

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

**REYSAŞ GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.
AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD
1 JANUARY – 31 DECEMBER 2022
TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT**

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31 DECEMBER 2022 AND 2021

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REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AS OF 31.12.2022 AND 31.12.2021
(All amounts in Turkish Lira ("TL") unless indicated otherwise.)

	Note	Audited 31.12.2022	Restated Audited 31.12.2021
<u>ASSETS</u>			
CURRENT ASSETS		941.393.707	555,647,831
Cash and Cash Equivalents	6	688.296.732	426,697,788
Trade Receivables			
- Trade receivables from related parties	5	199.418.548	23,987,039
- Trade receivables from third parties	8	24.720.903	19,580,688
Other Receivables			
- Other receivables from related parties	5	--	55,594,526
- Other receivables from third parties	9	2.968.690	5,432,595
Inventories	13	506.155	287,767
Prepaid Expenses			
- Prepaid expenses from related parties	17		--
- Prepaid expenses from third parties	17	19.304.128	2,328,289
Assets related with current year tax		489.827	1,638,877
Other current assets	18	5.688.725	20,100,262
		941.393.707	555,647,831
NON-CURRENT ASSETS		13.875.760.473	5,114,735,809
Other Receivables			
- Other receivables from third parties	9	6.500	3,394
Inventories	13	101.499.490	56,897,916
Investments accounted by using equity method	10	80.529.041	76,978,147
Investment Properties	11	13.445.235.000	4,872,329,172
Tangible assets		219.000.497	
- Machinery and equipment	12		77,030,472
- Motor vehicles	12		85,858
- Furniture and fixtures	12		7,176,542
- Leasehold improvements	12		44,230
Prepaid expenses	17	29.432.248	24,067,873
Deferred tax assets	26	57.696	122,205
		13.875.760.473	5,114,735,809
TOTAL ASSETS		14.817.154.181	5.670.383.640

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

(*): These consolidated financial statements have been approved for issue by the Board of Directors on 20/02/2023

REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AS OF 31.12.2022 AND 31.12.2021
(All amounts in Turkish Lira ("TL") unless indicated otherwise.)

	Note	Audited 31.12.2022	Restated Audited 31.12.2021
LIABILITIES			
SHORT TERM LIABILITIES		866.303.743	842,290,696
Short-term borrowings			
- Bank Loans	7	231.076.972	155,870,675
Short term portion of long-term borrowings			
- Bank Loans	7	518.703.193	604,785,007
- Leasing	7	33.388.982	25,321,082
Trade payables			
- Trade payables to related parties	5	--	14,490,103
- Trade payables to third parties	8	40.330.500	9,227,681
Payables related to employee benefits	16	986.383	453,533
Other Payables			
- Other payables to related parties	5	8.810.888	13,475,432
- Other payables to third parties	9	27.609.198	9,025,356
Deferred Income	17	424.928	758,726
Current tax liabilities	25	439.365	59,310
Short-term provisions			
- Short-Term provisions for employee benefits	16	495.283	148,621
- Other short-term provision	14	4.038.053	8,675,170
		866.303.743	842,290,696
LONG-TERM LIABILITIES		1.665.701.754	878,272,152
Long-term borrowings			
- Bank Loans	7	1.541.714.315	843,468,718
- Leasing	7	92.518.795	23,799,080
Other Payables			
- Other payables to related parties	5	--	2,790,371
- Other payables to third parties	9	1.280.603	2,703,792
Deferred Income	17	36.640	226,502
Long-term provision			
- Long-term provisions for employee benefits	16	1.096.419	699,149
- Other long-term provision		23.690.151	336,892
Deferred tax liability	25	5.364.831	4,247,648
		1.665.701.754	878,272,152
EQUITY		12.285.148.684	3,949,820,792
Equity of Parent Company			
Share Capital Paid	19	500.000.000	500,000,000
Share Premium/Discount	19	331.244	331,244
Reacquired shares (-)	19	(3.052.439)	(3,052,439)
Effects of business combinations under common control	3	2.816.351	(10,633,456)
Other Comprehensive income or expenses that will not be reclassified subsequently to profit or loss			
- Revaluation and Measurement Gain / Loss	19	92.415.234	99,075,327
- Shares of Other Comprehensive Income of Investments Valued by the Equity	10	60.483.626	42,533,800
Method Not to be Classified in Profit/Loss			
- Other Gain / Loss	19	1.349.548	(178,293)
Restricted Reserves	19	9.568.612	9,568,612
Retained Earnings / Loss	19	3.282.555.665	1,764,526,292
Net Profit / Loss for the Period	26	8.338.680.843	1,547,649,705
TOTAL EQUITY OF PARENT COMPANY		12.285.148.684	3,949,820,792
Non-controlling Interest		--	--
TOTAL EQUITY		12.285.148.684	3,949,820,792
TOTAL LIABILITIES		14.817.154.181	5,670,383,640

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

(*): These consolidated financial statements have been approved for issue by the Board of Directors on 20/02/2023

REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31.12.2022 AND 31.12.2021
(All amounts in Turkish Lira ("TL") unless indicated otherwise.)

		Audited 01.01.- 31.12.2022	Audited 01.01.- 31.12.2021
CONTINUING OPERATIONS	Note		
Revenue	20	662.251.735	324,989,231
Cost of Sales (-)	20	(92.822.544)	(52,559,072)
GROSS PROFIT/LOSS		569.429.191	272,430,159
General Administrative Expenses (-)	21	(25.124.963)	(5,008,347)
Marketing, Selling and Distribution Expenses (-)	21	(699.970)	(332,216)
Other Operating Incomes	23	42.126.247	21,176,581
Other Operating Expenses (-)	23	(18.433.219)	(11,186,803)
OPERATING PROFIT/LOSS		567.297.287	277,079,374
Income from Investing Activities	24	8.145.633.164	1,578,890,310
Shares of Profits/Losses of Investments accounted by using Equity Method	10	6.660.093	4,765,764
OPERATING PROFIT / LOSS BEFORE FINANCING EXPENSES		8.719.590.544	1,860,735,448
Financial Income	25	176.389.637	104,202,160
Financial Expenses (-)	25	(555.935.449)	(415,571,338)
PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS		8.340.044.733	1,549,366,270
Tax expense/ income from continued operations		(1.363.890)	(1,716,565)
- Tax Expense / Income for the Period	26	(182.198)	(257,168)
- Deferred Tax Expense(-)/Income	26	(1.181.692)	(1,459,397)
NET PROFIT/LOSS FOR THE YEAR		8.338.680.843	1,547,649,705
Distribution of Profit / Loss for the Period			
Non-controlling Interest		--	--
Equity Holders of Parent	27	8.338.680.843	1,547,649,705
Earnings Per Share			
Earnings Per Share From Continuing Operations	27	16,6774	3.0953
Diluted Earnings Per Share			
Diluted Earnings Per Share From Continuing Operations	27	16,6774	3.0953
OTHER COMPREHENSIVE INCOME:			
Items not to be Reclassified Under Profit or Loss			
Gain/Loss Arising from Defined Benefit Plans		(256.826)	(154,766)
Shares of Other Comprehensive Income of Investments Valued by the Equity Method		60.483.626	42,533,800
Not to be Classified in Profit/Loss			
Not To Be Reclassified to Profit or Loss, Tax Effect			
- Deferred Tax Expense(-)/Income	26	(59.070)	23,821
OTHER COMPREHENSIVE INCOME		60.167.729	42,454,051
TOTAL COMPREHENSIVE INCOME		8.398.848.572	1,590,052,560
Attributable to:			
Non-controlling Interest		--	--
Equity Holders of Parent		8.398.848.572	1,590,052,560

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

(*): These consolidated financial statements have been approved for issue by the Board of Directors on 20/02/2023

REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED 31.12.2022 AND 31.12.2021
(All amounts in Turkish Lira ("TL") unless indicated otherwise.)

						Other comprehensive loss to be reclassified to profit or loss		Other comprehensive loss not to be reclassified to profit or loss						
										Retained earnings				
	Note	Capital Paid	Share Premium /Discount	Reacquired shares	Effects of business combinations under common control	Revaluation and Measurement Gain Loss	Shares of Other Comprehensive Income of Investments Valued by the Equity Method Not to be Classified in Profit/Loss	Other Gain / (Loss)	Restricted Reserves	Previous Year's Profit / (Loss)	Net Profit / Loss for the Period	Equity Holders of the Parent	Non-controlling Interests	Total Equity
Balance at 01 January 2021		246,000,001	--	(1,047,230)	(10,633,456)	99,075,327	--	(47,348)	7,563,403	1,356,369,865	410,426,474	2,107,707,036	--	2,107,707,036
Paid Capital		253,999,999			--	--	--		--	--	--	253,999,999	--	253,999,999
Share Premium		--	331,244	--	--	--	--		--	--	--	331,244	--	331,244
Reacquired Shares		--	--	(2,005,209)	--	--	--		--	--	--	(2,005,209)	--	(2,005,209)
Reserves for Reacquired Shares		--	--	--	--	--	--		2,005,209	(2,005,209)	--	--	--	--
Transfer to reserves and previous year's profits / loss	19	--	--	--	--	--	--	--	--	410,426,474	(410,426,474)	--	--	--
Other		--	--	--	--	--	--		--	(264,838)	--	(264,838)	--	(264,838)
Total comprehensive income / (expenses)	27	--	--	--	--	--	42,533,800	(130,945)	--	--	1,547,649,705	1,590,052,560	--	1,590,052,560
Balance at 31 December 2021		500,000,000	331,244	(3,052,439)	(10,633,456)	99,075,327	42,533,800	(178,293)	9,568,612	1,764,526,292	1,547,649,705	3,949,820,792	--	3,949,820,792
Balance at 01 January 2022		500.000.000	331.244	(3.052.439)	(10.633.456)	99.075.327	42.533.800	(178.293)	9.568.612	1.764.526.292	1.547.649.705	3.949.820.792	--	3.949.820.792
Share Premium		--	--	--	--	--	--	--	--	--	--	--	--	--
Reacquired Shares		--	--	--	--	--	--	--	--	--	--	--	--	--
Increase (decrease) due to other changes		--	--	--	--	--	--	--	--	--	(1.547.649.705)	(1.547.649.705)	--	(1.547.649.705)
Total comprehensive income / (expenses)	27	--	--	--	13.449.807	(6.660.093)	17.949.826	1.527.841	--	1.518.029.373	8.338.680.843	9.882.977.597	--	9.882.977.597
Balance at 31 December 2022		500.000.000	331.244	(3.052.439)	2.816.351	92.415.234	60.483.626	1.349.548	9.568.612	3.282.555.665	8.338.680.843	12.285.148.684	--	12.285.148.684

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

(*): These consolidated financial statements have been approved for issue by the Board of Directors on 20/02/2023

REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE YEARS ENDED 31.12.2022 AND 31.12.2021
(All amounts in Turkish Lira ("TL") unless indicated otherwise.)

	Note	01.01.- 31.12.2022	01.01.- 31.12.2021
A. CASH FLOWS FROM OPERATING ACTIVITIES		8.290.078.698	(2,808,901)
Profit / (loss) for the period	26	8.338.680.843	1,547,649,705
Adjustments Regarding Profit/(Loss) for the Period		290.607	(1,426,648,186)
Depreciation and amortization	12	12.661.760	10,586,048
Adjustments for Impairment/Cancellation		--	--
Changes in other provisions		--	--
- Provision for employment termination benefits	15	--	233,279
- Provisions for possible losses	8	(8.123.961)	586,826
- Provisions for court case expenses	14	--	4,319,946
Interest income and expenses			
- Interest income	8	--	550,994
- Interest expense	8	--	(257,782)
Adjustments for Unrealized Currency Translation Differences	23 -25	--	139,208,886
Adjustments for Fair Value Loss (Gains)	11	--	(1,578,562,346)
Adjustments Regarding Retained Earnings of Investments Accounted by Using Equity Method		--	--
- Adjustments Regarding Retained Profits of Subsidiaries	10	--	(4,765,764)
Tax income / (expenses)	26	(4.247.192)	1,716,565
Other Adjustments Regarding Profit/Loss Reconciliation		--	(264,838)
Changes in Working Capital		(48.892.752)	(123,145,091)
(Increase) / decrease in inventories	13	(44.819.963)	(116,059)
Increase/(decrease) in trade receivables		--	--
- Trade receivables from related parties	5	(180.571.724)	(17,794,419)
- Trade receivables from third parties	8	--	(5,674,346)
Increase/(decrease) in other receivables regarding operating activities		--	--
- Other receivables from third parties	5	--	(55,594,526)
(Increase) / decrease in prepaid expenses	9	--	(4,835,744)
(Increase) / decrease in trade payables		58.055.325	(20,790,365)
- Trade payables to related parties		--	--
- Trade payables to third parties	5	16.612.716	(22,932,726)
Increase/(decrease) in other payables regarding operating activities	8	--	5,198,656
- Other payables to related parties		--	--
- Other payables to third parties	5	106.199.679	7,080,402
(Increase) / decrease in deferred income	9	--	3,862,395
Increase/(decrease) in payables regarding employee benefits	17	--	(400,612)
Other increase/(decrease) in working capital	16	--	456,162
Cash flow from provided operating activities		(4.368.786)	(11,603,909)
Tax paid/ tax refund		8.290.078.697	(2,143,572)
Changes in Working Capital		--	(665,329)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		(8.720.564.782)	(246,323,187)
Cash inflow from sale of tangible and intangible assets	11, 12	(8.720.564.782)	9,915,773
Cash outflow from purchase of tangible and intangible assets	11, 12	--	(29,533,592)
Cash outflow from purchase of investment properties		--	(226,705,368)
Cash inflow from sale of investment properties		--	--
C. CASH FLOWS FROM FINANCING ACTIVITIES		692.085.029	452,781,856
Cash Outflows from the Company's Own Shares	19	--	(2,005,209)
Proceeds from borrowings	7	--	718,500,000
Repayments of borrowings	7	692.085.029	(518,044,178)
Cash outflow from effects of business combinations under common control		--	--
Other inflows /(outflows) of cash	19	--	254,331,243
NET INCREASE DECREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF CURRENCY TRANSLATION RESERVES		261.598.945	203,649,768
D. THE EFFECT OF CURRENCY TRANSLATION RESERVES ON CASH AND CASH EQUIVALENTS		--	--
NET INCREASE /DECREASE IN CASH AND CASH EQUIVALENTS		261.598.945	203,649,768
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	426.697.788	223,048,020
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	688.296.733	426,697,788

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

(*): These consolidated financial statements have been approved for issue by the Board of Directors on 20/02/2023

REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 1-ORGANIZATION AND ACTIVITY OF THE GROUP

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

The Company, whose main shareholder is Reysaş Taşımacılık ve Lojistik Ticaret A.Ş. ("Reysaş Logistics") (61,47%) is registered in Turkey and carries out operations based at the address below:

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

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

As of 31 December 2022 the percentage of the publicly quoted shares of the Company is 29,89% (31 December 2021: 38.53%) and shares are traded at the National Market in Borsa Istanbul A.Ş. (BIST).

As of 31 December 2022 the average number of personnel employed at the Company is 11 (31 December 2021: 9).

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

	31 December 2022	Share (%)	31 December 2021	Share (%)
Reysaş Taşımacılık ve Lojistik Tic. A.Ş.	309.718.981,05	61,94	307,352,918	61.47%
Publicly traded shares *	40.850.000,49	8,17	192,647,058	38.53%
Others	149.431.018,46	29,89	24	0.00%
Paid in capital	500.000.000	100,00	500,000,000	100.00%

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS

2.1) Accounting Standards Applied

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

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

The financial statements were authorized for issue by the management on 20/02/2023. The General Assembly and certain regulatory bodies have the power to amend the financial statements prepared under the legal laws and regulations after their issue.

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

(Convenience translation of consolidated financial statements originally issued in Turkish)

REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021
(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

2.2) Application of Financial Reporting in High Inflation Economies

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

REYSAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

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

2.3) Functional Currency

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

2.4) Changes and Errors in Accounting Estimates

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

Fair value measurement of investment properties

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

2.5) Going Concern

As of 31 December 2021, the Group's current assets were TL 941.393.707 (31 December 2021: TL 555.647.831), short-term liabilities were TL 866.303.743 (31 December 2021: TL 842,290,696) and short-term liabilities exceeded short-term assets by TL 75.089.964 (31 December 2021: TL 286,642,865). Although this situation shows the existence of uncertainty regarding the continuity of the business, the Group's management increased its share capital from TL 246,000,001 to TL 500,000,000, all paid in cash, with the resolution of the Board of Directors dated 04.05.2021.

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

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

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

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

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

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

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

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

2.7) Principles of Consolidation

As of 31 December 2022 and 31 December 2021, the subsidiaries consolidated according to the full consolidation method and the effective ownership rates are as follows:

	31 December 2022		31 December 2021	
	Rate of direct ownership %	Rate of effective shareholders %	Rate of direct ownership %	Rate of effective shareholders %
Consolidated Companies				
Rey Otel Turizm İşletmeciliği ve Ticaret A.Ş. (*)	--	100	--	100

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

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

- Subsidiaries represent the businesses which are controlled by the parent company, directly or via other subsidiaries or affiliates, by holding more than 50% of the shares, voting rights under the capital and managerial relations, right to elect majority of the managers, or the managerial majority. Controlling power means the power of parent partnership to manage the financial and activity policies of the subsidiaries as well as to derive benefits from the activities.

- Subsidiaries are included in the scope of consolidation as of the date on which the control on their activities are transferred to Group and will be excluded from the consolidation as of the date on which such control ceases. Accounting policies implemented by subsidiaries are harmonized with the accounting policies implemented by the Group in order to ensure consistency

- Financial statements of the subsidiaries are consolidated using full consolidation method. In this context, the carrying amount of the subsidiaries are eliminated against their equities, and the carrying amount of the shares owned by Company and the dividends arising therefrom are eliminated against equity and income statement accounts.

- Receivables and payables of subsidiaries under consolidation to each other, as well as goods and service sales among them, and incomes and expenses incurred due to transactions among them are set off against each other.

- The amounts that correspond to the shares other than parent partnership and subsidiaries shall be deducted from all equity account items including paid-in/issued capital of subsidiaries under consolidation, which will then be indicated in the "Minority Interests" account group in the equity account group of the consolidated balance sheet.

Business Combinations Subject to Common Control

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

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

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

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2.8) Summary of Significant Accounting Policies

Revenues

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

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

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

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

Sale of real estate

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

Rental income from real estates

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

Service revenues

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

Interest income

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

Cost of sales

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

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Related parties

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

Cash and cash equivalents

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

Trade receivables and allowance for doubtful receivables

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

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

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

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

Account payables

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

Inventories

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

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

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

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

Investments Accounted by Using Equity Method

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

As of 31 December 2022, and 31 December 2021, the share ratios of the Group's subsidiaries and associates are shown in the table below:

	The Company's direct or indirect shares (%)	
	31.12.2022	31.12.2021
Ari Lojistik	50,00	50,00

Investment Properties

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

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

Fair Value Method

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

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

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

Property, plant and equipment

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

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

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

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

Tangible Fixed Assets

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

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

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

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

Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial instruments

Classification and measurement

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

(a) Financial assets measured at amortized cost

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

(b) Financial assets measured at fair value

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

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

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Financial instruments (Cont'd)

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

Leasing operations

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

Company as lessor

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

Company as tenant

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

Financial Liabilities

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

Borrowing cost

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

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

Corporate income tax

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

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

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Corporate income tax (Cont'd)

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

Current tax

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

Deferred tax

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

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

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

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

Period current and deferred tax

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

Employee benefits / retirement pay provision

Retirement pay provision

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

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Employee benefits / retirement pay provision (Cont'd)

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

Unused leave rights

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

Operating expenses

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

Offsetting

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

Foreign currency transactions

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

The year-end rates are shown below:

31.12.2022

Currency purchase

USD	18,6983
EURO	19,9349

Currency sale

USD	18,7320
EURO	19,9708

Provisions, contingent liabilities and contingent assets

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

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

Commitments and obligations

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

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Statement of cash flow

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

Determination of fair values

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

Fair Value Estimation

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

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

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

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

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

Control of compliance with respect to portfolio restrictions

As of 31 December 2022 and 31 December 2021, the information provided in the footnote titled "Control of Compliance with respect to Portfolio Restrictions" is presented as summary information derived from the financial statements in accordance with Article 16 of the CMB Serial: II, No: 14.1 "Communiqué on the Principles of Financial Reporting in the Capital Markets" and prepared within the framework of the provisions of the Communiqué on Principles Regarding Investment Companies and the Communiqué on the Amendment of the Communiqué on Principles Regarding Investment Trusts, Serial: III, No: 48.1a, published in the Official Gazette No: 28891 dated 23 January 2014, on the control of compliance with respect to portfolio restrictions, published in the Official Gazette Serial: III, No: 48.1 dated 28 May 2013.

Events After The Reporting Period

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

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

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

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

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Repurchased shares

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

2.9) New and Revised Standards and Comments

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE 3 – BUSINESS COMBINATIONS

a) At the Board Meeting held on 18 December 2015, the Company passed the resolution for the acquisition of the 34,21 % shares of Reysaş Turizm Yatırımları ve Tic.Ltd.Şti., 100% wholly owned by its main partner Taşımacılık ve

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Lojistik Ticaret A.Ş. Ltd. According to the valuation report No YMM.ÖA.466.1618.437/027 of 15.12.2015 issued by Türkmen Bağımsız Denetim ve YMM A.Ş. the value of Reysaş Turizm Yatırımları ve Tic.Ltd.Şti is determined as TL 40,295,922. On the basis of said valuation report, Company acquired 34,21% shares of Reysaş Turizm Yatırımları ve Tic.Ltd.Şti on 21.12.2015 for a price of TL 13,785,447.

The Company passed the resolution for acquisition of the entire remaining shares (65.79%). According to the valuation report of 15.12.2015 issued by CPATURK Bağımsız Denetim ve YMM A.Ş., the value of Reysaş Turizm Yatırımları ve Tic.Ltd.Şti is determined as TL 32,553,134. On the basis of said valuation report, Company acquired 65,79% shares of Reysaş Turizm Yatırımları ve Tic.Ltd.Şti on 31.12.2017 for a price of TL 21,416,710.

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

Total Current Assets	4.452.278
Total Fixed Assets	462.552
Total Short-Term Liabilities	(5.469.832)
Total Long-Term Liabilities	(154.836)
Net Assets Acquired	(709.838)
Purchasing Price	560.167
Effect of Combinations of Jointly Controlled Businesses	(1.270.005)

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

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

NOTE 4 – SEGMENT REPORTING

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

A reportable segment is a business segment, or a geographical segment identified based on the foregoing definitions for which segment information is required to be disclosed. A business segment or geographical segment should be identified as a reportable segment if a majority of its revenue is earned from sales to external customers and its revenue from sales to external customers and from transactions with other segments is 10% or more of the total revenue, external and internal, of all segments; or its segment result, whether profit or loss, is 10% or more of the combined result of all segments in profit or the combined result of all segments in loss, whichever is the greater in absolute amount; or its assets are 10% or more of the total assets of all segments.

The authorized body of the Group to pass resolutions with respect to the activities is the Chairman of the Board and the Board Members in line with the Board Resolutions taken and hold functions such as taking resolutions related to fund injection to the Group and its activities as well as evaluating the Group's performance. Since the Group's business scope is investment in the real estate, property-based capital market instruments, real estate projects, and property-based rights, it does not produce other goods and services, have no business in different areas. Therefore, no reporting by business units is made in the financial statements of Group (31 December 2021: None).

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NOTE 5 – RELATED PARTY TRANSACTIONS

Trade Receivables from Related Parties	31.12.2022	31.12.2021
Reysaş Taşımacılık ve Loj. A.Ş.(*)	--	23.383.182
Egemence İnşaat A.Ş.	47.773.066	--
Other	--	603.857
	47.773.066	23.987.039

Other Receivables from Related Parties	31.12.2022	31.12.2021
Reysaş Taşımacılık ve Loj. A.Ş.	--	55,594,526
	--	55,594,526

For the Group's current and notes receivables from related companies, an annual interest rate of 15,75% (31 December 2021: 13,48%) is applied in TL basis.

Other Current Assets Related Parties	31.12.2022	31.12.2021
Advances given to personnel	--	--
	--	--

NOTE 5 – RELATED PARTY TRANSACTIONS (CONT'D)

Trade Payables to Related Parties	31.12.2022	31.12.2021
Reysaş Taşımacılık ve Loj. A.Ş.	--	12,966,482
Egemence İnşaat A.Ş.	--	1,523,621
	--	14,490,103

Other Payables to Related Parties (short-term)	31.12.2022	31.12.2021
Arı Lojistik İnşaat San. ve Ticaret A.Ş. (*)	8.810.888	12,080,247
Other	--	1,395,185
	8.810.888	13,475,432

(*) As of 31.12.2022, the Group's other payables from Arı Lojistik İnşaat Sanayi ve Ticaret AŞ arise from commercial transactions.

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

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Purchases from Related Parties during the Period of 01.01.-31.12.2022:

	Fixed Asset	Other	Goods/Services	İnterest	İnvestment	Stock	Rent	Total
Egemence İnşaat Anonim Şirketi	1.379.300	883.419	203.900	702.013	333.215.157	196.175	--	336.579.965
Reysaş Taşımacılık ve Lojistik Tic. A.Ş.	391.785	87.738	3.638.571	--	3.222.484	--	2.134.001	9.474.579
Diğer	--	--	29.759	--	--	--	--	29.759
Genel Toplam	1.771.085	971.157	3.872.230	702.013	336.437.641	196.175	2.134.001	346.084.303

NOTE 5 – RELATED PARTY TRANSACTIONS (CONT'D)

Sales to Related Parties during the Period of 01.01.-31.12.2022:

	Rent	İnterest	Service	Other	Fixed Asset	Total
Rey Otel Turizm İşletmeciliği ve Tic. A.Ş.	11.292.311	106.313	392.006	2.680.247	--	14.470.877
Reysaş Taşımacılık ve Lojistik Tic. A.Ş.	109.064.038	22.997.225	18.412.805	217.210	3.217.538	153.908.816
Reysaş Taşıt Muayene İstasyonları İşletim A.Ş.	5.861.149	67.574	--	--	--	5.928.723
Reyline Uluslararası Taşımacılık Ltd. Şti.	3.661.603	25.457	--	--	--	3.687.060
Diğer	921.701	4.815.907	217.692	1.435.799	1.563.481	8.954.580
Total	130.800.802	28.012.476	19.022.503	4.333.256	4.781.019	186.950.056

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

	Fixed Asset	Other	Goods/Services	İnterest	İnvestment	Total
Egemence İnşaat Anonim Şirketi	--	--	205.615	--	83.148.917	83.354.532
Reysaş Taşımacılık ve Lojistik Tic. A.Ş.	1.753.578	1.756.278	8.393.281	7.316.304	8.289.998	27.509.439
Diğer	15.282	97.114	109.170	38.336	268.993	528.895
Total	1.768.860	1.853.392	8.708.066	7.354.640	91.707.908	111.392.866

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

	Rent	İnterest	Service	Total
Rey Otel Turizm İşletmeciliği ve Tic. A.Ş.	6.093.666	191.217	--	6.284.883
Reysaş Antrepo İşletmesi A.Ş.	2.614.835	69.421	44.047	2.728.303
Reysaş Taşımacılık ve Lojistik Tic. A.Ş.	31.305.555	3.795.662	383.947	35.485.164
Reysaş Taşıt Muayene İstasyonları İşletim A.Ş.	3.401.612	--	8630	3.410.242
Reyline Uluslararası Taşımacılık Ltd. Şti.	1.018.080	19.469	--	1.037.549
Diğer	380.650	172.230	43.375	596.255
Total	44.814.398	4.247.999	479.999	49.542.396

NOTE 5 – RELATED PARTY TRANSACTIONS (CONT'D)

Remuneration of board of directions and executive management:

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The total benefits provided by the Group to its board of directors and executive management during the period ended 31 December 2022 are TL 104.532 (31 December 2021: TL 82,036).

NOTE 6 – CASH AND CASH EQUIVALENTS

	31.12.2021	31.12.2020
Cash		
- Turkish Lira	43.130	41,116
- Foreign currency	--	1,101
Banks - Demand deposits		
- Turkish Lira	275.756.965	1,636,035
- Foreign currency	83.670.729	68,608,043
Banks – Time deposits (*)		
- Turkish Lira	288.841.518	133,363,788
- Foreign currency	--	222,838,102
Other liquid assets		
- Turkish Lira	219.402	209,603
	39.764.988	
	688.296.732	426,697,788

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

31 December 2022	Average Maturity	Interest Rate	Amount in Foreign currency	TL Equivalent
TL	1-35 gün	% 17,00-% 25,00	--	288.841.518
USD	--	--	--	--
EURO	--	--	--	--
Total				288.841.518

31 December 2021	Average Maturity	Interest Rate	Amount in Foreign currency	TL Equivalent
TL	1-35 gün	% 17,00-% 25,00	--	133.363.788
USD	3-30 gün	% 0,05-% 1,28	9.168.064	122.201.123
EURO	3 gün	% 0,01 -% 0,10	6.670.576	100.636.979
Total				356.201.890

31.12.2022 - DÖVİZDEN DÖNÜŞÜMLÜ KKM DETAY						
COMPANY	OPENING MATURITY	END OF MATURITY	AMOUNT	CURRENCY	EXCHANGE RATE	TL EQUIVALENT
İŞ BANKASI	1.12.2022	3.03.2023	3.034.045,00	EUR	19,96	58.880.194
İŞ BANKASI	1.12.2022	3.03.2023	2.639.860,53	USD	18,74	49.229.439
ZİRAAT BANKASI	15.11.2022	15.02.2023	1.000.000,00	USD	18,74	18.624.400
QNB FİNANSBANK	15.11.2022	15.02.2023	1.006.676,76	USD	18,74	18.745.529
TOTAL						145.479.563

*As of 31.12.2022, the company has 4,646.537 USD and 3,034,045 EUR Currency Conversion KKM.

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NOTE 7 – FINANCIAL LIABILITIES

As of 31 December 2022 and 31 December 2021, the Group's short and long term financial liabilities are as follows:

Short Term Financial Liabilities	31.12.2022	31.12.2021
Bank loans	231.076.972	155.870.675
Short-term portion of long-term bank loans	518.703.193	604.785.007
Financial lease liabilities, net	33.388.982	25.321.082
	783.169.147	785.976.764

Long Term Financial Liabilities	31.12.2022	31.12.2021
Bank loans	1.541.714.315	843.468.718
Financial lease liabilities, net	92.518.795	23.799.080
	1.634.233.110	867.267.798

The breakdown of financial liabilities by currency is as follows:

Short Term Financial Liabilities	31.12.2022	31.12.2021
TL Bank loans	633.728.244	545,350,225
USD Bank loans	--	8,329,576
EURO Bank loans	5.822.536	116.051.921
	749.780.165	760,655,682

Long Term Financial Liabilities	31.12.2022	31.12.2021
TL Bank loans	1.438.483.653	607.196.784
USD Bank loans	--	4.783.156
EURO Bank loans	5.178.545	103.230.662
	1.541.714.315	843.468.718

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

	31.12.2022	31.12.2021
Payable in 0-3 months	231.076.972	312.167.800
Payable in 4-12 months	442.665.208	448.487.882
Payable in 1-5 years	1.617.752.300	819.128.922
Payable in a period longer than 5 years	0	24.339.796
	2.291.494.480	1.604.124.400

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NOTE 7 – FINANCIAL LIABILITIES (CONT'D)

Short Term Financial Lease Payables	31.12.2022	31.12.2021
TL Bank loans	12.730.920	699.215
EURO Bank loans	1.036.276	20.658.062
	1.629.088	24.621.867
	33.388.982	25.321.082

Short Term Financial Lease Payables	31.12.2022	31.12.2021
TL Bank loans	81.786.397	--
EURO Bank loans	538.372	10.732.398
	1.574.649	23.799.080
	92.518.795	23.799.080

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

	31.12.2022	31.12.2021
Payable in 0-3 months	0	6.763.574
Payable in 4-12 months	33.388.982	18.557.508
Payable in 1-5 years	92.518.795	23.799.080
	125.907.777	49.120.162

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

	31.12.2022	31.12.2021
TL Bank loans	% 7,84 - % 27,96	% 7,84 - % 24,73
USD Bank loans	--	% 8,10 - % 10,94
EURO Bank loans	% 4,38 - % 5,48	% 4,38 - % 5,48

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

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

The financial ratios of the Group as of 31 December 2022 and 31 December 2021 are as follows:

	31.12.2022	31.12.2021
Current rate	112%	66%
Current ratio	79%	54%
Financial Leverage Ratio	17%	21%
Financing Rate	495%	53%

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NOTE 8 – TRADE RECEIVABLES AND PAYABLES

	31.12.2022	31.12.2021
Trade receivables		
-Non-Group trade receivables	30.745.147	16,178,619
-Trade receivables from related parties (Note 5)	47.773.066	23,987,039
Notes receivables	5.139.874	3,689,195
-Trade receivables from related parties (Note 5)	151.645.482	--
Discount on trade receivables (-)	(11.297.994)	(287,126)
Doubtful trade receivables	8.332.572	7,825,218
Provision for doubtful trade receivables (-)	(8.198.696)	(7,825,218)
	224.139.451	43,567,727

(*) Reysaş Taşımacılık Ve Lojistik Ticaret A.Ş. A promissory note with a maturity of 30/11/2024 was purchased from the company in December against the related debt.

The Group makes loss reserves for bad debts on the basis of customers. Amount of loss reserves comprise of receivables which may not be collected from the relevant customers. The movement of provisions for doubtful receivables in the periods ended 31.12.2022 and 31.12.2021 is as follows:

	01.01.- 31.12.2022	01.01.- 31.12.2021
1 January	7.825.218	7.420.177
Provisions for the period (Notes 22)	373.478	987.665
Receivables collected during the period (-) (Note 22)	--	(582.181)
Acquisition of subsidiary	--	--
Waived receivables which are uncollectible	--	(443)
End of the period	8.198.696	7.825.218

Short Term Trade Payables	31.12.2022	31.12.2021
Trade payables		
-Non-Group trade receivables	41.909.353	6.889.660
-Trade receivables to related parties (Note 5)	--	14.490.103
Note payables	--	2.432.786
Discount on trade payables (-)	(1.578.854)	(94.765)
	40.330.500	23.717.784

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NOTE 9 – OTHER RECEIVABLES AND PAYABLES

Short Term Other Receivables	31.12.2022	31.12.2021
Deposits and guarantees given	580.920	1,881,696
Other receivables to related parties (Note 5)	--	55,594,526
Doubtful Other receivables	--	1,953,740
Provision for doubtful other receivables (-)	--	(1,953,740)
Other (*)	2.387.770	3,550,899
	2.968.690	61,027,121
Long Term Other Receivables	31.12.2022	31.12.2021
Deposits and guarantees given	6.500	3.394
	6.500	3.394
Short Term Other Payables	31.12.2022	31.12.2021
Deposits and guarantees received	1.671.523	3.273.164
Taxes and funds payable	23.015.942	4.257.668
Other receivables to related parties (note 5)	8.810.888	13.475.432
Deferred payable to public sector in installments (*)	2.579.692	1.493.204
Other	342.040	1.320
	36.420.085	22.500.788
Long Term Other Payables	31.12.2022	31.12.2021
Other receivables to related parties (note 5)	--	2.790.371
Deferred payable to public sector in installments (*)	1.280.603	2.703.792
	1.280.603	5.494.163

(*) As of 31.12.2022, installment debts consist of property tax debts belonging to past periods that must be paid to municipalities in accordance with the “law on restructuring some receivables and amending some laws” No. 7256.

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NOTE 10 – INVESTMENTS ACCOUNTED BY USING EQUITY METHOD

Subsidiaries and Affiliates

As of 31 December 2022 and 31 December 2021, the book values of the Group's subsidiaries/affiliates in the balance sheet are as follows:

	31.12.2022		31.12.2021	
	Amount	%	Amount	%
Arı Lojistik (*)	80.529.041	50,00	76.978.147	50,00
	80.529.041		76.978.147	

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

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

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

	31 December 2022				
	Total Assets	Total Payables	Equity	Net Sales	Profit / (Loss)
Arı Lojistik	194.345.894	33.287.812	161.058.082	15.225.392	13.320.187

	31 December 2021				
	Total Assets	Total Payables	Equity	Net Sales	Profit / (Loss)
Arı Lojistik	193.960.809	(40.004.514)	153.956.294	10.179.684	9.531.529

Arı Lojistik	31.12.2022	31.12.2021
Total Assets	194.345.894	193.960.809
Total Liabilities	(33.287.812)	(40.004.514)
Net Assets	161.058.082	153.956.295
Carrying Amount of Subsidiary in GYO by Equity Method (50%)	80.529.041	76.978.147

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

As of 31 December 2022 and 2021, the movements of the investment in Arı Logistics are as follows:

	01.01.- 31.12.2022	01.01.- 31.12.2021
Balances as of 1 January	76,978,147	29,678,583
Share of Subsidiary in Period Profit / (Loss)	3,550,894	4,765,764
Share of the Subsidiary’s property, plant and equipment valuation	--	42,533,800
Total	80,529,041	76,978,147

NOTE 11 – INVESTMENT PROPERTIES

As of 31 December 2022 and 31 December 2021, the details of investment properties are as follows:

	31.12.2022	31.12.2021
Investment properties	13,445,235,000	4,791,605,001
Investment properties under project	--	80,724,171
Total	13,445,235,000	4,872,329,172

The fair value of the warehouses and warehouses under construction of the Company as of 31 December 2022 is calculated based on the valuation carried out by a qualified independent Property Valuation Company, Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş. The property valuations were conducted in accordance with International Valuation Standards, based on the Market Method, Cost (Expense) Method and Income (Productivity) Method. Net Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş, is an independent property valuer company authorized by Turkish Capital Market Board.

Insurance coverage on investment properties amounted to TL 3.106.483.596 (31 December 2021: TL 1.294.888.553).

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

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NOTE 11 – INVESTMENT PROPERTIES (CONT'D)

As of 31 December 2022, the movement table of the lands is as follows:

Province	District	Location	31.12.2021	Addition	Fair Value	31.12.2022
İstanbul	Pendik	Kurna Köyü	50.000.000	--	107.875.000	157.875.000
Kocaeli	Çayırova	Akse-12	19.000.000	--	25.925.000	44.925.000
Kocaeli	Kartepe	Maşukiye	4.250.000	--	8.364.000	12.614.000
Kocaeli	Kartepe	Uzuntarla-2	4.750.000	--	9.585.000	14.335.000
Sakarya	Arifiye	Yukarıkirezce-1	20.000.000	--	33.219.000	53.219.000
Samsun	Çarşamba	Irmaksırtı	9.000.000	--	(9.000.000)	--
Düzce	Merkez	Darıcı	9.250.000	--	5.630.000	14.880.000
Ankara	Gölbaşı	Oğulbey	7.800.000	--	20.034.000	27.834.000
Kastamonu	Merkez	Kuzeykent	5.750.000	--	9.878.000	15.628.000
Kocaeli	Gebze	Muallimköy	15.000.000	--	17.533.000	32.533.000
Ankara	Kahramankazan	Saray	27.000.000	--	46.331.000	73.331.000
Kocaeli	Gebze	Balçık	99.000.000	--	191.501.000	290.501.000
Ankara	Çankaya	Lodumu	1.840.000	--	3.213.000	5.053.000
Erzurum	Palandöken	Palandöken	5.300.000	--	17.446.000	22.746.000
İstanbul	Tuzla	Orhanlı	4.400.000	--	(4.400.000)	--
İzmir	Kemalpaşa	Ansızca	16.000.000	--	(16.000.000)	--
Ankara	Sincan	Yeni cimşit	16.500.000	--	93.188.000	109.688.000
İstanbul	Sancaktepe	1975 parsel	--	219.417.000	--	219.417.000
Adana	Sarıçam	Sarıçam	--	64.501.000	--	64.501.000
İzmir	Bayındır	2 parsel	--	20.734.000	--	20.734.000
İzmir	Bayındır	1-2-3 parsel	--	13.925.000	--	13.925.000
Adana	Sarıçam	1830-1831	--	6.645.000	--	6.645.000
İzmir	Torbalı	211 ada 5 parsel	--	73.545.000	--	73.545.000
Kastamonu	Merkez	Kuzeykent	--	9.300.000	12.010.000	21.310.000
Karabük	Merkez	Çerçiler	--	4.800.000	2.276.000	7.076.000
Bartın	Merkez	Balamba	--	3.800.000	5.635.000	9.435.000
Kastamonu	Tosya	Dilküşah	--	1.230.000	3.577.000	4.807.000
Eskişehir	Sivrihisar	Kurşunlu	--	1.300.000	969.000	2.269.000
İstanbul	Turna	Orhanlı	--	11.317.000	--	11.317.000
Adana	Sarıçam	Suluca 1902 parsel	--	4.720.000	--	4.720.000
Total			314.840.000	435.234.000	584.789.000	1.334.863.000

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

Province	District	Location	01.01.2020	Additions	Fair Value	31.12.2021
İstanbul	Pendik	Kurna Köyü	40.000.000	--	10.000.000	50.000.000
Kocaeli	Çayırova	Akse-12	16.000.000	--	3.000.000	19.000.000
Kocaeli	Kartepe	Maşukiye	3.200.000	--	1.050.000	4.250.000
Kocaeli	Kartepe	Uzuntarla-2	3.640.000	--	1.110.000	4.750.000
Sakarya	Arifiye	Yukarıkirezce-1	15.000.000	--	5.000.000	20.000.000
Samsun	Çarşamba	Irmaksırtı	6.100.000	--	2.900.000	9.000.000
Düzce	Merkez	Darıcı	7.250.000	--	2.000.000	9.250.000
Ankara	Gölbaşı	Oğulbey	5.350.000	--	2.450.000	7.800.000
Kastamonu	Merkez	Kuzeykent	4.500.000	--	1.250.000	5.750.000
Kocaeli	Gebze	Muallimköy	12.000.000	--	3.000.000	15.000.000
Ankara	Kahramankazan	Saray	19.000.000	--	8.000.000	27.000.000
Kocaeli	Gebze	Balçık	11.000.000	75.983.370	12.016.630	99.000.000
Ankara	Çankaya	Lodumu	1.400.000	--	440.000	1.840.000
Erzurum	Palandöken	Palandöken	4.250.000	--	1.050.000	5.300.000
İstanbul	Tuzla	Orhanlı	3.250.000	--	1.150.000	4.400.000
İzmir	Kemalpaşa	Ansızca	--	15.224.631	775.369	16.000.000
Ankara	Sincan	Yeni cimşit	--	12.750.000	3.750.000	16.500.000
Toplam			151.940.000	103.958.001	58.941.999	314.840.000

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TE 11 – INVESTMENT PROPERTIES (CONT'D)

As 31 of December 2022, the movement table of the buildings is as follows:

Province	District	Location	31.12.2021	ENTRANCE	TRANSFER	FAIR VALUE	31.12.2022
						DIFFERENCE	
Adana	Seyhan	Sarıhamzalı	36.700.000	--	--	61.137.000	97.837.000
Adana	Yüreğir	Dağcı	46.040.000	--	--	67.471.000	113.511.000
Ankara	Kazan	Orhaniye	33.030.000	--	--	66.090.000	99.120.000
Eskişehir	Odunpazarı	OSB	14.215.000	--	--	32.880.000	47.095.000
Giresun	Tirebolu	İstiklal	8.600.000	--	--	10.698.000	19.298.000
Giresun	Bulancak	Pazarsuyu	17.750.000	--	--	29.216.000	46.966.000
İstanbul	Tuzla	Orhanlı-2	125.000.000	--	--	189.793.000	314.793.000
İstanbul	Tuzla	Orhanlı-4	232.000.000	--	--	307.909.000	539.909.000
İstanbul	Arnavutköy	Ömerli	40.300.000	--	--	72.401.000	112.701.000
İzmir	Torbalı	Torbalı	66.000.000	--	--	208.187.000	274.187.000
Kocaeli	Çayırova	Akse-2	124.865.000	--	--	174.811.000	299.676.000
Kocaeli	Çayırova	Akse-1+7+10	340.000.000	--	--	476.696.000	816.696.000
Kocaeli	Çayırova	Akse-5	51.000.000	--	--	91.148.000	142.148.000
Kocaeli	Çayırova	Akse-3	128.000.000	--	--	216.658.000	344.658.000
Ordu	Ünye	Yüceler	24.250.000	--	--	32.204.000	56.454.000
Sakarya	Arifiye	Yukarıkirezce-2	8.315.000	--	--	9.541.000	17.856.000
Samsun	Terme	Söğütü	10.075.000	--	--	15.017.000	25.092.000
Samsun	Çarşamba	Epçeli	11.000.000	--	--	24.107.000	35.107.000
Samsun	Çarşamba	Dikbiyık	38.000.000	--	--	51.615.000	89.615.000
Düzce	Merkez	Arapçiftliği	18.000.000	--	--	34.502.000	52.502.000
Düzce	Akçakoca	Çiçekpınar	9.250.000	--	--	15.422.000	24.672.000
Kocaeli	Kartepe	Uzuntarla-3	22.410.000	--	--	45.703.000	68.113.000
Kocaeli	Çayırova	Akse-9	300.000.000	--	--	415.717.000	715.717.000
Kocaeli	Çayırova	Akse-6	43.500.000	--	--	93.141.000	136.641.000
Antalya	Kepez	Sütçüler	22.050.000	--	--	37.211.000	59.261.000
İstanbul	Üsküdar	Bulgurlu-2	39.000.000	--	--	33.233.000	72.233.000
Kocaeli	Çayırova	Akse-8	23.690.000	--	--	39.593.000	63.283.000
Bolu	Merkez	Saraycık	37.500.000	--	--	85.702.000	123.202.000
Sakarya	Arifiye	Yukarıkirezce-3	27.500.000	--	--	72.746.000	100.246.000
Antalya	Serik	Çandır-1,Çandır-2	160.000.000	--	--	188.137.000	348.137.000
Sakarya	Arifiye	Hanlıköy	29.500.000	--	--	50.234.000	79.734.000
İzmir	Menderes	Görece-3	45.000.000	--	--	118.747.000	163.747.000
Antalya	Kumluca	Sarıkavak	23.000.000	--	--	36.560.000	59.560.000
Ankara	Kahramankazan	Saray	44.500.000	--	--	76.640.000	121.140.000
Adana	Sarıçam	Suluca	41.000.000	--	--	61.781.000	102.781.000
İstanbul	Tuzla	Orhanlı-5	250.000.000	--	--	307.378.000	557.378.000
Eskişehir	Tepebaşı	Eskibağlar	166.000.000	--	--	19.816.000	185.816.000
İstanbul	Üsküdar	Bulgurlu-1	44.000.000	--	--	37.933.000	81.933.000
Kocaeli	Çayırova	Akse-11	240.000.000	--	--	323.160.000	563.160.000
İzmir	Menderes	Görece-4	100.500.000	--	--	269.920.000	370.420.000
İstanbul	Esenyurt	Esenyurt	294.000.000	--	--	408.974.000	702.974.000
İstanbul	Tuzla	Tepeören	600.000.000	--	--	660.172.000	1.260.172.000
Kocaeli	Çayırova	Akse-12	147.500.000	--	--	242.233.000	389.733.000
Adana	Sarıçam	Suluca-2	85.000.000	--	--	152.742.000	237.742.000
İzmir	Menderes	Görece	39.000.000	--	--	94.464.000	133.464.000
Kastamonu	Merkez	Kuzeykent	9.300.000	--	--	-9.300.000	--
Karabük	Merkez	Çerçiler	4.800.000	--	--	-4.800.000	--
Bartın	Merkez	Balamba	3.800.000	--	--	-3.800.000	--
Kastamonu	Tosya	Dilküşah	1.230.000	--	--	-1.230.000	--
Eskişehir	Sivrihisar	Kurşunlu	1.300.000	--	--	-1.300.000	--
Eskişehir	Hilton	Bina	54.295.000	--	--	-54.295.000	--
Kocaeli	Çayırova	Akse-15	118.000.000	--	--	201.071.000	319.071.000
Adana	Sarıçam	Dağcı	77.000.000	--	--	267.965.000	344.965.000
İstanbul	Sancaaktepe	Samandıra	--	238.914.000	--	--	238.914.000
İzmir	Kemalpaşa	Ansızca-2	--	119.164.000	--	--	119.164.000
Kocaeli	Çayırova	Akse-13	--	143.563.000	--	--	143.563.000
Samsun	Çarşamba	İrmaksırtı	--	53.063.000	--	--	53.063.000
İstanbul	Tuzla	Aydınlı-35	--	209.070.500	--	--	209.070.500
İstanbul	Tuzla	Aydınlı-17	--	43.598.500	--	--	43.598.500
Sakarya	Arifiye	Karaabdiler	--	251.861.000	--	--	251.861.000
Erzincan	Merkez	İzzetpaşa	--	120.622.000	--	--	120.622.000

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Total	4.476.765.000	1.179.856.000	--	6.453.751.000	12.110.372.000
Total Land and Buildings	4.791.605.000	1.615.090.000	--	7.038.540.000	13.445.235.000

NOTE 11 – INVESTMENT PROPERTIES (CONT'D)

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

Province	District	Location	31.12.2020	ENTRANCE	TRANSFER	REVALUATION	31.12.2021
Adana	Seyhan	Sarıhamzalı	27.000.000	--	--	9.700.000	36.700.000
Adana	Yüreğir	Dağcı	25.100.000	--	--	20.940.000	46.040.000
Ankara	Kazan	Orhaniye	21.000.000	18.747	--	12.011.253	33.030.000
Eskişehir	Odunpazarı	OSB	8.950.000	--	--	5.265.000	14.215.000
Giresun	Tirebolu	İstiklal	5.900.000	--	--	2.700.000	8.600.000
Giresun	Bulancak	Pazarsuyu	11.250.000	--	--	6.500.000	17.750.000
İstanbul	Tuzla	Orhanlı-2	86.600.000	--	--	38.400.000	125.000.000
İstanbul	Tuzla	Orhanlı-4	160.000.000	--	--	72.000.000	232.000.000
İstanbul	Arnavutköy	Ömerli	28.050.000	--	--	12.250.000	40.300.000
İzmir	Torbalı	Torbalı	40.000.000	--	--	26.000.000	66.000.000
Kocaeli	Çayırova	Akse-2	77.075.000	--	--	47.790.000	124.865.000
Kocaeli	Çayırova	Akse-1+7+10	213.000.000	1.931.167	--	125.068.833	340.000.000
Kocaeli	Çayırova	Akse-5	36.850.000	--	--	14.150.000	51.000.000
Kocaeli	Çayırova	Akse-3	90.320.000	1.572.029	--	36.107.971	128.000.000
Ordu	Ünye	Yüceler	16.000.000	--	--	8.250.000	24.250.000
Sakarya	Arifiye	Yukarıkirezce-2	6.250.000	326.593	--	1.738.407	8.315.000
Samsun	Terme	Söğütü	7.250.000	--	--	2.825.000	10.075.000
Samsun	Çarşamba	Epçeli	7.100.000	--	--	3.900.000	11.000.000
Samsun	Çarşamba	Dikbiyık	24.000.000	--	--	14.000.000	38.000.000
Düzce	Merkez	Arapçiftliği	11.630.000	--	--	6.370.000	18.000.000
Düzce	Akçakoca	Çiçekpınar	6.500.000	44.000	--	2.706.000	9.250.000
Kocaeli	Kartepe	Uzuntarla-3	16.000.000	--	--	6.410.000	22.410.000
Kocaeli	Çayırova	Akse-9	201.300.000	118.857	--	98.581.143	300.000.000
Kocaeli	Çayırova	Akse-6	32.880.000	--	--	10.620.000	43.500.000
Antalya	Kepez	Sütçüler	16.000.000	--	--	6.050.000	22.050.000
İstanbul	Üsküdar	Bulgurlu-2	23.000.000	207.838	--	15.792.162	39.000.000
Kocaeli	Çayırova	Akse-8	16.400.000	--	--	7.290.000	23.690.000
Bolu	Merkez	Saraycık	27.750.000	15.671	--	9.734.329	37.500.000
Sakarya	Arifiye	Yukarıkirezce-3	19.000.000	52.400	--	8.447.600	27.500.000
Antalya	Serik	Çandır-1,Çandır-2	103.000.000	196.348	--	56.803.652	160.000.000
Sakarya	Arifiye	Hanlıköy	22.500.000	--	--	7.000.000	29.500.000
İzmir	Menderes	Görece-3	31.760.000	--	--	13.240.000	45.000.000
Antalya	Kumluca	Sarıkaya	17.500.000	--	--	5.500.000	23.000.000
Ankara	Kahramankazan	Saray	25.000.000	21.886	--	19.478.114	44.500.000
Adana	Sarıçam	Suluca	21.000.000	158.990	--	19.841.010	41.000.000
İstanbul	Tuzla	Orhanlı-5	170.000.000	--	--	80.000.000	250.000.000
Eskişehir	Tepebaşı	Eskibağlar	101.000.000	--	--	65.000.000	166.000.000
İstanbul	Üsküdar	Bulgurlu-1	19.000.000	--	--	25.000.000	44.000.000
Kocaeli	Çayırova	Akse-11	164.500.000	--	--	75.500.000	240.000.000
İzmir	Menderes	Görece-4	70.950.000	--	--	29.550.000	100.500.000
İstanbul	Esenyurt	Esenyurt	181.000.000	4.450	--	112.995.550	294.000.000
İstanbul	Tuzla	Tepeören	400.000.000	600.340	--	199.399.660	600.000.000
Kocaeli	Çayırova	Akse-12	95.000.000	95.455	--	52.404.545	147.500.000
Adana	Sarıçam	Suluca-2	47.000.000	64.000	--	37.936.000	85.000.000
İzmir	Menderes	Görece	27.000.000	413.173	--	11.586.827	39.000.000
Kastamonu	Merkez	Kuzeykent	8.100.000	--	--	1.200.000	9.300.000
Karabük	Merkez	Çerçiler	3.785.000	--	--	1.015.000	4.800.000
Bartın	Merkez	Balamba	3.370.000	--	--	430.000	3.800.000
Kastamonu	Tosya	Dilküşah	1.060.000	--	--	170.000	1.230.000
Eskişehir	Sivrihisar	Kurşunlu	1.055.000	--	--	245.000	1.300.000
Erzincan	Hilton Bina	--	41.315.000	--	--	12.980.000	54.295.000
Kocaeli	Çayırova	Akse-15	--	--	79.940.000	38.060.000	118.000.000
Adana	Sarıçam	151 ada 1-9-11 parsel	--	20.307.738	47.264.972	9.427.291	77.000.001
Total			2.817.050.000	26.149.682	127.204.972	1.506.360.347	4.476.765.001
Total Land and Buildings			2.968.990.000	130.107.683	127.204.972	1.565.302.346	4.791.605.001

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NOTE 11 – INVESTMENT PROPERTIES (CONT'D)

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

Province	District	Location	31.12.2021	Additions	Transfer	Fair Value	31.12.2022
Kocaeli	Çayırova	Akse-15 (*)	79,940,000	--	(79,940,000)	--	--
Kocaeli	Çayırova	Akse 13 (***)	17,000,000	28,516,853	--	13,260,000	58,776,853
Adana	Sarıçam	(**)	--	47,264,972	(47,264,972)	--	--
Other			1,131,457	20,815,861	--	--	21,947,318
Total			98,071,457	96,597,686	(127,204,972)	13,260,000	80,724,171

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

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

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

As of 31 December 2022, the Company has leased these warehouses and obtained a rental income of TL 510.845.203 (31 December 2021: TL 303.239.798) (Note 20).

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NOTE 12 – PROPERTY, PLANT AND EQUIPMENT

The movements in tangible fixed assets and accumulated depreciations for the period ended 31 December 2022 and the year ended 31 December 2021 are as follows:

	31.12.2021	Additions	Disposals(-)	31.12.2022
Land and Plots	0	3.406.532	0	3.406.532
Buildings	0	20.731.606	0	20.731.606
Property, plant and equipment	48,565,340	69.663.915	0	118.229.255
Property, plant and equipment - leasing	61,785,386	53.403.030	0	115.188.416
Motor vehicle	168,996	0	(49.194)	119.802
Furniture and fittings	11,478,697	16.446.102	0	27.924.799
Leasehold improvements	243,800	3.469.582	0	3.713.382
		0	0	
Cost	122,242,219	167.120.767	(49.194)	289.313.792
Buildings	0	6.438.836	0	6.438.836
Property, plant and equipment	11,895,018	12.097.647	0	23.992.665
Property, plant and equipment - leasing	21,382,236	2.633.878	0	24.016.114
Motor vehicle	83,138	0	(25.234)	57.904
Furniture and fittings	4,345,155	11.165.743	0	15.510.898
Leasehold improvements	199,570	97.307	0	296.877
Accumulated Depreciations (-)	37,905,117	32.433.411	(25.234)	70.313.294
Net Book Value	84,337,102			219.000.497

	31.12.2020	Additions	Disposals(-)	31.12.2021
Property, plant and equipment	35.276.093	23.312.559	(10.023.312)	48.565.340
Property, plant and equipment - leasing	61.785.386	--	--	61.785.386
Motor vehicle	168.996	--	--	168.996
Furniture and fittings	5.257.664	6.221.033	--	11.478.697
Leasehold improvements	243.800	--	--	243.800
Cost	102.731.939	29.533.592	(10.023.312)	122.242.219
Property, plant and equipment	8.424.979	3.577.578	(107.539)	11.895.018
Property, plant and equipment - leasing	15.370.129	6.012.107	--	21.382.236
Motor vehicle	59.177	23.961	--	83.138
Furniture and fittings	3.390.949	954.206	--	4.345.155
Leasehold improvements	181.373	18.197	--	199.570
Accumulated Depreciations (-)	27.426.607	10.586.049	(107.539)	37.905.117
Net Book Value	75.305.332			84.337.102

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

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

	01.01.- 31.12.2022	01.01.- 31.12.2021
Cost of sales (Note 20)	12.184.735	10.586.049
	12.184.735	10.586.049

NOTE 13 – INVENTORIES

As of 31 December 2022 and 31 December 2021, the details of short-term and long-term inventories are as follows:

Short Term Inventories	31.12.2022	31.12.2021
Hotel business supplies	506.155	287.767
	506.155	287.767

Long Term Inventories	31.12.2022	31.12.2021
Land inventories	101.499.490	56.897.916
	101.499.490	56.897.916

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

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

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

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NOTE 13 – INVENTORIES (CONT'D)

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

The valuation reports of the residential zoned lands were prepared by Net Corporate Gayrimenkul Değerleme ve Danışmanlık A.Ş. and its total fair value as of 31 December 2022 is TL 384.608.000 (31 December 2021: TL 150,760,000).

NOTE 14 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Provisions:

As of 31 December 2022, and 31 December 2021, the explanations regarding provisions are as follows:

	31.12.2022	31.12.2021
Provisions for litigation expenses (*)	4.038.053	8.675.171
Provisions for accrued personnel leave expenses	495.283	148.620
Total	4.533.336	8.823.791

As of 31 December 2022, there are reciprocal lawsuits between the parties for 52 lawsuits against the Group and the trial process continues. No provision has been made for these lawsuits since a clear risk determination could not be made.

NOTE 15 – COMMITMENTS

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

Guarantee, pledge and mortgage given by the Group	31.12.2022	31.12.2021
A. Total amount of Guarantees provided by the Company on behalf of itself	5.001.165.825	2.778.423.553
B. Total amount of Guarantees provided on behalf of the associates accounted under full consolidation method	--	--
C. Provided on behalf of third parties in order to maintain operating activities	--	--
D. Other Guarantees given		
i. Total amount of Guarantees given on behalf of the parent Company	--	--
ii. Total amount of Guarantees provided on behalf of the associates which are not in the scope of B and C	--	--
iii. Total amount of Guarantees provided on behalf of third parties which are not in the scope of C	--	--
Total	5.001.165.825	2.778.423.553

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NOTE 15 – COMMITMENTS (CONT'D)

Type	Type of FX	FX amount	31.12.2022
			TL equivalent
Mortgage	TL		4.984.500.000
Mortgage	USD	--	--
Mortgage	EURO	--	--
Guarantee letter	TL		16.665.825
Total			5.001.165.825

Type	Type of FX	FX amount	31.12.2021
			TL equivalent
Mortgage	TL		2.152.645.000
Mortgage	USD	24.000.000	320.472.000
Mortgage	EURO	20.000.000	302.278.000
Guarantee letter	TL		3.028.553
Total			2.778.423.553

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

Type	Type of FX	FX amount	31.12.2022
			TL equivalent
Guarantee letter	TL		16.665.826
Surety bond	TL		8.315.422
Surety bond	USD	147.040	2.749.398
Surety bond	EURO	22.000	438.568
Total			28.169.214

Teminatın cinsi	YP. Cinsi	YP. Tutarı	31.12.2021
Guarantee letter	TL		2.493.000
Surety bond	TL		9.914.573
Surety bond	ABD\$	147.040	1.963.425
Surety bond	AVRO	22.000	332.506
Toplam			14.703.504

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NOTE 16 – EMPLOYEE BENEFITS

a) Payables within the scope of employee benefits:

	31.12.2022	31.12.2021
Due to personnel	534.268	304.662
Social security premiums payables	444.867	123.387
Personnel tax deductions	7.248	25.484
	986.383	453.533

b) Provision for Employee Termination Benefits

In accordance with existing social legislation in Turkey the Group is required to make lump-sum payment to employees whose employments are terminated due to retirement or for reasons other than resignation or misconduct except the ones who are subject to press regulations. In addition, under the existing Social Security Law No.506, clause No. 60, amended by the Labor Laws dated 06.03.1981, No.2422 and 25.08.1999, No.4447, the Group is also required to pay termination benefits to each employee who has earned the right to retire by receiving termination indemnities. As of 31.12.2021 the amount payable of one month's salary for each year of service is limited to a maximum of TL 15.371,40 (31.12.2021: TL 8.284,51).

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

According to this calculation following actuarial assumptions are used.

	31.12.2022	31.12.2021
Discount rate	%23,00	%24,00
Expected rate of salary / limit increases	%22,00	%19,00
Net discount rate	%0,82	%4,20

The basic assumption is that the ceiling provision for each year of service will increase in proportion to inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the expected effects of inflation. The Group's severance pay provision is calculated over the full ceiling amount of 15.371,40 TL effective from 1 July 2022, since the severance pay ceiling is adjusted every six months.

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

	01.01.- 31.12.2022	01.01.- 31.12.2021
Beginning balance	699.149	311.104
Current service cost	127.310	222.875
Interest cost	13.134	10.404
Actuarial gain / (loss)	256.826	154.766
Acquisition of subsidiary	--	--
Balance, end of the period	1.096.419	699.149

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NOTE 16 – EMPLOYEE BENEFITS (CONT'D)

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

	01.01.- 31.12.2022	01.01.- 31.12.2021
Cost of sales	289.267	233.279
	289.267	233.279

NOTE 17 – PREPAID EXPENSES AND DEFERRED INCOME

As of 31 December 2022 and 31 December 2021, the details of prepaid expenses are as follows:

Short Term	31.12.2022	31.12.2021
Advances given for purchasing inventory	3.252.728	--
Advances given to related parties (note 5)	2.819.173	--
Expenses for the next months	13.232.227	2.318.163
Advances given to personnel	--	10.126
	19.304.128	2.328.289

Long Term	31.12.2022	31.12.2021
Advances given for purchasing fixed assets	29.355.891	23.883.370
Expenses for the next years	76.357	184.503
	29.432.248	24.067.873

As of 31 December 2022, and 31 December 2021, the details of deferred income are as follows:

Short term deferred income	31.12.2022	31.12.2021
Order advances received	424.928	758.726
Sales to be delivered in the next period	--	--
	424.928	758.726

Long term deferred income	31.12.2022	31.12.2021
Sales to be delivered in the next period	36.640	226.502
	36.640	226.502

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NOTE 18 – OTHER ASSETS AND LIABILITIES

Other current assets	31.12.2022	31.12.2021
VAT carried forward	5.590.694	20.045.231
Advances given to personnel	98.031	55.031
	5.688.725	20.100.262

NOTE 19 – CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS

Paid-in capital

As of 31 December 2022, the share capital of the Group is TL 500.000.000 (31 December 2021: TL 500.000.000). The nominal share capital is divided into 500 (31 December 2021: 500) shares, each worth TL 1.

	31.12.2022		31.12.2021	
	Share amount	Share %	Share amount	Share %
Reysaş Taşımacılık ve Lojistik Tic. A.Ş.	309.718.981	61,94	307.352.918	61,47%
Egemen Döven	40.850.000	8,17	--	--
Other	149.431.018	29,89	192.647.082	38,53%
Paid-in capital	500,000,000	100,00	500.000.000	100,00%

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

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

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

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

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

Share Premium/Discount

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

	31.12.2022	31.12.2021
Share premium	331.244	331.244
	331.244	331.244

Repurchased shares

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

Reacquired	Reacquired Date	Reacquired Unit	Reacquired Unit Price (TL)	Reacquired Amount (TL)
1.	12.11.2012	58.979	0,73	43.055
2.	04.02.2013	393.500	0,70	275.450
3.	11.02.2013	453.912	0,69	313.200
	11.02.2013	252.347	0,70	176.642
4.	15.02.2013	341.262	0,70	238.883
5.	17.09.2021	2.005.209	1,00	2.005.209
Total				3.052.439

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

	31.12.2022	31.12.2021
Revaluation reserve of tangible fixed assets	92.415.234	99.075.327
	92.415.234	99.075.327

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

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

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

	31.12.2022	31.12.2021
Actuarial gain / (loss)	1.349.548	(178.293)
	1.349.548	(178.293)

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

Previous year's profit / (losses)

	31.12.2022	31.12.2021
Extraordinary reserves	--	3.406.890
Previous year's profit / (losses)	3.282.555.665	1.761.119.402
	3.282.555.665	1.764.526.292

Restricted reserves

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

	31.12.2022	31.12.2021
Legal Reserves	6.516.173	6.516.173
Reserves for reacquired shares (*)	3.052.439	3.052.439
	9.568.612	9.568.612

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

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NOTE 20 – REVENUE AND COST OF SALES

	01.01.- 31.12.2022	01.01.- 31.12.2021
<i>Sales</i>		
Rental income	630.062.567	303,239,798
Other income	39.335.197	24,421,158
Sales returns (-)	(7.146.029)	(2,671,725)
Net Sales	662.251.735	324,989,231
<i>Cost of Sales</i>		
Insurance expenses	(222.407)	(2,421,130)
Depreciation and amortization expenses	(19.213.746)	(10,586,048)
Maintenance and repair expenses	(13.090.754)	(6,121,826)
Electricity expenses	(48.382.026)	(15,804,733)
Taxes and fees expenses	(6.734.550)	(4,273,402)
Expertise expenses	--	(609,708)
Personnel expenses (*)	(64.846)	(4,037,940)
Hilton commission expense (*)	(3.790.603)	(2,491,060)
Other	(1.323.612)	(6,213,225)
Cost of Service Sold (-)	(92.822.544)	(52,559,072)
Gross Profit	569.429.191	272,430,159

(*) Expenses of the subsidiary Rey Turizm.

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

	01.01.- 31.12.2022	01.01.- 31.12.2021
<i>General and administrative expenses</i>		
Personnel expenses	2.924.162	1.716.284
Consulting and audit expenses	1.350.298	570.066
Electricity and water expenses	8.964.792	292.860
Taxes and fees expenses	475.534	906.305
CMB registration expenses	638.417	25.177
Insurance expenses	5.865.070	1.260.643
Other	4.906.690	237.012
	25.124.963	5.008.347
<i>Marketing, sales and distribution expenses</i>		
Commission expenses	687.338	326.966
Other	12.632	5.250
	699.970	332.216

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

	01.01.- 31.12.2022	01.01.- 31.12.2021
Audit and assurance fees (*)	87.500	75.000
Tax consultancy fees (*)	31.003	48.000
	118.503	123.000

(*) Related services are shown exclusive of VAT.

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

	01.01.- 31.12.2022	01.01.- 31.12.2021
Other income from operating activities		
Provisions for doubtful trade receivable collected	5.244.221	582,181
Income to be invoiced	15.348.662	--
Discount on notes payable	427.946	257,782
Foreign exchange income (**)	15.885.170	17,554,014
Insurance damage income	--	2,220,054
Irrelevant Responses	5.217.448	--
Other	2.800	562,550
	42.126.247	21,176,581

	01.01.- 31.12.2022	01.01.- 31.12.2021
Other expenses from operating activities		
Current term provisions for doubtful trade receivables	--	(987,665)
Provisions for court case expenses	(4.420.152)	(4,319,946)
Disallowable expenses	--	(229,866)
Discount on notes receivable	(2.747.225)	(550,994)
Foreign exchange losses (***)	(9.954.725)	(3,373,023)
Donations and grants	(1.246.403)	(175,000)
sell-lease-back expenses	--	(1,413,715)
Other	(64.713)	(136,594)
	(18.433.219)	(11,186,803)

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NOTE 24 – GAIN / (LOSSES) FROM INVESTING ACTIVITIES

	01.01.- 31.12.2022	01.01.- 31.12.2021
Profit on sales of fixed assets	--	327.964
Investment property fair value appreciation gain (*)	8.145.633.164	1.578.562.346
	8.145.633.164	1.578.890.310

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

NOTE 25 – FINANCIAL INCOME / (EXPENSES)

Financial income	01.01.- 31.12.2022	01.01.- 31.12.2021
Interest income	62.131.095	32.314.711
Foreign exchange income (**)	114.258.542	71.887.449
	176.389.637	104.202.160

Financial expenses (-)	01.01.- 31.12.2022	01.01.- 31.12.2021
Bank commission expenses	(486.898)	(3.681)
Interest expenses	(393.767.959)	(190.495.064)
Foreign exchange expenses (***)	(161.680.592)	(224.440.846)
Other	--	(631.747)
	(555.935.449)	(415.571.338)

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

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

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

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

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

The Group's Corporate Tax Liability as of 31 December 2022 and 31 December 2021 is as follows:

	31.12.2022	31.12.2021
Provision for Corporate Tax – Current term	182.198	257.168
Prepaid taxes and funds (-)	257.167	(197.858)
	439.365	59.310

As of 01.01.-31.12.2022 and 01.01.-31.12.2021, period tax income charges are as follows:

	01.01.- 31.12.2022	01.01.- 31.12.2021
Provision for corporate tax	(182.198)	(257.168)
Deferred tax income / (expenses)	(1.181.692)	(1.459.397)
Tax expenses reflected to income statement	(1.363.890)	(1.716.565)

The tax rate used in the deferred tax calculation for the Subsidiary has been taken into account as 23% (31 December 2021: %23).

	31.12.2022		31.12.2021	
	Cumulative Temporary Difference	Asset / (Liability)	Cumulative Temporary Difference	Asset / (Liability)
Difference between the carrying values and the tax bases of property, plant, equipment and intangible assets	(22.047.057)	(5.070.823)	(38,614,911)	(4,247,648)
Provisions for employee termination benefits	494.565	113.750	386,592	88,916
Effective interest accrual for loans	--	--	--	--
Deferred finance income	--	--	--	--
Deferred finance expenses	(1.885.549)	(433.676)	--	--
Provision for doubtful debt	63.884	14.693	52,558	12,088
Provisions for accumulated personnel leave expenses	299.657	68.921	92,177	21,201
Other	--	--	--	--
Deferred tax assets / (liabilities), net		(5.307.135)		(4,125,443)

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

	31.12.2022	31.12.2021
Deferred tax assets	57.696	122.205
Deferred tax liabilities (-)	(5.364.831)	(4.247.648)
Deferred tax assets / (liabilities), net	(5.307.135)	(4.125.443)

The movement of deferred tax assets/ (liabilities) for the periods ended 01.01.-31.12.2022 and 01.01.-31.12.2021 is as follows:

	01.01.- 31.12.2022	01.01.- 31.12.2021
Beginning of the period	(4.125.443)	(2.689.867)
Actuarial gain / (losses)	--	23.821
Current tax income / (expenses) for the period	(1.181.692)	(1.459.397)
End of the period	(5.307.135)	(4.125.443)

NOTE 27 – EARNINGS PER SHARE

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

	01.01.- 31.12.2022	01.01.- 31.12.2021
Net profit / (loss) attributable to shareholders (TL)	8.338.680.843	1.547.649.705
Weighted average number of issued shares	500.000.000	500.000.000
Earnings / (loss) per share (TL)	16,6774	3,0953

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

Capital Risk Management

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

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

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

Group's strategy remained same in 2021 since 2019, and ratio of equities to liabilities as of 31 December 2022 and 31 December 2021 are provided below:

	31.12.2022	31.12.2021
Total Liabilities	2.417.402.257	1.653.244.562
Cash and Cash Equivalents (-)	(688.296.732)	(426.697.788)
Net Liability	1.729.105.525	1.226.546.774
Total Equity	12.285.148.683	3.949.820.792
Rate of Net Liabilities to Equity	%14	%31

Significant Accounting Policies

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

Credit Risk

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

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

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

The following tables analyses the Group's credit and receivable risk as of 31.12.2022 and 31.12.2021.

	Receivables				Deposits in banks	Other
31.12.2022	Trade receivables		Other receivables			
	Related party	Third party	Related party	Third party		
Maximum net credit risk as of balance sheet date (A+B+C+D+E)	199.418.548	24.720.903	--	2.968.690	688.296.732	--
- The part of maximum risk under guarantee with collateral etc.	--	--	--	--	--	--
A. Net book value of financial assets that are neither past due nor impaired	199.418.548	24.720.903	--	2.968.690	688.296.732	--
B. Net book value of financial assets whose conditions are renegotiated, otherwise will be classified as past due or impaired	--	--	--	--	--	--
C. Net book value of assets past due but not impaired	--	--	--	--	--	--
- The part covered by guarantees etc.	--	--	--	--	--	--
D. Net book value of assets impaired	--	--	--	--	--	--
- Past due (gross book value)	--	8.332.572	--	--	--	--
- Impairment amount (-)	--	(8.198.696)	--	--	--	--
- The part of net value covered with guarantees etc.	--	--	--	--	--	--
- Not due (gross book value)	--	--	--	--	--	--
- Impairment amount (-)	--	--	--	--	--	--
- The part of net value covered with guarantees etc.	--	--	--	--	--	--
E. Off balance items exposed to credit risk	--	--	--	--	--	--

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

	Receivables				Deposits in banks	Other
	Trade receivables		Other receivables			
	Related party	Third party	Related party	Third party		
31.12.2021						
Maximum net credit risk as of balance sheet date (A+B+C+D+E)	23.987.039	19.580.688	55.594.526	5.432.595	426.445.968	--
- The part of maximum risk under guarantee with collateral etc.	--	--	--	--	--	--
A. Net book value of financial assets that are neither past due nor impaired	23.987.039	19.580.688	55.594.526	5.432.595	426.445.968	--
B. Net book value of financial assets whose conditions are renegotiated, otherwise will be classified as past due or impaired	--	--	--	--	--	--
C. Net book value of assets past due but not impaired	--	--	--	--	--	--
- The part covered by guarantees etc.	--	14.703.504	--	--	--	--
D. Net book value of assets impaired	--	--	--	--	--	--
- Past due (gross book value)	--	7.825.218	--	1.953.740	--	--
- Impairment amount (-)	--	(7.825.218)	--	(1.953.740)	--	--
- The part of net value covered with guarantees etc.	--	--	--	--	--	--
- Not due (gross book value)	--	--	--	--	--	--
- Impairment amount (-)	--	--	--	--	--	--
- The part of net value covered with guarantees etc.	--	--	--	--	--	--
E. Off balance items exposed to credit risk	--	--	--	--	--	--

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

Liquidity Risk Management

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

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

As of 31.12.2022, maturity of non-derivative financial liabilities is as follows:

Contractual maturity analysis	Carrying value	Total cash outflow according to contract (=I+II+III+IV+V)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)	Demand (V)
Non-derivative financial liabilities							
Financial liabilities	2.291.494.480	2.291.494.480	231.076.972	442.665.208	1.617.752.300	--	--
Financial lease liabilities	125.907.777	125.907.777	--	33.388.982	92.518.795	--	--

Expected maturities	Carrying value	Total cash outflow according to contract (=I+II+III+IV+V)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)	Demand (V)
Non-derivative financial liabilities							
Trade payables	40.330.500	40.330.500	--	40.330.500	--	--	--
Other payables	37.700.688	37.700.688	--	36.420.085	1.280.603	--	--

(Convenience translation of consolidated financial statements originally issued in Turkish)

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

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

Contractual maturity analysis	Carrying value	Total cash outflow according to contract (=I+II+III+IV+V)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)	Demand (V)
Non-derivative financial liabilities							
Financial liabilities	1.604.124.400	1.949.559.742	315.322.535	478.709.345	1.132.003.206	23.524.656	--
Financial lease liabilities	49.120.162	49.120.162	6.763.574	18.557.508	23.799.080	--	--

Expected maturities	Carrying value	Total cash outflow according to contract (=I+II+III+IV+V)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)	Demand (V)
Non-derivative financial liabilities							
Trade payables	23.717.784	23.812.549	--	23.812.549	--	--	--
Other payables	27.994.951	27.994.951	4.257.668	18.241.800	5.494.163	--	1.320

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

Market Risk

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

Foreign currency risk

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

a) Foreign Currency Position Table and Sensitivity Analysis

The table below summarizes the foreign currency position risk of the Group as at 31.12.2022 and 31.12.2021. Foreign currency denominated assets and liabilities of the Group and related foreign currency position are as follows:

	31.12.2022	31.12.2021
Foreign currency asset	243.643.953	291.566.968
Foreign currency liabilities (-)	(295.660.424)	(502.506.478)
Net short position	(52.016.471)	(210.939.510)

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

FOREIGN CURRENCY POSITION			
	31.12.2022		
CONSOLIDATED	TL Equivalent	USD	EUR
1. Trade Receivables	12.625.277	675.209	1
2a. Monetary Financial Assets (Cash, Bank accounts included)	231.018.676	7.368.120	4.677.593
2b. Non-Monetary Financial Assets	--	--	--
3. Other	--	--	--
4. Current Assets (1+2+3)	243.643.953	8.043.329	4.677.594
5. Trade Receivables	--	--	--
6a. Monetary Financial Assets	--	--	--
6b. Non-Monetary Financial Assets	--	--	--
7. Other	--	--	--
8. Non-Current Assets (5+6+7)	--	--	--
9. Total Assets (4+8)	243.643.953	8.043.329	4.677.594
10. Trade Payables	26.613.057	1.421.320	1.845
11. Financial Liabilities	--	--	--
12a. Monetary Other Liabilities	--	--	--
12b. Non-Monetary Other Liabilities	--	--	--
13. Short Term Liabilities (10+11+12)	26.613.057	1.421.320	1.845
14. Trade Payables	--	--	--
15. Financial Liabilities	253.736.551	-	12.728.258
16a. Monetary Other Liabilities	--	--	--
16b. Non-Monetary Other Liabilities	15.310.815	-	768.041
17. Long Term Liabilities (14+15+16)	269.047.366	-	13.496.299
18. Total Liabilities (13+17)	295.660.424	1.421.320	13.498.144
19. Net Asset/ (Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)	--	--	--
19a. Amount of Asset Nature Off-Balance Sheet Derivative Instruments	- 52.016.471	6.622.009	- 8.820.550
19b. Amount of Liability Nature Off-Balance Sheet Derivative Instruments	--	--	--
20. Net Foreign Asset / (Liability) Position (9-18+19)			
21. Net Foreign Currency Asset / (Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)			
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	--	--	--
23. Hedged foreign currency asset	--	--	--
24. Hedged foreign currency liabilities	--	--	--
25. Export	--	--	--
26. Import	--	--	--

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

FOREIGN CURRENCY POSITION			
	31.12.2021		
CONSOLIDATED	TL Equivalent	USD	EUR
1. Trade Receivables	119.722	2.527	5.703
2a. Monetary Financial Assets (Cash, Bank accounts included)	291.447.246	11.766.920	8.922.161
2b. Non-Monetary Financial Assets	--	--	--
3. Other	--	--	--
4. Current Assets (1+2+3)	291.566.968	11.769.447	8.927.864
5. Trade Receivables	--	--	--
6a. Monetary Financial Assets	--	--	--
6b. Non-Monetary Financial Assets	--	--	--
7. Other	--	--	--
8. Non-Current Assets (5+6+7)	--	--	--
9. Total Assets (4+8)	291.566.968	11.769.447	8.927.864
10. Trade Payables	2.508.130	148.027	35.168
11. Financial Liabilities	239.927.334	8.329.576	8.515.506
12a. Monetary Other Liabilities	--	--	--
12b. Non-Monetary Other Liabilities	--	--	--
13. Short Term Liabilities (10+11+12)	242.435.464	8.477.603	8.550.674
14. Trade Payables	--	--	--
15. Financial Liabilities	260.071.014	4.783.156	12.981.529
16a. Monetary Other Liabilities	--	--	--
16b. Non-Monetary Other Liabilities	--	--	--
17. Long Term Liabilities (14+15+16)	260.071.014	4.783.156	12.981.529
18. Total Liabilities (13+17)	502.506.478	13.260.759	21.532.203
19. Net Asset/ (Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)	--	--	--
19a. Amount of Asset Nature Off-Balance Sheet Derivative Instruments	--	--	--
19b. Amount of Liability Nature Off-Balance Sheet Derivative Instruments	--	--	--
20. Net Foreign Asset / (Liability) Position (9-18+19)	(210.939.510)	(1.491.312)	(12.604.339)
21. Net Foreign Currency Asset / (Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	(210.939.510)	(1.491.312)	(12.604.339)
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	--	--	--
23. Hedged foreign currency asset	--	--	--
24. Hedged foreign currency liabilities	--	--	--
25. Export	--	--	--
26. Import	--	--	--

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

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

Table of Sensitivity Analysis for Foreign Currency Risk				
31.12.2022				
	Profit / Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:				
1- Asset / Liability denominated in USD	12.382.031	(12.382.031)	12.382.031	(12.382.031)
2- The part of USD risk hedged (-)	--	--	--	--
3- USD Effect - net (1+2)	12.382.031	(12.382.031)	12.382.031	(12.382.031)
Change of EUR by 10% against TL:				
4- Asset / Liability denominated in EUR	(17.583.678)	17.583.678	(17.583.678)	17.583.678
5- The part of EUR risk hedged (-)	--	--	--	--
6- EUR Effect (4+5)	(17.583.678)	17.583.678	(17.583.678)	17.583.678
TOTAL (3+6)	(5.201.647)	5.201.647	(5.201.647)	5.201.647

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

Table of Sensitivity Analysis for Foreign Currency Risk				
31.12.2021				
	Profit / Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:				
1- Asset / Liability denominated in USD	(1.991.349)	1.991.349	(1.991.349)	1.991.349
2- The part of USD risk hedged (-)	--	--	--	--
3- USD Effect - net (1+2)	(1.991.349)	1.991.349	(1.991.349)	1.991.349
Change of EUR by 10% against TL:				
4- Asset / Liability denominated in EUR	(19.050.072)	19.050.072	(19.050.072)	19.050.072
5- The part of EUR risk hedged (-)	--	--	--	--
6- EUR Effect (4+5)	(19.050.072)	19.050.072	(19.050.072)	19.050.072
TOTAL (3+6)	(21.041.421)	21.041.421	(21.041.421)	21.041.421

b) Interest Rate Position Schedule and Sensitivity Analysis**Interest rate risk**

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

The interest position table is as follows:

Interest Position Table

		31.12.2022	31.12.2021
Financial instruments with fixed interest rate			
Financial assets	Time deposits	288.841.518	356.201.890
	Available-for-sale financial assets	--	--
Financial liabilities		1.008.102.972	1.386.370.656
Financial instruments with floating interest rate			
Financial assets	Assets held to maturity	--	--
Financial liabilities		1.156.000.000	266.873.906

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

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

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

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

Monetary Assets

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

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

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

Monetary Liabilities

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

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

Fair Value Estimation:

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

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

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

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

Fair Value Level as of 31 December 2022

<u>Financial Asset</u>	<u>31.12.2022</u>	<u>1. Seviye</u>	<u>2. Seviye</u>	<u>3. Seviye</u>
Investment Properties	13.445.235.000	-	13.445.235.000	-

Fair Value Level as of 31 December 2021

<u>Financial Asset</u>	<u>31.12.2021</u>	<u>1. Seviye</u>	<u>2. Seviye</u>	<u>3. Seviye</u>
Investment Properties	4.872.329.172	-	4.872.329.172	-

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NOTE 30 – SUBSEQUENT EVENTS

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

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

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

None.

ADDITIONAL NOTE: CONTROL OF COMPLIANCE WITH PORTFOLIO RESTRICTIONS

Information provided in the statement "Additional Note 45 - Control of compliance with portfolio restrictions" are summary information derived from the financial statements as of 31 December 2021 pursuant to "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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In this context, information about total assets, total portfolio, and portfolio restrictions as of 31 December 2022 and 31 December 2021 are as follows:

	Non-Consolidated (Individual) Financial Statement Main Account Items	Relevant Regulation in the Communique	Current period (TL)	Prior Period (TL)
A	Money And Capital Market Instruments	Art.24/(b)	687.595.006	426.087.297
B	Properties, Property-Based Projects, Property-Based Rights	Art.24/(a)	13.487.916.386	4.870.532.087
C	Subsidiaries	Art.24/(b)	80.529.041	124.524.585
	Receivables from related parties (non-trade)	Art.23/(f)	-	55.594.526
	Other Asset		552.972.995	168.976.987
D	Total Assets (Total Assets)	Art.3/(p)	14.809.013.428	5.645.715.482
E	Financial Payables	Art.31	2.291.494.480	1.604.124.400
F	Other Financial Liabilities	Art.31	-	-
G	Financial Leasing Payables	Art.31	125.907.777	49.120.162
H	Payables to related parties (non-trade)	Art.23/(f)	8.810.888	16.265.803
İ	Equities	Art.31	12.285.295.078	3.944.540.294
	Other Liabilities		97.505.205	31.664.823
D	Total Liabilities	Art.3/(p)	14.809.013.428	5.645.715.482

	Other Non-Consolidated (Individual) Financial Information	Relevant Regulation in the Communique	Current Period (TL) 31.12.2022	Prior Period (TL) 31.12.2021
A1	The part of money and capital market instruments held for the 3 years of property payments	Art.24/(b)	-	-
A2	Foreign Currency Draw-Time Deposits / Special Current-Contribution Account and TL time deposit/contribution account	Art.24/(b)	687.595.006	426.087.297
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)	-	-
C1	Foreign Subsidiaries	Art.24/(d)	-	-
C2	Participation In Operating Company*	Art.28/1(a)	72.092.480	76.978.147
J	Non-Cash Loans	Art.31	16.665.825	3.028.553
K	Mortgage Amounts Of The Mortgaged Lands On Which A Project Will Be Developed, But Not Owned By The Partnership	Art.22/(e)	-	-

(Convenience translation of consolidated financial statements originally issued in Turkish)

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L	Sum of the money and capital market instrument investments in a single company	Art.22/(I)	-	-
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	Portfolio Restrictions	Relevant Regulation in the Communique	Current Period 31.12.2022	Prior Period 31.12.2021	Minimum/ Maximum Rate
1	Mortgage Amounts Of The Mortgaged Lands On Which A Project Will Be Developed, But Not Owned By The Partnership	Art.22/(e)	0%	0%	≤ %10
2	Properties, Property-Based Projects, Property-Based Rights	Art.24/(a),(b)	91%	86%	≥ %51
3	Money and Capital Market Instruments and Subsidiaries	Art.24/(b)	5%	10%	≤ %49
4	Foreign Properties, Property-Based Projects, Property-Based Rights, Subsidiaries, Capital Market Instruments	Art.24/(d)	0%	0%	≤ %49
5	Inactive Lands	Art.24/(c)	0%	0%	≤ %20
6	Participation in operating company	Art.28/1(a)	0%	1%	≤ %10
7	Borrowing Limit	Art.31	20%	42%	≤ %500
8	Foreign Currency Draw-Time Deposits / Special Current Contribution Account and TL time deposit/contribution account	Art.24/(b)	5%	8%	≤ %10
9	Sum of the money and capital market instrument investments in a single company	Art.22/(I)	0%	0%	≤ %10