% - 37.88%	176,696,021
EURO	14.941.242	4.23% - 10.0%	99,368,222
USD	20,845,912	2.23%-8.98%	123,828,889
Total			399,893,132

Details of Long-Term Bank Loans on the basis of foreign currency as of 31 December 2020 are provided below.

	Foreign Currency Balance	Internal Rate of Return*	TRY equivalent
TRY	511,526,779	7.84% - 23.75%	511,526,779
EURO	17.010.411	1.61% - 7.81%	153,228,081
USD	9,057,443	6.63%-8.40%	66,486,161
Total			731,241,021

Details of Long-Term Bank Loans on the basis of foreign currency as of 31 December 2019 are provided below.

	Foreign Currency Balance	Internal Rate of Return*	TRY equivalent
TRY	131,926,722	9.9% - 37.88%	131,926,722
EURO	34,955,247	4.23% - 10.0%	232,473,363
USD	38,074,150	2.23%-8.98%	226,168,066
Total			590,568,151

Repayment maturities of the loan liabilities are as follows:

	31 December 2020	31 December 2019
Payable in 0-3 months	161,583,798	129,923,093
Payable in 4-12 months	343,965,144	269,970,039
Payable in 1-5 years	726,465,460	579,565,826
Payable in a period longer than 5 years	4,775,561	11,002,325
Total	1,236,789,963	990,461,283

REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ
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NOTE 9 - FINANCIAL LIABILITIES (cont'd)

* **Internal rate of return** is the rate which equalizes the present value of the cash inflows to the present value of the cash outflows in a project. Therefore, internal rate of return disclosed for bank loans and financial leasing liabilities means the interest rate used in loan and financial leasing.

Payables due to Financial Leasing Transactions

Details of Short-Term Financial Leasing transactions on the basis of foreign currency as of 31 December 2020 are provided below.

	Foreign Currency Balance	Internal Rate of Return	TRY equivalent
TRY	23,511,446	13.51% - 24.23%	23,511,446
EURO	2,368,215	3.25% - 12.72%	21,332,641
Total			44,844,087

Details of Short-Term Financial Leasing transactions on the basis of foreign currency as of 31 December 2019 are provided below.

	Foreign Currency Balance	Internal Rate of Return	TRY equivalent
TRY	19,308,157	13.42% - 24.20%	19,308,157
EURO	1.915.714	3.09% - 12.66%	12,740,646
Total			32,048,803

Details of Long-Term Financial Leasing transactions on the basis of foreign currency as of 31 December 2020 are provided below.

	Foreign Currency Balance	Internal Rate of Return	TRY equivalent
TRY	2,583,540	13.51% - 24.23%	2,583,540
EURO	3.092.925	3.25% - 12.72%	27,860,763
Total			30,444,303

Details of Long-Term Financial Leasing transactions on the basis of foreign currency as of 31 December 2019 are provided below.

	Foreign Currency Balance	Internal Rate of Return	TRY equivalent
TRY	16,648,221	13.42% - 24.20%	16,648,221
EURO	3.457.195	3.09% - 12.66%	22,992,419
Total			39,640,640

Repayment maturities of the financial leasing are as follows:

	31 December 2020	31 December 2019
Payable in 0-3 months	11,748,918	8,181,664
Payable in 4-12 months	33,095,169	23,773,984
Payable in 1-5 years	30,444,303	39,733,795
Payable in a period longer than 5 years	-	-
Total	75,288,390	71,689,443

REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ
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NOTE 10 - OTHER FINANCIAL LIABILITIES

None. (31 December 2019: None.)

NOTE 11 - ACCOUNT RECEIVABLES AND PAYABLES

a) Short term trade receivables

Short term trade receivables	31 December 2020	31 December 2019
Buyers	11,468,628	7,543,804
Notes Receivables	2,672,455	2,874,643
Minus: Deferred Financing Income	(131,421)	(148,681)
Doubtful Trade Receivables	7,250,474	6,767,642
Provision for Doubtful Account Receivables (-)	(7,250,474)	(6,767,642)
Subtotal	14,009,662	10,269,766
Account Receivables from Related Parties (Note 6)	6,291,523	801,103
Minus: Deferred Financing Income from Related Parties	(26,989)	(2,861)
Total	20,274,196	11,068,008

The movements of the doubtful trade receivables during the period are provided below;

Doubtful Trade Receivables	31 December 2020	31 December 2019
Opening	6,767,642	212,912
Provision Reserved During Period	862,442	5,882,643
Provisions Cancelled	(379,610)	(2,318,425)
Provisions for revenue recognized in deferred income	-	2,990,512
Total	7,250,474	6,767,642

b) Long Term Account Receivables

None. (31 December 2019: None.)

c) Short-Term Account Payables

Short-Term Account Payables	31 December 2020	31 December 2019
Sellers	3,567,632	4,637,639
Notes Payable	207,244	580,872
Minus: Deferred Financing Expenses	(25,815)	(37,910)
Subtotal	3,749,061	5,180,601
Payables to Related Parties (Note 6)	42,809,263	8,357,164
Minus: Deferred Financing Income from Related Parties	(279,442)	(85,693)
Total	46,278,882	13,452,072

d) Long-Term Account Payables

None. (31 December 2019: None.)

REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ
FOOTNOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS OF ACCOUNT PERIOD ENDED ON 31 DECEMBER 2020

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NOTE 12 - RECEIVABLES AND PAYABLES FROM FINANCIAL INDUSTRY ACTIVITIES

None. (31 December 2019: None.)

NOTE 13 - OTHER RECEIVABLES AND PAYABLES

a) Other Short Term Receivables

Other Short Term Receivables	31 December 2020	31 December 2019
Deposits And Guarantees Furnished	149,616	103,999
Other Various Receivables	429,166	307,233
Other Doubtful Receivables	1,953,740	1,953,740
Minus: Provision for Other Doubtful Receivables	(1,953,740)	(1,953,740)
Subtotal	578,782	411,232
Other Receivables from Related Parties (Note 6)	-	395,037
Total	578,782	806,269

b) Other Long Term Receivables

None. (31 December 2019: None.)

c) Other Short Term Payables

Other Short Term Payables	31 December 2020	31 December 2019
Deposits and guarantees received	3,210,708	3,163,585
Taxes and Funds Payable	4,445,258	6,215,672
Public Payables Overdue, Deferred or by Installments	119,486	333,778
Subtotal	7,775,452	9,713,035
Other Payables to Related Parties (Note 6)	-	4,531,889
Total	7,775,452	14,244,924

d) Other long term payables

Other long term payables	31 December 2020	31 December 2019
Public Payables Overdue, Deferred or by Installments	-	130,540
Total	-	130,540

NOTE 14 - LIABILITIES UNDER THE EMPLOYEE BENEFITS

The details of employee benefits payables are provided below.

	31 December 2020	31 December 2019
Personnel Payables	40,929	37,806
Personnel Tax Deductions	9,837	7,425
Payable Social Security Withholdings	11,593	11,416
Total	62,359	56,647

NOTE 15 - DERIVATIVES

None. (31 December 2019: None.)

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NOTE 16 - INVENTORIES

a) Short-Term Inventories

None. (31 December 2019: None.)

b) Long-Term Inventories

	31 December 2020	31 December 2019
Land Inventories	56,897,916	56,897,916
Total	56,897,916	56,897,916

Pursuant to the Board Resolution No 298 of 04/05/2016, a Preliminary Contract for Property Sale is executed with Sur Yapı Endüstri San. Ve Tic. Anonim Şirketi, a construction project company, for construction of residences on the lands of 10,783.80 m2, registered at Parcel 1674, Map Section 9-10, Sancaktepe Town, Istanbul Province, and 18,316.57 m2, registered at Parcel 17, Block 6650, Sancaktepe Town, Istanbul Province. Construction which is based on "Revenue Sharing" will commence in 2016 and be completed within 30 months. As of 30 June 2017, sales office construction was completed and sample apartment construction was in progress. Project is advertised with the name "Muhit", and sales process continues. As of 31 December 2020, construction level of the Muhit Project is at the level of 40% and construction and sales process continues.

The land with a surface area of 10,783.80 m2, registered as "an arable land" at Parcel 1674, Map Section 9-10, Sancaktepe Town, Istanbul Province was divided into two parcels as parcel 1974 (3,301.30 m2) and parcel 1975 (6,965.62 m2) on the date of 04.08.2016, and an area of 516.88 m2 was abandoned as land development road under Articles 15 and 16 of Land Development Act. Parcel 1974 (3,301.30 m2), resulting from division is donated to Sancaktepe Municipality on 25.10.2016. Parcel 1975 (6,965.62 m2) remained in the ownership of Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. is type-changed to "land" in the title deed registry.

The parts of Parcel 17 Block 6650 of Sancaktepe, Istanbul which remain in the park (2,123.19 m2) and road (76 m2) areas (a total of 2,199.19 m2) were abandoned on 04.08.2016, upon which the land has a surface area of 16,117.38 m2. Total land area on which project will be implemented is (6,965.62+16,117.38=) 23,083 m2.

While properties were previously recognized in the investment properties at fair value, it was transferred to inventories in 2016. In a transfer from investment property measured according to the fair value method to an investment property, estimated cost used in the recognition according to the TAS 16 or TAS 2 after the transfer shall be the fair value on the date when change in use of the said property occurred. Inventories are classified as short and long-term considering the expected completion date of the residence construction.

Said lands has a total fair value of TRY 135,000,000 on 31 December 2020. (31 December 2019: TRY 77,050,735)

NOTE 17 - BIOLOGICAL ASSETS

None. (31 December 2019: None.)

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NOTE 18 - PREPAID EXPENSES AND DEFERRED INCOMES

a) Short and Long-Term Prepaid Expenses

– Short Term Prepaid Expenses

	31 December 2020	31 December 2019
Short-Term Prepaid Expenses	2.898.428	2,602,422
Advances Given For Purchases	2,278,333	3,403,520
Subtotal	5.176.761	6,005,942
Advances Given to Related Parties (Note 6)	13,650	151,649
Total	5,190,411	6,157,591

-Long Term Prepaid Expenses

	31 December 2020	31 December 2019
Fixed Asset Advances Given (*)	37,580	37,580
Expenses due to Future Years	269,805	1,413,716
Total	307,385	1,451,296

(*) Fixed Asset Advances Given consist in the advances given for the fixed asset purchases relating to property purchase.

With Board Resolution No 384 of 11 July 2017, Company decided to sell the warehouse with an area of 8,312 m2 located on Parcel 2, Map Section 2088 of Akse Neighborhood, Çayırova Town, Kocaeli Province for a price of TRY 14,400,000 through "Sell and Lease Back" method. The loss between fair value and sales value of the real estate amounts to TRY 2,091,000. Loss so incurred is deferred under TAS 17 Leasing Transactions Standard, and will be reflected in the comprehensive income statement to be redeemed during leasing term (60 months).

b) Short and Long-Term Deferred Incomes

– Short Term Deferred Incomes

	31 December 2020	31 December 2019
Short-Term Incomes	1,011,645	1,026,331
Advances of Orders Received	154,304	36,615
Total	1,165,949	1,062,946

– Long Term Deferred Incomes

	31 December 2020	31 December 2019
Long-Term Incomes	13,250	779,296
Total	13,250	779,296

REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ
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NOTE 18 - PREPAID EXPENSES and DEFERRED INCOMES (cont'd)

Company generated a profit of TRY 53.000 as the difference between fair value and sales value of 1 property located on Parcel 24, Map Section 60, Bulgurlu Neigh. Üsküdar Town of İstanbul Province, sold and leased back pursuant to financial leasing contract No 150648473 made with AK Finansal Kiralama A.Ş. on 03 December 2015. Profit so generated is deferred under TAS 17 Leasing Transactions Standard, and will be reflected in the comprehensive income statement to be redeemed during leasing term (60 months).

NOTE 19 - GOVERNMENTAL SUPPORTS AND SUBSIDIES

None. (31 December 2019: None.)

NOTE 20 - PERIOD PROFIT TAX LIABILITY

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. Therefore, no tax provisions are calculated. (31 December 2019: None.)

NOTE 21 - ASSETS RELATING TO CURRENT PERIOD TAX

TRY 1,171,395 indicated in the line "assets relating to current period tax consist in the taxes withheld by banks during time deposits and repo transactions.

(31 December 2019: TRY 620,262 indicated in the line "assets relating to current period tax consist in the taxes withheld by banks during time deposits and repo transactions.

NOTE 22 - OTHER CURRENT ASSETS/OTHER FIXED ASSETS AND OTHER SHORT/LONG TERM LIABILITIES

a) Other Current Assets

Other Current Assets	31 December 2020	31 December 2019
Deferred VAT	3,922,046	-
Total	3,922,046	-

b) Other Fixed Assets

None. (31 December 2019: None.)

c) Other Short-Term Liabilities

None. (31 December 2019: None.)

d) Other Long-Term Liabilities

None. (31 December 2019: None.)

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NOTE 23 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Short-Term Provisions

<u>Litigation and Disputes</u>	31 December 2020	31 December 2019
Provisions for litigation	4,355,225	2,253,355
Total	4,355,225	2,253,355

TRY 2,101,870 of provisions are set aside for the lawsuits as of 31 December 2020. TRY 1,265,094 of provisions are set aside for the lawsuits as of 31 December 2019. There is no lawsuit which embody material uncertainty except for the lawsuit noted below.

Company set aside TRY 1.953.740 of provisions for adverse litigation liability as of 31 December 2020 (31.12.2020: TRY 1.953.740). This amount entirely consists in the uncollectible receivables from 2M Proje Geliştirme Mühendislik Mim. İnş. San. Tic. Ltd. Şti in 2016.

Collectibility of the receivable will become certain when prosecution proceedings of open multiple lawsuits filed between parties become final, therefore, it is not possible to make a definite risk determination. However, it is known that 2M Proje Geliştirme Mühendislik Mim. İnş. San. Tic. Ltd. Şti suffers from financial difficulties, therefore, provision are set aside for said entire amount as it appears that collection would be difficult even if litigation concludes in favor of the company. Provision so set aside is reflected in the profit/loss statement of the previous period (Note 13). In the current period, a risk of TRY 1,143,000 is determined for 2M Proje Geliştirme Mühendislik Mim. İnş. San. Tic. Ltd. Şti, accordingly provisions are set aside. (Note 33)

The construction of the warehouse located in Adana province under contract is carried out by Remkar Taşımacılık ve Dan. Ltd. Şti. (Remkar). Termekom Soğutma Hava Elek. Müh. Tic. Ltd. Şti. (Termekom) is the sub-contractor which undertook the construction of cold air systems of the warehouse, for which contract signed between Remkar and Termekom. As Termekom company failed to deliver the work on time, the litigation process between Remkar and Termekom is currently going on. As a result, Reysaş Group Companies has no legal relation with the lawsuit between Termekom and Remkar. Since Reysaş Group companies are not a party to these lawsuits, there is no possibility for positive or negative decision held for or against them.

Provisions for Unused Paid Leaves

Company calculated a paid leave liability of TRY 18,887 according to the number of days of paid leaves entitled but not yet used by personnel as of 31 December 2020. (Company calculated a paid leave liability of TRY 10,386 according to the number of days of paid leaves entitled but not yet used by personnel as of 31 December 2019.)

b) Long-Term Provisions

Provisions related with benefits to employees

Under labor laws effective in Turkey, it is a liability to make severance pay to employees whose employment is terminated in such way entitling them to severance pay. Also, Company is liable to pay the legal severance pay to personnel who are entitled to leave their jobs by receiving severance pay pursuant to applicable Article 60 of Social Insurance Act No 506, as amended by Acts No 2422 of 6 March 1981, and No 4447 of 25 August 1999.

Severance pays are calculated over one monthly salary for each employment year. As of relevant balance sheet date, severance pay is subject to the ceiling of TRY 7,117.17 (31 December 2019 - TRY 6,379.86).

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NOTE 23 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

Severance pay liability is calculated by present value estimation of any likely liability in future arising out of retirement of Company personnel. TAS 19 Employee Benefits, as amended, prescribes for companies to calculate their liabilities by using actuarial valuation methods under the benefit plans defined. Accordingly, actuarial assumptions used in calculation of total liabilities are described below. The basic assumption is to increase maximum liability for each year in parallel with inflation. Therefore, discount rate applied means the expected real interest rate after applying adjustments of future inflation effects.

As a result, as of 31 December 2020 and 31 December 2019, liabilities in the financial statements enclosed herewith are calculated by estimating present value of the potential future liability arising out of employee retirement.

On the date of balance sheet, provisions are calculated by using real discount rate of 3.34% (31 December 2019 - 4.67%) which is calculated on the basis of annual inflation of 10.04% (31 December 2019 - 7,00%) and discount rate of 13,72% (31 December 2019 - 12,00%).

Total costs except for actuarial gain/(loss) incurred with respect to severance pays are included in the income statement prepared as of 31 December. Actuarial gain/(loss) in the amount of TRY 15,266 are reflected in other comprehensive income statement as of 31 December 2020. (31 December 2019: TRY 29,168)

Movements of provisions for severance pay are as follows as of 31 December 2020 and 31 December 2019:

	31 December 2020	31 December 2019
Provision for Severance Pay	102,912	102,857
	31 December 2020	31 December 2019
Opening balance	102,857	55,033
Service Cost	12,704	13,783
Re-Measurement Gains /Losses Of Defined Benefit Plans	(15,266)	29,168
Cost of Interest	2.617	4,873
Cancelled severance pays (-)	-	-
End of Period	102,912	102,857

Contingent Assets and Liabilities

None. (31 December 2019: None.)

Pursuant to Article 2(1)/d-4 of KVK Act No 5520, the revenues of Real Estate Investment Trusts are exempt from Corporate Tax. Also, withholding rate is determined as 0 %. Accordingly, Company will have tax liability if it loses its status of Real Estate Investment Trust.

Pursuant to the demerger transaction, where the warehouses are added as a in-kind capital, took place under Article 20 of Corporate Tax Act, Company is jointly responsible for the assets took over from the tax liabilities of Reysaş Lojistik A.Ş., as demerged entity, accrued or to be accrued until demerge date, but limited to their fair values. Furthermore, pursuant to Article 36 of the Act on Collection Procedures of Public Receivables, in terms of application of this law; since the legal persons who takes over assets of the split-off legal persons in case of split-off shall act on behalf of the split-off legal person(s), Company will be responsible for the public payables of the Reysaş Lojistik A.Ş.

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NOTE 23 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

Encumbrances

There are various encumbrances established on the real estate owned by Company. It is considered by Company Management, and Valuation Companies which carried out valuation of the real estate that said issues do not pose any risks that may require provisions set aside in the financial statements.

c) Guarantee, Lien and Mortgage Received/Given by Company

Guarantees/Mortgage/Liens Received by Company

Company has following guarantees/mortgage/liens it received as of 31 December 2020 and 31 December 2019:

Guarantees, Liens, Mortgage and Surety	<u>Total Equivalent in TRY</u>	<u>USD</u>	<u>EUR</u>	<u>TRY</u>
Letters of Guarantee Received	3,938,184	219,220	-	2,329,000
Notes of Guarantee Received	10,474,343	147,040	22,000	9,196,823
Total	14,412,527	366,260	22,000	11,525,823

Company has following guarantees/mortgage/liens it received as of 31 December 2019 and 31 December 2019:

Guarantees, Liens, Mortgage and Surety	<u>Total Equivalent in TRY</u>	<u>USD</u>	<u>EUR</u>	<u>TRY</u>
Letters of Guarantee Received	1,840,397	149,220	-	954,000
Notes of Guarantee Received	8,726,907	147,040	22,000	7,707,147
Total	10,567,304	296,260	22,000	8,661,147

Guarantees/Mortgage/Liens Given by Company

Company has given following guarantees, liens and mortgages on the currency unit basis as of 31 December 2020;

Guarantees, Liens, Mortgage and Surety	<u>Total Equivalent in TRY</u>	<u>USD</u>	<u>EUR</u>	<u>TRY</u>
Guarantees	1,021,072	-	-	1,021,072
Mortgage	2,387,228,050	72,100,000	20,000,000	1,677,820,000
Total	2,388,249,122	72,100,000	20,000,000	1,678,841,072

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NOTE 23 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

Company has given following guarantees, liens and mortgages on the currency unit basis as of 31 December 2019;

Guarantees, Liens, Mortgage and Surety	Total Equivalent in TRY	USD	EUR	TRY
Guarantees	165,638	-	-	165,638
Mortgage	2,456,320,244	206,200,000	33,340,000	1,009,720,000
Total	2,456,485,882	206,200,000	33,340,000	1,009,885,638

Company has following guarantees/mortgage/liens it gave in relation with its own transactions as of 31 December 2020 and 31 December 2019:

GLMs Given by Company	31 December 2020	31 December 2019
A. Total amount of GLMs given in the name of legal entity	2,388,249,122	2,456,485,882
- Mortgage	2,387,228,050	2,456,320,244
- Letter of Guarantee	1,021,072	165,638
B. Total amount of GLMs given on behalf of the partnerships included in the full consolidation	-	-
C. Total amount of GLMs given to procure the debt of other 3rd parties for performance of ordinary trade activities	-	-
D. Total amounts of other given GLMs	-	-
i. Total amount of GLMs given on behalf of the parent partner	-	-
ii. Total Amount of GLMs given in favor of group companies not included in items B and C	-	-
iii. Total amount of GLMs given on behalf of 3rd parties not included in scope of item C	-	-

The ratio of "Other GLMs" given by the Company to the equities of the Company is 0% as of 31 December 2020. (31 December 2019: 0%).

Company has no guarantee, lien and mortgage given by it on behalf of related parties or third persons.

Total insurance amount of assets values;

Insurance of the Real Estates amounts to TRY 1,089,847,194. (31 December 2019: TRY 955,665,406)

NOTE 24 - COMMITMENTS

None. (31 December 2019: None.)

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NOTE 25 - INVESTMENTS VALUED BY EQUITY METHOD

	31 December 2020		31 December 2019	
Subsidiaries	%	TRY	%	TRY
Arı Lojistik A.Ş.	50	29,678,583	50	26,443,171
Reysaş Turizm Yatırımları ve Tic.Ltd.Şti.	100	48,221,772	100	47,147,323
Rey Otel Turizm İşletmeciliği ve Ticaret A.Ş.	100	(5,280,497)	-	-
Total		72,619,858		73,590,494

Movements of investments valued by Equity method are as follows as of 31 December 2020 and 31 December 2019:

	31 December 2020	31 December 2019
Balance as of 1 January	73,590,494	65,395,985
Share of Subsidiary in Period Profit / (Loss)	299,367	10,139,927
Cash paid to shares purchased in the current period	(560,167)	-
Loss from Combination of Jointly Controlled Business	(709,836)	-
Dividends Received	-	(1,945,418)
Total	72,619,858	73,590,494

Financial statement summary information of the investment valued via equity method:

	31 December 2020				
	Total Assets	Total Liabilities	Owner's Equity	Revenue s	Profit/(Loss)
Arı Lojistik	71,358,225	(12,001,060)	59,357,165	8,696,345	6,470,823
Reysaş Turizm	53,764,314	(5,542,541)	48,221,773	2,400,000	1,634,615
Rey Otel	3,291,844	(8,572,341)	(5,280,497)	8,669,689	(4,570,658)
	31 December 2019				
	Total Assets	Total Liabilities	Owner's Equity	Revenue s	Profit/(Loss)
Arı Lojistik	64,482,022	(11,595,680)	52,886,342	7,970,000	4,478,938
Reysaş Turizm	52,028,842	(4,881,519)	47,147,323	2,424,001	7,900,541

Arı Lojistik A.Ş.

	31 December 2020	31 December 2019
Total Assets	71,358,225	64,482,022
Total Liabilities	(12,001,060)	(11,595,680)
Net Assets	59,357,165	52,886,342
Revaluation Value of Subsidiary of REIT According to Equity Method (50%)	29,678,583	26,443,171

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NOTE 25 - INVESTMENTS VALUED BY EQUITY METHOD (cont'd)

Movements of Arı Lojistik A.Ş. are as follows as of 31 December 2020 and 31 December 2019:

	31 December 2020	31 December 2019
Balance as of 1 January	26,443,171	26,149,199
Share of Subsidiary in Period Profit / (Loss)	3,235,412	2,239,390
Dividends Received	-	(1,945,418)
Total	29,678,583	26,443,171

Reysaş Turizm Yatırımları ve Tic.Ltd.Şti.

	31 December 2020	31 December 2019
Total Assets	53,764,314	52,028,842
Liabilities	(5,542,541)	(4,881,519)
Net Assets	48,221,773	47,147,323
Revaluation Value of Subsidiary of REIT According to Equity Method (100%) - (2019: 100%)	48,221,773	47,147,323

Movements of Reysaş Turizm Yatırımları ve Tic.Ltd.Şti. are as follows as of 31 December 2020 and 31 December 2019:

	31 December 2020	31 December 2019
Balance as of 1 January	47,147,326	39,246,785
Share of Subsidiary in Period Profit / (Loss)	1,634,614	7,900,541
Cash paid to shares purchased in the current period (acquisition of share in Rey Hotel)	(560,167)	-
Total	48,221,773	47,147,326

Rey Otel Turizm İşletmeciliği ve Ticaret A.Ş.

Company acquired entire shares of Reysaş Turizm Yatırımları ve Tic.Ltd.Şti., engaging in the Tourism Investments, and Rey Otel Turizm İşletmeciliği ve Ticaret Ltd.Şti, engaging in the management of hotel and accommodation facilities, for a price of TRY 560,167 pursuant to 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 REIT, and Erzincan hotels included in Reysaş Tourism.

Company valued its investments in Reysaş Turizm Yatırımları ve Ticaret Limited Şirketi, and Rey Otel Turizm İşletmeciliği ve Ticaret A.Ş. by equity method, which are indirectly reflected in the individual financial statements of Reysaş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi.

	31 December 2020
Total Assets	3,291,844
Total Liabilities	(8,572,341)
Net Assets	(5,280,497)
Revaluation Value of Subsidiary of Reysaş Tourism According to Equity Method (100%)	(5,280,497)

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NOTE 25 - INVESTMENTS VALUED BY EQUITY METHOD (cont'd)

	31 December 2020
Balance as of 1 January	-
Share of Subsidiary in Period Profit / (Loss)	(4,570,659)
Loss from Combination of Jointly Controlled Business	(709,836)
Total	(5,280,497)

While accounting for said investments, Company determines the existence of material effect based on the existence of the following criteria.

- a) The investee is represented by a board of directors or equivalent administrative body.
- b) Participation in the policy determination processes of the business, including decisions on the dividends or other distributions.

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NOTE 26 - INVESTMENT PROPERTIES INCLUDING PROJECTS

The details of investment properties as of 31 December 2020 and 31 December 2019 are as follows:

	31 December 2020	31 December 2019
Investment Properties	2,924,425,000	2,461,557,000
Investment Properties in the Project Stage	98,071,457	91,243,823
Total	3,022,496,457	2,552,800,823

The fair value of the warehouses and warehouses under construction of the Company as of 31 December 2020 are calculated according to the valuation carried out by Property Valuation Company Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş. which have no relationship with Company. Valuations performed according to the International Valuation Standards are based on the Market Method, Cost (Expense) Method and Income (Productivity) Method. (*) Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş. is an independent property valuation company authorized by Turkish Capital Market Board.

Insurances on the investment properties amount to TRY 1,089,847,194 (31 December 2019: TRY 955,665,406)

Disclosure on the mortgages established on the investment properties are provided in Note 23.

The movements of the lands as of 31 December 2020 are provided below:

Lands

Site	Type		01.01.2020	Inflow	Fair Value Difference	31 December 2020
Istanbul	Pendik	Kurna Village	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	İrmaksırtı	5,990,000	-	110,000	6,100,000
Düzce	Center Town	Darıcı	5,846,000	-	1,404,000	7,250,000
Ankara	Gölbaşı	Oğulbey	5,217,000	-	133,000	5,350,000
Kastamonu	Center Town	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
			128,355,000	9,758,633	10,576,367	148,690,000

(*) Pursuant to Board Resolution No 608 of 30.12.2020, joint-ownership land of 9,364.62 m3 located on Parcel 7 Map Section 379 Balçık Neighborhood Gebze Town Kocaeli Province are purchased with 100% prepayment for a price of TRY 9,488,566.

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NOTE 26 - INVESTMENT PROPERTIES INCLUDING PROJECTS (cont'd)

The movements of the Buildings as of 31 December 2020 are provided below:

Buildings

Site			01.01.2020	Inflow	Transfer	Fair Value Difference	31 December 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
Istanbul	Tuzla	Orhanlı-2	74,010,000	-	-	12,590,000	86,600,000
Istanbul	Tuzla	Orhanlı-4	134,093,000	35,637	-	25,871,363	160,000,000
Istanbul	Arnavutköy	Ömerli	25,064,000	-	-	2,986,000	28,050,000
İzmir	Torbalı	Torbalı	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	Dikbiyık	16,043,000	-	-	7,957,000	24,000,000
Düzce	Center Town	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
Istanbul	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	Center Town	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
Istanbul	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
Istanbul	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
Istanbul	Esenyurt	Esenyurt	154,281,000	-	-	26,719,000	181,000,000
Istanbul	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	Center Town	Kuzeykent	5,159,000	-	-	2,941,000	8,100,000
Karabük	Center Town	Çerçiler	2,034,000	-	-	1,751,000	3,785,000
Bartın	Center Town	Balamba	1,920,000	-	-	1,450,000	3,370,000
Kastamonu	Tosya	Dilküşah	496,000	-	-	564,000	1,060,000
Eskişehir	Sivrihisar	Kurşunlu	742,000	-	-	313,000	1,055,000
Total Buildings			2,333,202,000	12,245,704	22,202,736	408,084,560	2,775,735,000
Total Lands and Buildings			2,461,557,000				2,924,425,000

Company engaged in leasing by Sell&Lease Back Method with respect to the properties located on Parcel 194 Map Section 6 Torbalı Neighborhood Torbalı Town İzmir Province, Parcel 1, Map Section 198 Çarşamba Town Samsun Province, Parcel 2 Map Section 2088 Akse Neighborhood Çayırova Town Kocaeli Province in 2016, 2016 and 2017, respectively. The fair value of said real estate as of 31 December 2020 is TRY 100.850.000.

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NOTE 26 - INVESTMENT PROPERTIES INCLUDING PROJECTS (cont'd)

The movement chart related to the Investment Properties in Project as of 31 December 2020 is provided below:

Site			01.01.2020	Inflow	Outflow	Transfer	Fair Value Difference	31 December 2020
Izmir	Menderes	Görece	21,918,000	284,736	-	(22,202,736)	-	-
Kocaeli	Çayırova	Akse-15(*)	41,345,000	3,584,087	-	-	35,010,913	79,940,000
Kocaeli	Çayırova	Akse 13	14,142,000	8,080	-	-	2,849,920	17,000,000
Others	-	-	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

(*) The Building Occupation Permit Certificate is obtained and accordingly investment completed on 5 January 2021 for the logistics warehouse of 19,349 m2 constructed on the land of 14,703.44 m2 located at Parcel 33 Map Section 420 Şekerpinarı Neighborhood Çayırova Town Kocaeli Province.

Company leased out the said warehouses and earned a rent income of TRY 236,898,985, as of 31 December 2020. (31 December 2019: TRY 201,088,399)

The movements of the lands as of 31 December 2019 are provided below:

Lands								31 December
Site	Type		01.01.2019	Inflow	Outflow	Fair Value Difference		2019
Istanbul	Pendik	Kurna Village	20,431,000	-	-	25,149,000		45,580,000
Kocaeli	Çayırova	Akse-12	9,862,000	-	-	2,888,000		12,750,000
Kocaeli	Kartepe	Uzuntarla-1	358,000	-	(358,000)	-		-
Kocaeli	Kartepe	Maşukiye	2,180,000	-	-	720,000		2,900,000
Kocaeli	Kartepe	Uzuntarla-2	2,426,000	-	-	794,000		3,220,000
Sakarya	Arifiye	Yukarıkirezce-1	9,243,000	-	-	2,802,000		12,045,000
Samsun	Çarşamba	Irmaksırtı	4,726,000	-	-	1,264,000		5,990,000
Düzce	Center Town	Darıcı	4,163,000	-	-	1,683,000		5,846,000
Ankara	Gölbaşı	Oğulbey	4,453,000	-	-	764,000		5,217,000
Kastamonu	Center Town	Kuzeykent	3,212,000	-	-	730,000		3,942,000
Kocaeli	Gebze	Muallimköy	8,647,000	-	-	1,638,000		10,285,000
Ankara	Kahramankazan	Saray	12,157,000	-	-	3,281,000		15,438,000
Ankara	Çankaya	Lodumu	1,292,510	-	-	490		1,293,000
Erzurum	Palandöken	Palandöken	-	3,105,000	-	744,000		3,849,000
			83,150,510	3,105,000	(358,000)	42,457,490		128,355,000

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NOTE 26 - INVESTMENT PROPERTIES INCLUDING PROJECTS (cont'd)

The movements of the Buildings as of 31 December 2019 are provided below:

Buildings

						31 December
Site			01.01.2019	Inflow	Fair Value Difference	2019
Adana	Seyhan	Sarihamzalı	20,923,000	7,423	1,671,577	22,602,000
Adana	Yüreğir	Dağcı	18,525,000	-	3,475,000	22,000,000
Ankara	Kazan	Orhaniye	14,868,000	-	2,977,000	17,845,000
Eskişehir	Odunpazarı	OSB	5,307,000	-	1,728,000	7,035,000
Giresun	Tirebolu	İstiklal	3,915,000	-	845,000	4,760,000
Giresun	Bulancağ	Pazarsuyu	7,890,000	-	1,906,000	9,796,000
Istanbul	Tuzla	Orhanlı-2	61,068,000	-	12,942,000	74,010,000
Istanbul	Tuzla	Orhanlı-4	109,308,000	-	24,785,000	134,093,000
Istanbul	Arnavutköy	Ömerli	20,218,000	-	4,846,000	25,064,000
İzmir	Torbalı	Torbalı**	26,550,000	-	-	26,550,000
Kocaeli	Çayırova	Akse-2	49,360,000	22,841	11,237,159	60,620,000
Kocaeli	Çayırova	Akse-1+7+10	141,556,000	265,156	28,788,844	170,610,000
Kocaeli	Çayırova	Akse-5	14,400,000	-	-	14,400,000
Kocaeli	Çayırova	Akse-3	64,501,000	456,224	14,042,776	79,000,000
Ordu	Ünye	Yüceler	10,023,000	-	3,638,000	13,661,000
Sakarya	Arifiye	Yukarıkirezce-2	3,180,000	-	1,975,000	5,155,000
Samsun	Terme	Söğütü	4,451,000	-	1,553,000	6,004,000
Samsun	Çarşamba	Eğeli	4,762,000	-	1,223,000	5,985,000
Samsun	Çarşamba	Dikbiyık	16,043,000	-	-	16,043,000
Düzce	Center Town	Arapçiftliği	5,489,000	-	1,836,000	7,325,000
Düzce	Akçakoca	Çiçekpınar	3,401,000	-	1,707,000	5,108,000
Kocaeli	Kartepe	Uzuntarla-3	9,124,000	-	3,526,000	12,650,000
Kocaeli	Çayırova	Akse-9	135,850,000	18,604	33,131,396	169,000,000
Kocaeli	Çayırova	Akse-6	23,106,000	82,929	5,091,071	28,280,000
Antalya	Kepez	Sütçüler	9,254,000	-	3,502,000	12,756,000
Istanbul	Üsküdar	Bulgurlu-2	16,110,000	-	2,946,000	19,056,000
Kocaeli	Çayırova	Akse-8	11,896,000	-	84,304,000	96,200,000
Bolu	Center Town	Saraycık	17,877,000	-	3,260,000	21,137,000
Sakarya	Arifiye	Yukarıkirezce-3	5,985,000	265,014	9,497,986	15,748,000
Antalya	Serik	Çandır-1, Çandır-2	74,688,000	-	16,312,000	91,000,000
Sakarya	Arifiye	Hanlıköy	13,199,000	-	4,154,000	17,353,000
İzmir	Menderes	Görece-3	22,620,000	55,563	2,290,437	24,966,000
Antalya	Kumluca	Sarıkaya	11,742,000	-	1,491,000	13,233,000
Ankara	Kahramankazan	Saray	18,264,000	-	3,075,000	21,339,000
Adana	Sarıçam	Suluca	15,350,000	-	3,038,000	18,388,000
Istanbul	Tuzla	Orhanlı-5	118,982,000	-	27,180,000	146,162,000
Eskişehir	Tepebaşı	Eskibağlar	53,839,000	-	31,161,000	85,000,000
Istanbul	Üsküdar	Bulgurlu-1	8,947,000	-	7,053,000	16,000,000
Kocaeli	Çayırova	Akse-11	103,195,000	-	34,080,000	137,275,000
İzmir	Menderes	Görece-4	52,530,000	-	4,715,000	57,245,000
Istanbul	Esenyurt	Esenyurt	123,506,000	8,832	30,766,168	154,281,000
Istanbul	Tuzla	Tepeören	254,689,000	20,183,255	44,243,745	319,116,000
Kocaeli	Çayırova	Akse-12	66,143,000	-	13,857,000	80,000,000
Adana	Sarıçam	Suluca-2	33,362,000	-	5,638,000	39,000,000
Kastamonu	Center Town	Kuzeykent	4,332,000	-	827,000	5,159,000
Karabük	Center Town	Çerçiler	1,789,500	-	244,500	2,034,000
Bartın	Center Town	Balamba	1,335,000	-	585,000	1,920,000
Kastamonu	Tosya	Dilkürah	388,500	-	107,500	496,000
Eskişehir	Sivrihisar	Kurşunlu	372,000	-	370,000	742,000
Total Buildings			1,814,213,000	21,365,841	497,623,159	2,333,202,000
Total Lands and Buildings			1,897,363,510			2,461,557,000

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NOTE 26 - INVESTMENT PROPERTIES INCLUDING PROJECTS (cont'd)

The movement chart related to the Investment Properties in Project as of 31 December 2019 is provided below:

Investment Properties in the Project Stage

Site			01.01.2019	Inflow	Fair Value Difference	31 December 2019
Izmir	Menderes	Görece	18,621,000	49,239	3,247,761	21,918,000
Kocaeli	Çayırova	Akse-15	33,818,000	16,677,479	(9,150,479)	41,345,000
Kocaeli	Çayırova	Akse 13	12,867,000	78,566	1,196,434	14,142,000
Others	-	-	554,061	13,284,762	-	13,838,823
			65,860,061	30,090,046	(4,706,284)	91,243,823

NOTE 27 - TANGIBLE FIXED ASSETS

Movements relating to the tangible fixed assets and related accumulated amortizations during the periods ended on 31 December 2020 and 31 December 2019 are as follows:

31 December 2020

Cost	31 December 2019	Acquisition	Outflows (-)	Transfer	31 December 2020
Plant, Machinery And Equipment	9,149,429	22,701,392	(25,424)	3,209,138	35,034,535
Assets Subject to Activity Leasing	48,893,913	11,198,749	-	(3,209,138)	56,883,524
Fixtures	1,281,436	630,351	(76,253)	-	1,835,534
Total	59,324,778	34,530,492	(101,677)	-	93,753,593
Accumulated Depreciations (-)	31 December 2019	Acquisition	Outflows (-)	Transfer	31 December 2020
Plant, Machinery And Equipment	5,305,575	1,730,652	(850)	1,471,103	8,506,480
Assets Subject to Activity Leasing	7,336,449	5,550,216	-	(1,471,103)	11,415,562
Fixtures	433,733	160,377	(5,537)	-	588,573
Total	13,075,757	7,441,245	(6,387)	-	20,510,615
Net Book Value	46,249,021				73,242,977

Assets Subject to Activity Leasing consist in the Plant, Machinery and Equipment acquired via Financial Leasing.

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NOTE 27 - TANGIBLE FIXED ASSETS (cont'd)

31 December 2019

Cost	31 December 2018	Acquisition	Outflows (-)	31 December 2019
Plant, Machinery And Equipment	8,587,585	561,844	-	9,149,429
Assets Subject to Activity Leasing	32,649,465	16,244,448	-	48,893,913
Fixtures	956,290	325,146	-	1,281,436
Total	42,193,340	886,990	-	59,324,778
Accumulated Depreciations (-)	31 December 2018			31 December 2019
Plant, Machinery And Equipment	4,232,161	1,073,414	-	5,305,575
Assets Subject to Activity Leasing	4,015,872	3,320,577	-	7,336,449
Fixtures	305,122	128,611	-	433,733
Total	8,553,155	1,202,025	-	13,075,757
Net Book Value	33,640,185			46,249,021

Assets Subject to Activity Leasing consist in the Plant, Machinery and Equipment acquired via Financial Leasing.

Information about Mortgage etc. established on the assets are provided in Note 23.

Insurance Details of Assets are provided in Note 23.

Recognition accounts of the amortization and redemption share expenses are provided in Note 32.

NOTE 28 - INTANGIBLE FIXED ASSETS

None. (31 December 2019: None.)

NOTE 29 - EQUITIES

a) Paid-In Capital

The details of the partners of Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. are provided below.

	31 December 2020	Share Ratio (%)	31 December 2019	Share Ratio (%)
Reysaş Taşımacılık ve Lojistik Tic.A.Ş.	152,381,690	61.94	152,381,690	61.94
Others	11	0.00	11	0.00
Publicly-Traded	93,618,300	38.06	93,618,300	38.06
Total	246,000,001	100	246,000,001	100

(*) Company has an issued capital of TRY 246,000,001 as of 31 December 2020.

Pursuant to Resolution adopted at Ordinary General Assembly for 2014 held on 29 May 2015, Company resolved on increasing issued capital from TRY 240,000,000 to TRY 246,000,001, which will fully be covered from the period profit of 2014, and, as a result, paid-in capital of the Company increased from TRY 240,000,000 to TRY 246,000,001.

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NOTE 29 - EQUITIES (cont'd)

As of 31 December 2020, capital of the Company consists in 246,000,001 shares, each with a nominal value of TRY 1 (31 December 2019: 246,000,001, each with a nominal value of TRY 1). According to Articles of Association of the Company, Company's shares are divided into 2 groups as 578,824 Group A registered shares, and 245,421,177 Group B bearer Shares, and Group A shareholders have right to nominate Board Members. 4 of the 6 board members are elected by general assembly, provided that, 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 independence principles as required by Capital Market Legislation.

b) Repurchased Shares/Profit Arising out of Repurchased Shares

Company resolved on repurchasing the company shares on 27.11.2012 under the Principles and Procedures for Repurchasing by Companies of Own Shares No 26/767 published by Capital Market Board on 10.08.2011, and publicly disclosed via a special announcement on Public Disclosure Platform.

Information about repurchasing by Companies of Own Shares are provided below.

Acquisitions	Acquisition Date	Acquire Quantity	Acquisition Unit Price (TRY)	Acquisition Amount (TRY)
1.Alım	12.11.2012	58.979	0.73	43,055
2.Alım	04.02.2013	393.500	0.70	275,450
	11.02.2013	453.912	0.69	313,200
3.Alım	11.02.2013	252.347	0.70	176,642
4.Alım	15.02.2013	341.262	0.70	238,883
Total				1,047,230

c) Accumulated Other Comprehensive Incomes or Expenses Not To Be Reclassified In The Profit Or Loss

Revaluation And Assessment Profits/Losses

Via partial demerger, on May 2010, Company recognized the 18 Warehouses, and 3 warehouses under construction, injected as in-kind capital by its parent partner Taşımacılık ve Lojistik Ticaret A.Ş. at fair value in the total amount of TRY 206,939,059. Out of these 21 warehouses, the warehouses located in Trabzon- Arsin, Bursa-Nilüfer and Sakarya-Karasu were sold as of 31 December 2014. After this sales, the difference between fair value, and book value forming the basis of in-kind capital injected as part of partial demerger was realized as TRY 91,095,151 on 31 December 2014. In 2016, Warehouse located in Ordu-Central Town was sold. TRY 1,342,264 being the fair value difference of said warehouse is deducted from the fund amounting to TRY 91,095,151, and the difference between fair value and and book value forming the basis of in-kind capital injected as part of partial demerger was realized as TRY 89,752,887 on 31 December 2016.

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NOTE 29 - EQUITIES (cont'd)

Actuarial Gains/Losses Fund

Amendments to TAS 19 changes the accounting of defined benefit plans and severance pays. The most important amendment is related to the recognition of defined benefit liabilities and plan assets. Amendments require that any changes in the defined benefit liabilities and assets must be accounted for at fair value, and 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.

In this context, company calculated actuarial profit/loss in the defined benefit plans, and recognized in the financial statements.

	31 December 2020	31 December 2019
Carried Forward from Previous Period	(62,614)	(33,446)
Actuarial Gains/Losses	15,266	(29,168)
Actuarial Gains/Losses Relating to Investments Valued by Equity Method	(53,409)	-
Net Actuarial Gains/Losses	(100,757)	(62,614)

d) Restricted Reserves on Accumulated Profits

Reserves restricted from profits consist in the legal reserves and real estate sales gains exempted from corporate tax, and the reserves for own shares repurchased. Pursuant to Turkish Code of Commerce, general legal reserve is set aside by 5% of annual profit until it reaches 20% of the paid capital of the company. Other legal reserve is set aside by 10% of the sum of profit to be allocated to shareholders after payment of 5% profit share to shareholders. Pursuant to Turkish Code of Commerce, general legal reserve can be allocated only in loss offsetting, maintenance of operations in economic turn downs or taking effective measurements to avoid or mitigate unemployment or its results, provided that it shall not exceed the half of the capital or issued capital.

	31 December 2020	31 December 2019
Legal Reserves(*)	6,516,173	6,516,173
Reserves for Re-purchased Shares(**)	1,047,230	1,047,230
Total	7,563,403	7,563,403

(*) Company set aside a total of legal reserve of TRY 6,516,173, consisting in TRY 661,067 from profit of 2014, TRY 1,304,261 from profit of 2013, TRY 1,675,864 from profit of 2012, TRY 2,313,491 from profit of 2011, TRY 489,611 from profit of 2010, TRY 47,643 from profit of 2009, and TRY 24,236 from profit of 2008.

(**) For the shares repurchased by Company, a legal reserve is set aside in the amount of pursuant to Article 520 of Turkish Code of Commerce No 6102, and Article 20 of Repurchased Shares Communiqué of CMB No 2-22,1.

e) Accumulated Profits/Losses

Company has an accumulated profit of TRY 1,356,328,853 in the financial position statement of the current period. (31 December 2019: TRY 807,622,002)

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NOTE 30 - SALES AND COST OF SALES

Sales Revenues (net)	01.01-31.12.2020	01.01-31.12.2019
Leasing Incomes	236,898,985	201,088,399
Other Incomes	26,950,429	17,358,544
Sales Returns	(2,568,765)	(4,401,169)
Total Sales	261.280.649	214,045,774
Insurance Costs	2.528.116	2,305,020
Depreciation and Depletion Expenses	7,441,245	4,522,601
Repair Maintenance Expenses	3,678,195	3,689,446
Electricity Expenses	9,904,243	10,456,274
Tax, Duty and Charges	4,103,023	3,587,233
Reporting Expert Costs	452,254	129,107
Others	1,349,492	1,736,006
Total Cost	29.456.568	26,425,687
Gross Profit / (Loss)	231,824,081	187,620,087

NOTE 31 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING SALES AND DISTRIBUTION COSTS, OVERHEAD EXPENSES

a) Overhead Expenses (-)	01.01-31.12.2020	01.01-31.12.2019
Personnel Expenses	823,839	660,830
Repair Maintenance Expenses	-	13,669
Tax, Duty, Charge Expenses	477,943	123,010
Legal, Consulting and Audit Expenses	71,571	344,999
CMB Registry and Overheads	20,177	38,607
Utility Expenses	547,477	448,801
Other Costs	594.111	504,240
Total	2,535,118	2,134,155

b) Research and Development Expenses (-)

Company has no research and development expenses. (31 December 2019: None.)

c) Marketing, Sales and Distribution Expenses (-)

Company has no marketing, sales and distribution expenses. (31 December 2019: None.)

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NOTE 32 - EXPENSES ACCORDING TO THEIR NATURES (-)

a) Amortization Expenses (-)

	01.01-31.12.2020	01.01-31.12.2019
Cost of the Services Sold	7,441,245	4,522,601
Total	7,441,245	4,522,601

b) Personnel Expenses (-)

	01.01-31.12.2020	01.01-31.12.2019
Overhead Expenses	823,839	660,830
Total	823,839	660,830

NOTE 33 - OTHER INCOMES/EXPENSES FROM MAIN ACTIVITIES

a) Other Incomes from Main Activities

Other Operating Incomes	01.01-31.12.2020	01.01-31.12.2019
Terminated Provisions	379,610	2,318,425
Fair Value Revaluation	456,521,760	535,374,366
Fixed Assets Sales Profit	3,694	42,000
Incomes to be Invoiced	206,511	188,804
Deferred Financing Incomes	456,799	813,544
Exchange Difference Incomes	1,643,400	3,202,828
Other Incomes	1,190,068	1,458,271
Total	460,401,842	543,398,238

b) Other Expenses from Main Operations (-)

Other Operating Expenses (-)	01.01-31.12.2020	01.01-31.12.2019
Provision Expenses (-)	4,431,770	4,587,611
Exchange Difference Expenses (-)	329,025	3,144,702
Deferred Financing Expenses (-)	282,013	204,397
Incomes to be Invoiced (-)	11,755	20,893
Non-Deductible Expenses (-)	1,490,720	744,966
Sell & Lease Back Period Expense	1,143,910	1,143,910
Other Expenses and Losses (-)	197,399	-
Total	7,886,592	9,846,479

NOTE 34 - INCOMES FROM INVESTMENT OPERATIONS

Company has no incomes from investment activities (31 December 2019: None.)

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NOTE 35 - EXPENSES DUE TO INVESTMENT OPERATIONS (-)

Company has no expenses from investment activities (31 December 2019: None.)

NOTE 36 - FINANCING INCOMES

Financing Incomes	01.01-31.12.2020	01.01-31.12.2019
Securities Sales Profits	-	9,170
Interest Incomes	11,095,507	6,250,742
Exchange Difference Incomes	22,171,689	41,258,038
Total	33,267,196	47,517,950

NOTE 37 - FINANCING EXPENSES (-)

Financing Expenses (-)	01.01-31.12.2020	01.01-31.12.2019
Interest Expenses (-)	132,614,318	114,403,589
Exchange Difference Expenses (-)	172,328,454	113,580,692
Commission Expenses (-)	1,530	4,438
Total	304,944,302	227,988,719

NOTE 38 - DISCONTINUED OPERATIONS

None. (31 December 2019: None.)

NOTE 39 - TAX PROVISIONS AND LIABILITIES

Corporate Tax

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 Company from real estate investment trust activities are exempt from corporate tax, no deferred tax assets and liabilities are calculated.

NOTE 40 - EARNINGS PER SHARE

Profit/Loss per share is calculated by dividing net profit/loss of shareholders with the weighted average of number of ordinary shares.

	01.01-31.12.2020	01.01-31.12.2019
Net Profit / (Loss) for the Period	410,426,474	548,706,851
Weighted Average Number of Shares	246,000,001	246,000,001
Earnings/(Losses) per Share	1.6684	2.2305

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NOTE 41 NATURE AND LEVEL OF THE RISKS ARISING OUT OF FINANCIAL INSTRUMENTS

a) Capital risk management

Company 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. Company's capital structure consists in the debts which also include the loans disclosed in Notes 9 and 10; cash and cash equivalents which are disclosed in Note 7, and equities which also include issued capital, capital reserves, profit reserves, and accumulated profits disclosed in Note 29.

The capital costs as well as risks of the Company 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. Company 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.

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

	31 December 2020	31 December 2019
Total Financial Payables	1.312.078.353	1,062,150,726
Minus: Cash and Cash Equivalents	(222,856,883)	(43,137,369)
Net Liability	1.089.221.470	1,019,013,357
Total Equity	2,107,707,037	1,698,535,300
Financial Liability/Equity Ratio	0.52	0.60

Company has no financial instrument intended for speculation (including financial instruments in the form of derivative), and does not engage in trading of these instruments.

b) Important Accounting Policies

Important accounting policies of the Company in relation with the financial instruments are disclosed in Footnote 2.

c) Risks to which Company is exposed

Due to its activities, Company is exposed to changes in interest rate and other risks. Company is exposed to the risk of failure of other parties to perform their contractual obligations as it holds financial instruments. Market risks at the level of Company are measured according to sensitivity analyses. There was no change in the current year compared to last year in terms of market risk, or handling method, or measurement method of these risks used by Company.

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NOTE 41 - NATURE AND LEVEL OF THE RISKS ARISING OUT OF FINANCIAL INSTRUMENTS (cont'd)

c.1) Foreign exchange risk and management

Transactions in foreign currencies lead to the foreign exchange risk. Company 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. Company'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. Company is mainly exposed to the foreign exchange risk due to its assets and liabilities in ABD. Another important currency unit is Euro in terms of foreign exchange risk.

Provided that the other conditions remain same, if foreign exchange rate were realized by 10% higher / lower, the period profit/(loss) before tax and minority share would have been TRY 31,437,288 lower/higher as of 31 December 2020 (31 December 2019: Period profit/(loss) would have been TRY 70,728,507 lower/higher)

Foreign Exchange Rate Sensitivity Analysis Statement
31 December 2020

	Profit/Loss		Equities	
	Appreciation of foreign currency	Devaluation of foreign currency	Appreciation of foreign currency	Devaluation of foreign currency
In case of change of US Dollars against TRY by 10%				
1- Net assets/(liabilities) in USD	(10,119,684)	10,119,684	-	-
2- Part hedged against USD risk (-)	-	-	-	-
3- Net effect of USD (1+2)	(10,119,684)	10,119,684	-	-
In case of change of EURO against TRY by 10%:				
4- Net assets/(liabilities) in EUR	(21,317,604)	21,317,604	-	-
5- Part hedged against EUR risk (-)	-	-	-	-
6- Net effect of EUR (4+5)	(21,317,604)	21,317,604	-	-
TOTAL (3+6)	(31,437,288)	31,437,288	-	-

Foreign Exchange Rate Sensitivity Analysis Statement
31 December 2019

	Profit/Loss		Equities	
	Appreciation of foreign currency	Devaluation of foreign currency	Appreciation of foreign currency	Devaluation of foreign currency
In case of change of US Dollars against TRY by 10%				
1- Net assets/(liabilities) in USD	(34,585,370)	34,585,370	-	-
2- Part hedged against USD risk (-)	-	-	-	-
3- Net effect of USD (1+2)	(34,585,370)	34,585,370	-	-
In case of change of EURO against TRY by 10%:				
4- Net assets/(liabilities) in EUR	(36,143,137)	36,143,137	-	-
5- Part hedged against EUR risk (-)	-	-	-	-
6- Net effect of EUR (4+5)	(36,143,137)	36,143,137	-	-
TOTAL (3+6)	(70,728,507)	70,728,507	-	-

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NOTE 41 - NATURE AND LEVEL OF THE RISKS ARISING OUT OF FINANCIAL INSTRUMENTS (cont'd)

Currency Position Statement as of 31 December 2020	Current Period		
	TRY equivalent (Functional currency)	USD	EUR
1. Account Receivables	503,236	-	55,866
2a. Monetary Financial Assets	152,231,575	3,252,090	14,249,671
2b. Non-monetary Financial Assets	-	-	-
3. Others	-	-	-
4. Current Assets (1+2+3)	152,734,810	3,252,090	14,305,537
5. Non-monetary Financial Assets	-	-	-
6. Others	-	-	-
7. Fixed Assets (5+6)	-	-	-
8. Total Assets (4+7)	152,734,810	3,252,090	14,305,537
9. Account Payables	1,912,370	88,069	140,532
10. Financial Liabilities	217,620,320	7,892,674	17,727,122
11. Other Monetary Liabilities	-	-	-
12. Short-Term Liabilities	219,532,690	7,980,743	17,867,654
13. Financial Liabilities	247,575,004	9,057,443	20,103,336
14. Long-Term Liabilities	247,575,004	9,057,443	20,103,336
15. Total Liabilities (12+14)	467,107,694	17,038,187	37,970,991
16. Net Foreign Currency Asset/ (Liability) Position (8-15)	(314,372,884)	(13,786,097)	(23,665,454)
17. Net Foreign Currency Asset / (Liability) Position	(314,372,884)	(13,786,097)	(23,665,454)

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NOTE 41 - NATURE AND LEVEL OF THE RISKS ARISING OUT OF FINANCIAL INSTRUMENTS (cont'd)

Currency Position Statement as of 31 December 2019	TRY Equivalent (Functional currency)	Previous Period	
		USD	EUR
1. Account Receivables	168,216	-	25,293
2a. Monetary Financial Assets	13,603,538	727,980	1,395,242
2b. Non-monetary Financial Assets	-	-	-
3. Others	-	-	-
4. Current Assets (1+2+3)	13,771,754	727,980	1,420,535
5. Non-monetary Financial Assets	-	-	-
6. Others	-	-	-
7. Fixed Assets (5+6)	-	-	-
8. Total Assets (4+7)	13,771,754	727,980	1,420,535
9. Account Payables	3,485,217	30,486	496,816
10. Financial Liabilities	235,937,758	20,845,912	16,856,956
11. Other Monetary Liabilities	-	-	-
12. Short-Term Liabilities	239.422.975	20,876,398	17,353,772
13. Financial Liabilities	481,633,848	38,074,150	38,412,441
14. Long-Term Liabilities	481.633.848	38,074,150	38,412,441
15. Total Liabilities (12+14)	721,056,823	58,950,549	55,766,213
16. Net Foreign Currency Asset/ (Liability) Position (8-15)	(707,285,069)	(58,222,569)	(54,345,678)
17. Net Foreign Currency Asset / (Liability) Position	(707,285,069)	(58,222,569)	(54,345,678)

c.2) Interest rate risk and management

Company's liabilities relating to the financial liabilities with fixed and variable interest are provided in Note 9, and Assets with Fixed Interest (deposit, etc.) are provided in Note: 7.

Interest Position Statement		31 December 2020	31 December 2019
Financial Instruments with Fixed Interest			
Financial Assets	Time Deposits	212,179,431	41,321,891
Financial Liabilities	Bank Loans and Financial Leasing Liabilities	1,221,736,485	803,585,517
Financial Instruments with Variable Interest			
Financial Liabilities	Bank Loans	90,341,868	258,565,209

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NOTE 41 - NATURE AND LEVEL OF THE RISKS ARISING OUT OF FINANCIAL INSTRUMENTS (cont'd)

Since fixed interest rate bearing liabilities and assets of the Company are generally short-term, Company's financial statements becomes exposed to the effects of changes in the interest rates. Therefore, an interest analysis is made on the basis of net amount of the fixed and variable interest bearing all assets and liabilities of Company with variable interest. Another assumptions used in the analysis is that all variables, other than interest rates, remain same. Also, balance of net assets and liabilities with interest are assumed as constant all along the period.

c.3) Credit risk management

Holding a financial instrument is also exposed to the risk of failure of other parties to perform their contractual obligations. Collection risk of the Company arises out of the its account receivables and other receivables. A substantial part of the account receivables of the Company arises out of the local receivables and there is no specific concentration. A substantial part of other receivables of the Company is the receivables from related parties, and details of these receivables are provided in Note 6. Account receivables and other receivables are evaluated by considering the Company's policies and procedures, and for this purpose, are recognized on the balance sheet, net of provisions for Doubtful Receivables. (Note 7)

31 December 2020		Receivables				Cash and Cash Equivalents Deposits in banks
		Account Receivables		Other Receivables		
		Related party	Other party	Related party	Other party	
Current Period						
Maximum credit risk exposed by reporting date (A+B+C+D+E) (1)		6,291,523	14,141,083	-	578,782	222,856,883
- The part of maximum risk assured by guarantee etc.		-	-	-	-	-
A.	Net book value of undue or unimpaired financial assets (2)	6.291.523	14,141,083	-	578,782	222,856,883
B.	Book value of financial assets conditions of which were renegotiated, which would have been deemed due or impaired otherwise	-	-	-	-	-
C.	Net book value of due but unimpaired assets	-	-	-	-	-
- Part assured with guarantee etc.		-	-	-	-	-
D.	Net book value of impaired assets	-	-	-	-	-
- Overdue (gross book value)		-	-	-	1,953,740	-
- Devaluation (-)		-	-	-	(1,953,740)	-
E.	Items entailing credit risk out of the balance sheet	-	-	-	-	-

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NOTE 41 - NATURE AND LEVEL OF THE RISKS ARISING OUT OF FINANCIAL INSTRUMENTS (cont'd)

31 December 2019	Receivables				Cash and Cash
	Account Receivables		Other Receivables		Equivalents
	Related party	Other party	Related party	Other party	Deposits in banks
Previous Period					
Maximum credit risk exposed by reporting date (A+B+C+D+E) (1)	801,103	10,418,447	395,037	411,232	43,137,369
- The part of maximum risk assured by guarantee etc.	-	-	-	-	-
A. Net book value of undue or unimpaired financial assets (2)	801,103	10,418,447	395,037	411,232	43,137,369
B. Book value of financial assets conditions of which were renegotiated, which would have been deemed due or impaired otherwise	-	-	-	-	-
C. Net book value of due but unimpaired assets	-	-	-	-	-
- Part assured with guarantee etc.	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Overdue (gross book value)	-	-	-	1,953,740	-
- Devaluation (-)	-	-	-	(1,953,740)	-
E. Items entailing credit risk out of the balance sheet	-	-	-	-	-

c.4) Liquidity Risk and Management

Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity Risk Statements

A prudent liquidity risk management means holding sufficient cash at hand, availability of the fund resources with sufficient amount of the credit transactions, and the capacity to clear off the market positions. The risks of funding existing and potential borrowing requirements are managed by constantly maintaining availability of the credit providers in sufficient number and high quality.

The following statement shows the maturity distribution of the non-derivative financial liabilities of the company on the basis of TRY.

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NOTE 41 - NATURE AND LEVEL OF THE RISKS ARISING OUT OF FINANCIAL INSTRUMENTS (cont'd)

31 December 2020	Book Value	Total Cash Outflows Expected	Shorter than 3 months	3 to 12 months	1 to 5 years	Longer than 5 years
Non-Derivative Financial Liabilities	1.400.887.056	1,649,223,938	226,139,306	408,190,346	1,005,966,175	8,928,111
Bank loans	1,236,789,963	1,512,870,139	163,193,767	369,691,785	971,056,591	8,927,996
Financial Leasing Liabilities	75,288,390	81,994,208	11,916,142	35,168,367	34,909,584	115
Trade Payables	46,278,882	46,584,139	46,584,139	-	-	-
Other payables	42,529,821	7,775,452	4,445,258	3,330,194	-	-
31 December 2019	Book Value	Total Cash Outflows Expected	Shorter than 3 months	3 to 12 months	1 to 5 years	Longer than 5 years
Non-Derivative Financial Liabilities	1.093.538.132	1,257,421,211	162,937,660	320,939,199	756,570,274	16,974,077
Bank loans	990,461,283	1,145,589,064	131,262,428	287,571,114	709,781,560	16,973,962
Financial Leasing Liabilities	71,689,443	80,296,856	8,299,733	25,338,834	46,658,174	115
Trade Payables	13,452,072	13,575,675	13,575,675	-	-	-
Other payables	14,375,464	14,375,464	6,215,672	8,029,252	130,540	-

c.5) Analysis of Other Risks

Risks Relating to Share Certificate etc. Financial Instruments

Company has no financial assets held for the purposes of trading as of 31 December 2020.

NOTE 42 - FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

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.

Company 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 Company 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.

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NOTE 42 - FINANCIAL INSTRUMENTS (cont'd)

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 2020

Financial Assets	<u>31 December 2020</u>	<u>1. Level</u>	<u>2. Level</u>	<u>3. Level</u>
Investment Properties	3,022,496,457	-	3,022,496,457	-

Fair Value Level as of 31 December 2019

Financial Assets	<u>31 December 2019</u>	<u>1. Level</u>	<u>2. Level</u>	<u>3. Level</u>
Investment Properties	2,552,800,823	-	2,552,800,823	-

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NOTE 43 - EVENTS AFTER BALANCE SHEET DATE

31 December 2020

Pursuant to its Resolution No 613 of 4.01.2021, Reysaş Gayrimenkul Yatırım Ortaklığı decided to increase the registered capital ceiling of TRY 500,000,000 up to TRY 1,000,000,000, and update the validity period of registered capital ceiling so that it will cover the years 2021-2025, and for this purpose, submit its application to Capital Market Board on 14.01.2021 in order for amendment of the Article 8 "Capital and Shares" of its Articles of Association.

NOTE 44 - OTHER ISSUES

Financial Statements are signed off by Company's Board of Directors on 03 February 2021 for publication at Public Disclosure Platform (KAP). Despite not being specifically intended for, Company Management and some regulatory bodies are legally authorized to make amendments to the financial statements after their publications.

NOTE 45 - 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 2020 pursuant to "Communique 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 "Communique 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 "Communique on Amendment to Communique 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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NOTE 45 - ADDITIONAL NOTE: CONTROL OF COMPLIANCE WITH PORTFOLIO RESTRICTIONS (continued)

In this context, information about total assets, total portfolio, and portfolio restrictions as of 31 Decembet 2020 and 31 December 2019 are as follows:

	Non-Consolidated (Individual) Financial Statement Main Account Items	Relevant Regulation in the Communique	Current Period (TRY) 31 December 2020	Previous Period (TRY) 31 December 2019
A	Money And Capital Market Instruments	Art. 24/(b)	222,856,883	43,137,365
B	Properties, Property-Based Projects, Property-Based Rights	Art. 24/(a)	3,022,496,457	2,552,800,823
C	Subsidiaries	Art. 24/(b)	72,619,858	73,590,496
	Receivables from related parties (non-trade)	Art. 23/(f)	0	395,037
	Other Assets		161,585,108	122,855,328
D	Total Assets (Total Assets)	Art./(p)	3,479,558,306	2,792,779,049
E	Financial Payables	Md.31	1,236,789,963	990,461,283
F	Other Financial Liabilities	Md.31	-	-
G	Financial Leasing Payables	Md.31	75,288,390	71,689,443
H	Payables to related parties (non-trade)	Art. 23/(f)	0	130,540
İ	Equities	Md.31	2,107,707,037	1,698,535,300
	Other Liabilities		59,772,916	31,962,483
D	Total Liabilities	Art./(p)	3,479,558,306	2,792,779,049
	Other Non-Consolidated (Individual) Financial Information	Relevant Regulation in the Communique	Current Period (TRY) 31 December 2020	Previous Period (TRY) 31 December 2019
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 TRY time deposit/contribution account	Art. 24/(b)	222,856,879	43,137,365
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)	148,690,000	128,355,000
C1	Foreign Subsidiaries	Art. 24/(d)	-	-
C2	Participation In Operating Company*	Art.28/1(a)	560,167	-
J	Non-Cash Loans	Md.31	1,021,072	165,638
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.24/(l)	-	-

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NOTE 45 - ADDITIONAL NOTE: CONTROL OF COMPLIANCE WITH PORTFOLIO RESTRICTIONS (continued)

	Portfolio Restrictions	Relevant Regulation in the Communique	Current Period 31 December 2020	Previous Period 31 December 2019	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)	0,00%	0,00%	≤10%
2	Properties, Property-Based Projects, Property-Based Rights	Art.24/(a),(b)	86,86%	91,41%	≥51%
3	Money and Capital Market Instruments and Subsidiaries	Art. 24/(b)	8,49%	4,18%	≤49%
4	Foreign Properties, Property-Based Projects, Property-Based Rights, Subsidiaries, Capital Market Instruments	Art. 24/(d)	0,00%	0,00%	≤49%
5	Inactive Lands	Art. 24/(c)	4,27%	4,60%	≤20%
6	Participation in operating company	Art.28/1(a)	0,02%	0,00%	≤10%
7	Borrowing Limit	Md.31	62,30%	62,55%	≤500%
8	Foreign Currency Draw-Time Deposits / Special Current-Contribution Account and TRY time deposit/contribution account	Art. 24/(b)	6,40%	1,54%	≤10%
9	Sum of the money and capital market instrument investments in a single company	Art. 22/(1)	0,00%	0,00%	≤10%