

**REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND FOOTNOTES AS OF 31 DECEMBER 2020**

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**REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET AŞ. (AND SUBSIDIARIES)**  
**INDEPENDENTLY AUDITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATED 31 DECEMBER 2020 AND 31 DECEMBER 2019**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras (“TRY”))**

ASSETS	Footnote	Current Period 31 December 2020	Previous Period 31.12.2019
<b>Current Assets</b>		<b>408.878.391</b>	<b>213,035,074</b>
Cash and Cash Equivalents	7	285,290,198	131,453,544
Financial Investments	8	251,761	143
- Financial Assets at Fair Value through Profit or Loss		251,761	143
- Other Financial Assets at Fair Value through Profit or Loss (Short-term)		251,761	143
Account Receivables		82,288,876	53,732,485
-Account Receivables from Related Parties	6	6,521,666	7,264,516
-Account Receivables from Non-related Parties	11	75,767,210	46,467,969
Other Receivables		6,908,049	5,712,207
-Other Receivables from Related Parties	6	5,884,964	4,821,101
-Other Receivables from Non-related Parties	12	1,023,085	891,106
Inventories	14	6,253,297	4,782,452
Prepaid Expenses		16,235,815	11,643,728
-Prepaid Expenses to Related Parties	6	152,629	506,102
-Prepaid Expenses to Non-Related Parties	15	16,083,186	11,137,626
Assets Related with Current Period Tax	18	1,175,941	703,861
Other Current Assets		10,474,454	5,006,654
-Other Current Assets from Related Parties	6	-	-
-Other Current Assets from Non-related Parties	19	10,474,454	5,006,654
<b>Fixed Assets</b>		<b>1,919,742,322</b>	<b>1,214,008,612</b>
Other Receivables		1,240,117	1,360,216
-Other Receivables from Related Parties		-	-
-Other Receivables from Non-related Parties	12	1,240,117	1,360,216
Inventories	14	29,773,907	29,773,907
Investments Valued by Equity Method	22	29,678,583	26,443,171
Investment Properties	23	904,735,363	685,857,724
Tangible Fixed Assets	24	941,836,121	455,963,162
-Lands	24	236,269,665	245,543,751
-Land Improvements	24	7,548,987	7,751,162
-Buildings	24	282,016,016	28,675,982
-Plant, Machinery and Equipment	24	86,267,352	51,427,361
-Vehicles	24	269,421,845	47,202,231
-Furniture and Fixture	24	4,122,853	1,567,984
-Special Costs	24	86,850	1,280,681
-Investments In Progress	24	56,102,553	72,514,010
Intangible Fixed Assets	25	70,155	-
-Computer Software	25	70,155	-
Prepaid Expenses		12,408,076	14,610,432
-Prepaid Expenses to Related Parties	6	-	-
-Prepaid Expenses to Non-Related Parties	15	12,408,076	14,610,432
<b>TOTAL ASSETS</b>		<b>2,328,620,713</b>	<b>1,427,043,686</b>

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

**REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET AŞ. (AND SUBSIDIARIES)**  
**INDEPENDENTLY AUDITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATED 31 DECEMBER 2020 AND 31 DECEMBER 2019**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))**

	Footnote	Current Period 31 December 2020	Previous Period 31.12.2019
<b>LIABILITIES</b>			
<b>Short-Term Liabilities</b>		<b>819,737,083</b>	<b>667,408,072</b>
Short-Term Borrowings		78,072,437	76,843,299
-Short-Term Borrowings from Non-Related Parties		78,072,437	76,843,299
--Bank Loans (Short-term)	9	78,072,437	76,843,299
-- Liabilities due to Financial Leasing Transactions (Short-term)	9	-	-
Short-Term Parts of Long-Term Borrowings		607,697,559	477,232,277
-Short-Term Parts of the Long-Term Borrowings from Non-Related Parties		607,697,559	477,232,277
--Bank Loans	9	553,810,021	437,725,426
--Liabilities due to Financial Leasing Transactions	9	53,887,538	39,506,851
Account Payables		76,391,163	65,992,526
-Account Payables to Related Parties	6	36,101,499	29,879,533
-Account Payables to Non-Related Parties	11	40,289,664	36,112,993
Liabilities under the Employee Benefits	13	2,246,860	1,632,170
Other Payables		43,311,299	36,913,876
-Other Liabilities to Related Parties	6	24,824,029	18,603,387
-Other Liabilities to Non-Related Parties	12	18,487,270	18,310,489
Deferred Incomes		7,462,098	8,042,536
-Deferred Incomes from Related Parties (Short-term)	6	-	-
-Deferred Incomes from Non-related Parties (Short-term)	15	7,462,098	8,042,536
Period Profit Tax Liability	17	3,509,316	-
Short-Term Provisions		963,395	751,388
-Provisions for Employee Benefits	20	963,395	751,388
-Other Short-Term Provisions	20	-	-
Other Short-Term Liabilities		82,956	-
-Other Short-Term Liabilities to Related Parties		-	-
-Short-Term Liabilities to Non-Related Parties	19	82,956	-
<b>Long-Term Liabilities</b>		<b>925,981,665</b>	<b>696,256,758</b>
Long-Term Borrowings		856,197,940	667,057,079
-Long-Term Borrowings from Non-Related Parties		856,197,940	667,057,079
--Bank Loans	9	821,640,017	623,709,424
--Liabilities due to Financial Leasing Transactions	9	34,557,923	43,347,655
Other Payables		3,952,708	610,577
-Other Liabilities to Related Parties	6	-	-
-Other Liabilities to Non-Related Parties	12	3,952,708	610,577
Deferred Incomes	15	623,891	7,337,947
--Deferred Incomes from Related Parties	6	-	-
--Deferred Incomes from Non-related Parties	15	623,891	7,337,947
Long-Term Provisions		23,015,015	16,226,749
-Long-Term Provisions for Employee Benefits	20	4,725,853	3,924,069
-Other Long-Term Provisions	20	18,289,162	12,302,680
Deferred Tax Liability	33	42,192,111	5,024,406
<b>OWNERS' EQUITY</b>		<b>582,901,965</b>	<b>63,378,856</b>
<b>Equity Attributable to Parent Partnership</b>		<b>437,347,070</b>	<b>52,761,849</b>
Paid-In Capital	26	119,350,000	119,350,000
Capital Adjustment Differences	26	40,859	40,859
Repurchased Shares (-)	26	(2,177,230)	(2,177,230)
Other Comprehensive Incomes or Expenses Not Be Re-Classified in Profit or Loss		386,938,604	10,608,150
--Revaluation and Assessment Gains/ (Losses)	26	386,938,604	10,608,150
---Tangible Fixed Assets Revaluation Increases (Decreases)	26	385,441,812	8,898,510
---Re-Assessment Gains (Losses) of Defined Benefit Plans	26	1,496,792	1,709,640
Other Comprehensive Incomes or Expenses to be Re-Classified in Profit or Loss	26	-	-
Restricted Reserves Allocated from Profits		53,347,986	52,813,389
--Legal Reserves	26	11,652,944	11,118,347
--Reserves for Re-acquired Shares	26	2,177,230	2,177,230
--Proceeds from Sales of Property or Subsidiary to be Added to Capital		39,517,812	39,517,812
Combination of Jointly Controlled Business		(780,673)	-
Accumulated Profits or Losses	26	(98,670,106)	(134,275,678)
Net Profit or (Loss) for the Period		(20,702,370)	6,402,359
<b>Non-Controlling Interests</b>		<b>145,554,895</b>	<b>10,617,007</b>
<b>TOTAL EQUITY</b>		<b>2,328,620,713</b>	<b>1,427,043,686</b>

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

**REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET AŞ. (AND SUBSIDIARIES)**  
**INDEPENDENTLY AUDITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATED 31 DECEMBER 2020 AND 31 DECEMBER 2019**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras (“TRY”))**

Profit & Loss Statement	Note	Current Period 01.01.-31.12.2020	Previous Period 01.01.-31.12.2019
<b>Continued operations</b>			
Proceeds	27	822,272,565	662,132,343
Cost of Sales (-)	27	(558,202,813)	(449,991,720)
<b>Gross Profit from Commercial Operations</b>		<b>264,069,752</b>	<b>212,140,623</b>
Overhead Expenses (-)	28	(10,092,925)	(7,959,860)
Marketing, Sale and Distribution Expense (-)	28	(2,464,224)	(3,332,955)
Research and Development Expenses (-)	28	-	-
Other Incomes from Main Activities	30	31,702,604	36,909,543
Other Expenses from Main Activities (-)	30	(27,600,322)	(34,594,657)
<b>Main Operating Profit/Loss (-)</b>		<b>255,614,885</b>	<b>203,162,694</b>
Incomes from Investment Operations	31	2,029,813	2,240,134
Expenses from Investment Operations (-)	31	-	-
Profit/Loss Shares from Investments Valued by Equity Method	22	3,235,412	2,239,390
<b>Operating Profit/(Loss) Before Financing Income (Expense)</b>		<b>260,880,110</b>	<b>207,642,218</b>
Financing Incomes	32	47,187,111	49,899,113
Financing Expenses (-)	32	(344,192,001)	(248,234,490)
<b>Continued Operations Profit/Loss Before Tax</b>		<b>(36,124,780)</b>	<b>9,306,841</b>
<b>Continued Operations Tax Income/Expense (-)</b>		<b>(8,900,254)</b>	<b>(4,794,479)</b>
- Period Tax Income/Expense (-)	17	(4,607,380)	(3,642,720)
- Deferred Tax Income / Expense (-)	33	(4,292,874)	(1,151,759)
<b>Period Profit/Loss from the Continued Operations</b>		<b>(45,025,034)</b>	<b>4,512,362</b>
<b>Suspended Operations Period Profit/Loss (-)</b>		<b>-</b>	<b>-</b>
<b>Period Profit/Loss</b>		<b>(45,025,034)</b>	<b>4,512,362</b>
<b>Non-Controlling Interests</b>		<b>(24,322,664)</b>	<b>(1,889,997)</b>
<b>Main Partnership Shares</b>		<b>(20,702,370)</b>	<b>6,402,359</b>
<b>Profit (Loss) Per Share from Continued Operations</b>	34	<b>(0.173)</b>	<b>0.054</b>
<b>Profit (Loss) Per Share from Suspended Operations</b>		<b>-</b>	<b>-</b>
<b>Period Profit/Loss from the Continued Operations</b>		<b>(45,025,034)</b>	<b>4,512,362</b>
<b>Other Comprehensive Income Statement</b>			
<b>Items Not To Be Reclassified In The Profit Or Loss</b>			
Tangible Fixed Assets Revaluation Increases/Decreases	24	539,771,085	-
Re-Assessment Gains (Losses) Of Defined Benefit Plans	20	(247,897)	786,622
Taxes Related To Other Comprehensive Income Not To Be Reclassified as Profit/Loss		<b>(32,901,277)</b>	<b>(165,049)</b>
- Tax Impact of Tangible Fixed Assets Revaluation Increases/Decreases	33	(32,968,829)	(165,049)
- Tax Impact of Re-Assessment Profits/Losses Of Defined Benefit Plans	33	67,552	-
<b>Items To Be Reclassified In The Profit Or Loss</b>		<b>-</b>	<b>-</b>
<b>Other Comprehensive Income/Expense</b>		<b>506,621,911</b>	<b>621,573</b>
<b>Total Comprehensive Income</b>		<b>461,596,877</b>	<b>5,133,935</b>
Total Comprehensive Income Distribution:		<b>461,596,877</b>	<b>5,133,935</b>
-Non-Controlling Interests		105,968,793	(1,898,195)
- Shares of Parent Partnership		355,628,084	7,032,130

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**REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş. (AND SUBSIDIARIES)**

**INDEPENDENTLY AUDITED**

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

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

Note	Paid-In Capital	Capital Adjustment Differences	Repurchased Shares	Revaluation and Assessment Profits/Losses		Restricted Reserves Set Aside from Profits	Effect of Combinations of Jointly Controlled Businesses	Accumulated Profits		Equity Attributable to Parent Partnership	Non-Controlling Interests	Total Owner's Equity	
				Tangible Fixed Assets Revaluation Increases/Decreases	Re-Assessment Profits/Losses Of Defined Benefit Plans			Accumulated Profits / Losses (-)	Net Period Profit/Loss (-)				
<b>Balance on 1 January 2019</b>	<b>26</b>	<b>119,350,000</b>	<b>40,859</b>	<b>(2,177,230)</b>	<b>8,898,510</b>	<b>1,079,869</b>	<b>52,813,389</b>	<b>-</b>	<b>(61,746,858)</b>	<b>(72,528,820)</b>	<b>45,729,719</b>	<b>12,515,202</b>	<b>58,244,921</b>
Transfers									(72,528,820)	72,528,820			
Total Comprehensive Income(Expense)		-	-	-	-	629,771	-	-	-	6,402,359	7,032,130	(1,898,195)	5,133,935
<b>Balance on 31 December 2019</b>	<b>26</b>	<b>119,350,000</b>	<b>40,859</b>	<b>(2,177,230)</b>	<b>8,898,510</b>	<b>1,709,640</b>	<b>52,813,389</b>	<b>-</b>	<b>(134,275,678)</b>	<b>6,402,359</b>	<b>52,761,849</b>	<b>10,617,007</b>	<b>63,378,856</b>
<b>Balance on 31 January 2020</b>	<b>26</b>	<b>119,350,000</b>	<b>40,859</b>	<b>(2,177,230)</b>	<b>8,898,510</b>	<b>1,709,640</b>	<b>52,813,389</b>	<b>-</b>	<b>(134,275,678)</b>	<b>6,402,359</b>	<b>52,761,849</b>	<b>10,617,007</b>	<b>63,378,856</b>
Adjustments Related to Errors		-	-	-	-	-	-	-	31,470,327	-	31,470,327	19,725,911	51,196,238
<b>Amount After Adjustments</b>		<b>119,350,000</b>	<b>40,859</b>	<b>(2,177,230)</b>	<b>8,898,510</b>	<b>1,709,640</b>	<b>52,813,389</b>	<b>-</b>	<b>(102,805,351)</b>	<b>6,402,359</b>	<b>84,232,176</b>	<b>30,342,918</b>	<b>114,575,094</b>
Transfers							534,597		5,867,762	(6,402,359)			
Total Comprehensive Income (Expense)		-	-	-	376,543,302	(212,848)	-	-	-	(20,702,370)	355,628,084	105,968,793	461,596,877
Effect of Combinations of Jointly Controlled Businesses or Ventures		-	-	-	-	-	-	(780,673)	-	-	(780,673)	(489,333)	(1,270,006)
Increase/Decrease Due To Share Ratio Changes Not Resulted in Loss of Control in Subsidiaries		-	-	-	-	-	-	-	(1,732,517)	-	(1,732,517)	9,732,517	8,000,000
<b>Balance on 31 December 2020</b>	<b>26</b>	<b>119,350,000</b>	<b>40,859</b>	<b>(2,177,230)</b>	<b>385,441,812</b>	<b>1,496,792</b>	<b>53,347,986</b>	<b>(780,673)</b>	<b>(98,670,106)</b>	<b>(20,702,370)</b>	<b>437,347,070</b>	<b>145,554,895</b>	<b>582,901,965</b>

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**REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş. (AND SUBSIDIARIES)**
**INDEPENDENTLY AUDITED**
**CONSOLIDATED STATEMENT OF CASH FLOW DATED 31 DECEMBER 2020 AND 31 DECEMBER 2019**

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

A. CASH FLOWS GENERATED FROM MAIN ACTIVITIES	Note	Current Period 01.01.- 31.12.2020	Previous Period 01.01.-31.12.2019
<b>CASH FLOWS GENERATED FROM OPERATIONS</b>		<b>150,153,601</b>	<b>180,497,103</b>
Profit (Loss) For The Period		(45,025,034)	4,512,362
Period Profit (Loss) from the Ongoing Operations		(45,025,034)	4,512,362
<b>Adjustments Due to Reconciliation of Net Period Profit (Loss)</b>		<b>219,669,690</b>	<b>132,834,746</b>
Adjustments due to Depreciation and Redemption Expenses	23-25	49,732,531	39,056,032
Adjustments due to Impairment (Cancellation)		(4,175,459)	889,444
- <i>Adjustments due to Receivables Impairment Loss (cancellation)</i>	11	998,078	6,691,337
- <i>Adjustments due to Investment Property Impairment (Cancellation)</i>	23	(5,173,537)	(5,801,893)
Adjustments due to Provisions		6,686,939	3,898,510
- <i>Adjustments Due To Provisions for Employee Benefits (Cancellation)</i>	20	700,457	98,589
- <i>Adjustments Due to Provisions for Lawsuits and/or Penalties (Cancellation)</i>	20	5,986,482	3,799,921
Adjustments due to Gains/Losses Arisen From Disposal of Fixed Assets		(2,029,813)	(2,240,134)
- <i>Adjustments Due To Gains/Losses Arisen From Disposal Of Fixed Assets</i>	24-25	(2,029,813)	(2,240,134)
Adjustments due to Interest (Incomes) and Expenses	11	(1,254,178)	4,926,921
- <i>Adjustments due to Interest Incomes</i>		-	(123,148)
- <i>Adjustments due to Interest Expenses</i>	9	(1,096,051)	6,002,554
- <i>Deferred Financing Expenses due to Forward Purchases</i>	11	(243,622)	(448,889)
- <i>Unearned Financing Income due to Forward Sale</i>	11	85,495	(503,596)
Adjustments due to Retained Profits of Investments Valued by Equity Method	22	(3,235,412)	(2,239,390)
- <i>Adjustments due to Retained Profits of Subsidiaries</i>	22	(3,235,412)	(2,239,390)
Adjustments due to Tax (Income) Expense	33	4,225,322	1,316,808
Adjustments due to Unrealized Foreign Exchange Conversions	9	169,719,760	87,226,555
<b>Changes Occurred on the Company Capital</b>		<b>(27,528,291)</b>	<b>42,439,077</b>
Decrease (Increase) in Financial Investments		(251,618)	180,874
Adjustments due to Increase/Decrease in Account Receivables		(26,507,955)	3,867,098
- <i>Decrease (Increase) in Account Receivables from Related Parties</i>	6	3,961,506	727,419
- <i>Decrease (Increase) in Account Receivables from Non-Related Parties</i>	11	(30,469,461)	3,139,679
Adjustments due to Increase/Decrease in Other Receivables Related with Operations		(1,060,854)	29,654,439
- <i>Decrease (Increase) in Other Account Receivables from Operations with Related Parties</i>	6	(1,048,974)	28,456,930
- <i>Decrease (Increase) in Other Account Receivables from Operations with Non-Related Parties</i>	12	(11,880)	1,197,509
Adjustments due to Inventory Decrease (Increase)	14	(1,292,838)	(2,828,204)
Decrease (Increase) in Prepaid Expenses	15	(2,383,728)	15,300,312
Adjustments due to Increase (Decrease) in Account Receivables		5,595,192	18,151,282
- <i>Increase (Decrease) in Account Payables to Related Parties</i>	6	2,311,995	5,570,901
- <i>Increase (Decrease) in Account Payables to Non-Related Parties</i>	11	3,283,197	12,580,381
Increase (Decrease) in Liabilities under Employee Benefits	13	447,331	459,587
Adjustments due to Increase (Decrease) in Other Liabilities Related with Operations		9,644,181	(16,507,699)
- <i>Increase (Decrease) in Other Liabilities due to Operations with Non-Related Parties</i>	6	6,220,642	(22,738,731)
- <i>Increase (Decrease) in Other Liabilities due to Operations with Non-Related Parties</i>	12	3,423,539	6,231,032
Increase (Decrease) in Deferred Incomes	15	(7,454,527)	(12,415,073)
Adjustments due to Other Increase (Decrease) occurred on Company Capital		(4,263,475)	6,576,461
- <i>Decrease (Increase) in Other Assets Related with Operations</i>	19	(4,346,431)	6,576,461
- <i>Increase (Decrease) in Other Liabilities Related with Operations</i>	19	82,956	-
<b>Cash Flows Generated from Operations</b>		<b>147,116,365</b>	<b>179,786,185</b>
Tax Returns (Payments)	17-18	3,037,236	710,918
<b>B. CASH FLOWS GENERATED BY INVESTMENT OPERATIONS</b>		<b>(155,968,353)</b>	<b>(104,229,929)</b>
Cash Inflows due to Sale of Tangible and Intangible Assets		17,867,761	3,064,394
- <i>Cash Inflows due to Sale of Tangible Fixed Assets</i>	24	17,867,761	3,064,394
Cash Outflows due to Sales of Tangible and Intangible Assets		(98,233,353)	(82,883,382)
- <i>Cash Outflows due to Purchase of Tangible Fixed Assets</i>	24	(98,167,243)	(82,883,382)
- <i>Cash Outflows due to Purchase of Intangible Fixed Assets</i>	25	(66,110)	-
Cash Inflows due to Sale of Investment Properties	23	2,872,552	-
Cash Outflows due to Purchase of Investment Properties	23	(78,475,313)	(26,356,359)
Dividends received	22	-	1,945,418
<b>C. CASH FLOWS DUE TO FINANCING OPERATIONS</b>		<b>159,651,406</b>	<b>(42,091,031)</b>
Cash Inflows due to the Borrowing		1,389,099,230	558,924,892
- <i>Cash Inflows from Loans</i>	9	1,339,121,337	519,551,755
- <i>Cash Inflows due to Other Financial Borrowings</i>	9	49,977,893	39,373,137
Cash Outflows due to the Debt Repayments		(1,236,887,657)	(601,130,876)
- <i>Cash Outflows due to the Loan Repayments</i>	9	(1,175,831,163)	(543,341,933)
- <i>Cash Outflows due to Other Financial Liability Payments</i>	9	(61,056,494)	(57,788,943)
Cash Inflows due to Changes in Partnership Shares not Resulting in Loss of Control in Subsidiaries	26	8,000,000	-
Cash Inflows (Outflows) due to Effect of Combination of Jointly Controlled Business	26	(560,167)	114,953
<b>NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY CONVERSION DIFFERENCES</b>		<b>153,836,654</b>	<b>34,176,143</b>
Effect of Foreign Exchange Conversion Differences on Cash and Cash Equivalents		-	-
<b>Net Increase in Cash and Cash Equivalents</b>	7	<b>153,836,654</b>	<b>34,176,143</b>
<b>Opening Cash and Cash Equivalents</b>	7	<b>131,453,544</b>	<b>97,277,401</b>
<b>Closing Cash And Cash Equivalents</b>		<b>285,290,198</b>	<b>131,453,544</b>

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

**NOTE 1 - ORGANIZATION AND BUSINESS AREA OF THE COMPANY**

The business area of **Reysaş Taşımacılık Ve Lojistik Ticaret Anonim Şirketi** ("Company") is land, sea and air transportation using all sorts of vehicles. Company also provides warehousing services through the warehouses it owns.

The business area of the **Reymar Tütün Mamülleri Dağıtım Ve Pazarlama Ltd.Şti.** ("Reymar"), a subsidiary of the Company, is the distribution and marketing of tobacco products.

The business area of the **Reysaş Taşıt Muayene İstasyonları İşletim Anonim Şirketi** ("Reysaş Vehicle Inspection"), a subsidiary of the Company is the operation of the vehicle inspection stations which were privatized.

The business area of the **Reysaş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi** ("Reysaş REIT"), a subsidiary of the Company is mainly the investment in real estate, real estate-based capital market instruments, real estate projects and property-based interests, and engage in the purposes and subjects as stipulated in the regulations of Capital Market Board with respect to the Real Estate Investment Trusts. Free float percentage of the Company is 38.06 % as of 31 December 2020 (38.06%, 31 December 2019) and shares are freely traded at National Market in Borsa İstanbul A.Ş. (BIST). Company is subject to the system of registered capital.

The business area of the **Arı Lojistik İnşaat San.Ve Tic.Anonim Şirketi** (Arı Logistics), a subsidiary of the Company, is acquisition of all sorts of vehicles, and transportation, to engage in brokerage, representation, agency, dealership and distributorship with respect to the business area, as well as to deal with freight and warehousing operations.

**Reysaş Demiryolu Taşımacılığı A.Ş.**, (Reysaş Rail), a subsidiary of the Company, actively engages in railroad cargo transportation locally using the freight cars it owns.

**Reysaş Turizm Yatırımları ve Ticaret ve Ltd.Şti.** (Reysaş Tourism), a subsidiary of the Company launched the investment of Erzincan Hilton Hotel in 2014. The hotel construction was completed and commissioned in 2015.

Reysaş Tourism purchased 100% of the shares of **Rey Otel Turizm İşletmeciliği ve Ticaret A.Ş.(Rey Hotel)**, which engage in operation of hotels and accommodation facilities, for TRY 560,167 on the basis of the valuation report issued by Bizim Menkul Değerler A.Ş. Rey Hotel is carrying out the operations of Erzincan hotel included in the portfolio of Reysaş REIT, and Erzincan hotels included in Reysaş Tourism.

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".



**REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş. and SUBSIDIARIES****FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020  
(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))****NOTE 1- ORGANIZATION AND BUSINESS AREA OF THE COMPANY (cont'd)**

The capital structures of the company, its subsidiaries, and the subsidiary which is recognized by equity method are provided below:

<b>Reysaş Taşımacılık ve Lojistik Ticaret A.Ş.</b>	<b>31 December 2020</b>		<b>31.12.2019</b>	
	<b>Amount of Share</b>	<b>Share Ratio (%)</b>	<b>Amount of Share</b>	<b>Share Ratio (%)</b>
Public	76,456,399	64,06%	76,456,399	64,06%
Durmuş Döven	21,388,404	17,92%	21,388,404	17,92%
Rıfat Vardar	14,551,518	12,19%	14,551,518	12,19%
Others	6,953,679	5,83%	6,953,679	5,83%
<b>Total</b>	<b>119,350,000</b>	<b>100,00%</b>	<b>119,350,000</b>	<b>100,00%</b>

<b>Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş.</b>	<b>31 December 2020</b>		<b>31.12.2019</b>	
	<b>Amount of Share</b>	<b>Share Ratio (%)</b>	<b>Amount of Share</b>	<b>Share Ratio (%)</b>
Public*	93,618,300	38,06%	93,618,300	38,06%
Reysaş Taşımacılık ve Lojistik Ticaret A.Ş.	152,381,690	61,94%	152,381,690	61,94%
Others	11	0,00%	11	0,00%
<b>Total</b>	<b>246,000,001</b>	<b>100%</b>	<b>246,000,001</b>	<b>100%</b>

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

<b>Reymar Tütün Sanayi ve Ticaret Ltd.Şti.</b>	<b>31 December 2020</b>		<b>31.12.2019</b>	
	<b>Amount of Share</b>	<b>Share Ratio (%)</b>	<b>Amount of Share</b>	<b>Share Ratio (%)</b>
Reysaş Taşımacılık ve Lojistik Ticaret A.Ş.	25,492,500	99,00%	25,492,500	99%
Durmuş Döven	257,500	1,00%	257,500	1%
<b>Total</b>	<b>25,750,000</b>	<b>100%</b>	<b>25,750,000</b>	<b>100%</b>

<b>Reysaş Taşıt Muayene İstasyonları İşletim A.Ş.</b>	<b>31 December 2020</b>		<b>31.12.2019</b>	
	<b>Amount of Share</b>	<b>Share Ratio (%)</b>	<b>Amount of Share</b>	<b>Share Ratio (%)</b>
Reysaş Taşımacılık ve Lojistik Ticaret A.Ş.(*)	26,418,800	75,48%	11,418,800	95,16%
Egemen Döven	8,576,200	24,50%	576,200	4,80%
Others	5,000	0,01%	5,000	0,04%
<b>Total</b>	<b>35,000,000</b>	<b>100%</b>	<b>12,000,000</b>	<b>100%</b>

(\*) At the General Assembly of Reysaş Taşıt Muayene İstasyonları İşletim A.Ş. held on 9 October 2020, it is resolved to increase capital to TRY 23,000,000. TRY 15,000,000 of the capital increase is paid by Reysaş Taşımacılık ve Lojistik Ticaret A.Ş.

<b>Reysaş Demiryolu Taşımacılığı A.Ş.</b>	<b>31 December 2020</b>		<b>31.12.2019</b>	
	<b>Amount of Share</b>	<b>Share Ratio (%)</b>	<b>Amount of Share</b>	<b>Share Ratio (%)</b>
Reysaş Taşımacılık ve Lojistik Ticaret A.Ş.	5,700,000	100,00%	5,700,000	100,00%
<b>Total</b>	<b>5,700,000</b>	<b>100,00%</b>	<b>5,700,000</b>	<b>100,00%</b>

**REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş. and SUBSIDIARIES****FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020  
(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))****NOTE 1- ORGANIZATION AND BUSINESS AREA OF THE COMPANY (cont'd)**

Reysaş Turizm Yatırımları ve Ticaret Ltd.Şti.	31 December 2020		31.12.2019	
	Amount of Share	Share Ratio (%)	Amount of Share	Share Ratio (%)
Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş.	38,000,000	100,00%	38,000,000	100,00%
<b>Total</b>	<b>38,000,000</b>	<b>100,00%</b>	<b>38,000,000</b>	<b>100,00%</b>

  

Rey Otel Turizm İşletmeciliği ve Ticaret A.Ş.	31 December 2020		31.12.2019	
	Amount of Share	Share Ratio (%)	Amount of Share	Share Ratio (%)
Reysaş Turizm Yatırımları ve Ticaret Limited	610,000	100,00 %	-	-
<b>Total</b>	<b>610,000</b>	<b>100,00%</b>	<b>-</b>	<b>-</b>

As of 21 November 2016, Group relocated its business premises from the address "Abdurrahmangazi Mah. Bahriye Sok. No:8 Sancaktepe İstanbul" to the address "Küçük Çamlıca Mahallesi Erkan Ocaklı Sokak No:13 Üsküdar/İstanbul". Arı Lojistik İnşaat San. ve Tic. A.Ş. which is subject to joint management carries on its activities on the address of Acıbadem Cad. Yaprak Sokak No: 5/7 Kadıköy İstanbul. Group has 4 branches, including İstanbul Head Office, Adapazarı, Bursa and Adana provinces, within the borders of Republic of Turkey. In addition, Reysaş Taşıt Muayene A.Ş., a subsidiary of the Group, manages the operations of vehicle inspection stations in Karabük, Bartın, Kastamonu, Tosya, Karadeniz Ereğli, Zonguldak, Eskişehir and Sivrihisar regions. Group has 319 employees as of 31 December 2020. (31 December 2019: 258). Group also has employees through sub-contractors. The average number of personnel through sub-contractors is 471 as of 31 December 2020. (31 December 2019: 494).

As of 31 December 2020, free floating rate of Reysaş Taşımacılık ve Lojistik Ticaret Anonim Şirketi is 63.97 % (31 December 2019: 63.97%).

**NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS****2.1. Accounting Standards Applied**

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

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

**NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS**

**2.2. Adjustment of Financial Statements during the Hyper-inflationary Periods**

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

**2.3. Principles of Consolidation**

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 parent partnership, 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, registered value of the subsidiaries are netted off against their equities, and registered values of shares owned by Company and the dividends arising therefrom are netted off against the related equities 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.

**Equity Method**

Financial statements include the investments recognized according to Company and Equity Method. According to Equity Method, investment in a subsidiary is initially recognized at cost. After the date of acquisition, the book value of the investment is increased or decreased in order to reflect the share of investor in the profit or loss of the investee in the financial statements. The share of investor from profit or loss of the investee is recognized as profit or loss of investor. Distributions received from an investee (dividends, etc.) decreases the book value of the investment. Changes in the other comprehensive income of investee caused by sums not yet reflected in the profit or loss of the investee may require an adjustment in the book value of the investment in proportion to the share of investor in the investee. Such changes consist in the changes due to revaluation of the tangible fixed assets, or differences of foreign exchange conversions. The share of investors in these changes is recognized in the other comprehensive income of an investor.

**NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)****2.3. Principles of Consolidation (cont'd)**

Arı Lojistik İnşaat San.ve Tic.A.Ş. are subjected to proportional consolidation on and before 31 December 2012. With Resolution of Board of Directors, Reysaş Taşımacılık ve Lojistik Ticaret A.Ş. has sold to Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. share with a total nominal value of TRY 3,050,000 which corresponds to 33.33% of the capital of its subsidiary Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. and its affiliate, Arı Lojistik İnşaat Sanayi ve Ticaret A.Ş. as of 28 March 2013 for a value of TRY 16,836,000 as assessed by an independent valuation company. Following this sales, Reysaş Logistics had no longer shares in Arı Lojistik İnş.San.ve Tic.A.Ş, and the share of Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. has increased to 50%. As, after sales, Reysaş Taşımacılık ve Lojistik Ticaret has no longer shares in Arı Lojistik İnş.San.ve Tic.A.Ş. the scope of consolidation has changed. Due to this change, Arı Lojistik İnş. San.ve Tic. A.Ş. is included in the scope of consolidation by recognizing it in financial statements of Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş., being a subsidiary, using equity method. (Note: 22)

The rates of company pertaining to consolidation is as follows;

<b>Title of Partnership</b>	<b>Share of Company in Capital (%) 31.12.2020</b>	<b>Share of Company in Capital (%) 31.12.2019</b>
Reysaş Taşıt Muayene İstasyonları İşletim A.Ş.	75.48	95.16
Reymar Tütün Mamülleri Dağıtım ve Pazarlama Ltd.Şti.	99.00	99.00
Reysaş Demiryolu Taşımacılığı A.Ş.	100.00	100.00
Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş.	61.47	61.47
Reysaş Turizm Yatırımları ve Ticaret Ltd.Şti. (Effective Rate)	61.47	61.47
Rey Otel Turizm İşletmeciliği ve Ticaret A.Ş. (Effective Rate)	61.47	61.47

**Combinations of Jointly Controlled Businesses**

A business combination which involve jointly controlled businesses or ventures is a business combination where all businesses or ventures being merged are controlled permanently by the same person(s) before and after the business combination.

Combinations of jointly controlled businesses are recognized via pooling of interests, and therefore, no goodwill is presented in the consolidated financial statements.

Shares acquired from the businesses under joint management are recognized at their book values. The difference between the sums paid and net book value of the assets acquired is recognized in the account "effect of combinations involving jointly controlled businesses".

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

**2.4. New and Amended Standards and Interpretations**

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

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

***Definition of a Business (Amendments to TFRS 3)***

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

Amendments are as follows:

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

**2.4. New and Amended Standards and Interpretations (cont'd)**

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

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

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

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

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

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

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

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

In June 2019, KGK issued amendments to "TAS 1 Presentation of Financial Statements" and "TAS 8 Accounting Policies, Changes in Accounting Policies and Errors"

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

**2.4. New and Amended Standards and Interpretations (cont'd)**

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

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

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

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

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

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

***TFRS 17 - New Insurance Contracts Standard***

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

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

On 12 March 2020, KGK issued amendments to "TAS 1 Presentation of Financial Statements" Standard. Effective for the annual reporting periods beginning on or after 1 January 2022, these amendments introduce clarifications to the criteria for classification of liabilities as current or non-current. Amendments should be applied retrospectively according to TAS 8 "Accounting Policies, Changes and Errors in Accounting Estimates". No earlier application is permitted.

The effects of said amendment on the financial position or performance of the Group are currently under evaluation.

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

**2.5. Comparative Information and Adjustment of Previous Period Financial Statements**

Group's consolidated financial statements are prepared as comparative with previous period in order to enable determination of financial position and performance trends. Comparative information are to be reclassified when necessary in terms of ensuring conformity with presentation of current period's financial statements.

If deemed necessary, comparative information are reclassified and material differences are disclosed. Group presented its financial statements on the basis of the most recent 2019 TAS Taxonomy published by KGK.

**Assumption of a Going-Concern**

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

**2.6. Netting / Offsetting**

Financial assets and liabilities are presented in the balance sheet with their net values, if legislation allows for netting, it is possible to pay or collect in net amounts or if it is possible to realize the asset acquisition and liability performance at the same time.

**2.7. Changes in Accounting Policies**

Material changes in accounting policies are corrected, retrospectively; by restating the prior periods' consolidated financial statements. Company applied its accounting policies in consistent with the previous financial year.

**The effects of changed accounting policies**

Group's financial statements are prepared as comparative with previous period in order to enable determination of financial position and performance trends. Comparative information are to be reclassified and important differences are disclosed when necessary in terms of ensuring conformity with current period's financial statements presentation.

Effective for the presentation of financial statements dated 31 December 2020, Company excluded the cost model and selected the revaluation model as its accounting policy among application methods provided in TAS 16 for recognition of lands, buildings and vehicles at their fair values.

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

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

Corrected amount of an error is considered retrospectively. An error is corrected by re-adjusting the comparative amounts pertaining to past period where it occurred, or if it occurs before next reporting period, then re-adjusting the accumulated profits account of said period.

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

Between 2010 and 2016, Real Estate and land sales occurred between Group companies, for which sales profits were eliminated. The eliminations in said years have exceeded the amount what is required to occur, and Investment Properties are inadvertently accounted for TRY 51,196,238 less than what is required.

As these errors did not affect the profit and loss statements of 2020 and 2019, some of them are based on estimations, and they had limited effect on the total assets, they are corrected via re-adjustment of the accumulated profits account. Accordingly, investment properties account increased by TRY 51,196,238, and TRY 31,470,327 for the parts of parent partnership were corrected in accumulated profits and losses, and TRY 19,725,911 in the non-controlling shares account, at the opening.

**2.9. Currency Unit and Reporting Unit**

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

**2.10. Summary of Important Accounting Policies**

Important Accounting Policies, which are applied in the preparation of the consolidated financial statements enclosed herewith are described below:

**Cash and cash equivalents**

Cash and cash equivalents consists in 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.

**Account receivables**

Account Receivables occurred when Group provides goods or services to a buyer are recognized, net of the deferred financing income.

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

TFRS 39 "Financial Instruments" Standard, effective prior to 1 January 2018, defined "projected credit losses model" to replace the "credit loss realization model" stipulated by the "TAS 39 "Financial Instruments: Recognition and Measurement" Standards. Projected credit losses is an estimate of financial instruments where potential credit loss during their projected useful life are weighted according to past statistics. Besides the past credit losses, Group's future estimates are taken into account the calculation of projected credit losses.

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



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

**2.10. Summary of Important Accounting Policies (cont'd)**

**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.

**Inventories**

Inventories are assessed with the lower the cost or net realizable value. Inventories of the group consists in fuel stocks, spare-parts inventory and other stocks. Inventories are assessed with the lower the cost or net realizable value. First In First Out (FIFO) is applied for calculation of the cost of the inventories. Cost of inventories includes all purchasing costs, conversion costs and other costs incurred to bring stocks in their existing condition and position.

Conversion costs of the inventories cover the costs directly related to the production, such as direct labor costs. These costs also consist in systematically distributed amounts from fixed and variable overhead expenses incurred during conversion of raw material and input into final product.

Net realizable value is the amount calculated by deducting total of estimated completion cost which must be undertaken in order to realize the sales as well as estimated sale cost required to perform sale from estimated sale price in the regular course of business.

Inventories were accounted for by netting the financing costs they include due to forward buying.

**Tangible Fixed Assets**

Tangible Fixed Assets, except for lands, buildings and vehicles intended for use measured at their fair values pursuant to TAS 16 revaluation model, are accounted for at the value calculated by deducting accumulated redemption and amortization rates and permanent impairments from their purchasing costs. Cost of a tangible fixed asset consists in the purchase price, non-refundable taxes, and costs incurred to make tangible fixed asset ready for use.

Except for the lands, and investments under construction, cost amount of the tangible fixed assets are subject to the pro-rata depreciation by using linear depreciation method as per expected useful lives. Expected useful life, residual value and depreciation method are reviewed each year for the possible effects of changes in estimates, and they are recognized prospectively if there are any changes in estimates.

Estimated useful lives of said assets are provided below:

	<b>Years</b>
Underground, land improvements	5-50
Buildings	10-50
Machinery and equipment	5-10
Motor vehicles	4-10
Fixtures	5-10
Other Tangible Fixed Assets	5-10
Special Costs	10-20

Costs incurred for replacement of any part of tangible fixed assets, including maintenance and repair costs, can be recognized as an asset, if they increase economic benefits of such asset in the future. All other costs, once occurred, are accounted for in cost items in profit or loss and other comprehensive income statement.

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

**2.10. Summary of Important Accounting Policies (cont'd)**

In case of existence of conditions which indicate that tangible fixed assets incurred value impairment, an investigation is made to identify whether an impairment occurred, upon which, if book value of fixed asset is higher than the recoverable value, then it is decreased to the recoverable value by way of reserving provisions. Recoverable value is deemed as the net future cash flows from existing use of the related tangible fixed asset, or, if higher, net sales price.

Profits and losses from the sales of the tangible fixed assets are to be included in the incomes and expenses from investment transactions.

Effective as of 31 December 2020, company decided to apply revaluation model for its lands, buildings and vehicles, and changed the accounting policy prospectively in line with TFRS Standards. The works for calculation of fair value of the tangible fixed assets of the company measured pursuant to revaluation model were carried out by a property valuation company licensed and authorized by CMB. For the lands, buildings and vehicles, buildings and vehicles measured by revaluation model, the valuation differences between historical cost and fair value were accounted for in the account "Revaluation and Measurement Gains (Losses) of Tangible Fixed Asset" classified in owner's equity via other comprehensive income/expense accounts, netted off effect of deferred tax.

**Intangible Fixed Assets**

Intangible Fixed Assets are recognized in the financial statements according to the criteria such as being identifiable, existence of control on the related asset, and existence of a potential economic benefit in the future. Intangible Fixed Assets were accounted for at the value calculated by deducting accumulated amortization and, if any, permanent impairments from acquisition cost. For all intangible fixed assets, amortization was calculated on the pro-rata basis using linear amortization method. Acquired rights consist in information systems and computer software.

**Impairment in Assets**

On each balance sheet date, Group assesses to verify if there is any indication that an asset incurred impairment. If such indicator exists, then recoverable amount of such assets are estimated. Impairment has occurred if the book value of said asset or any cash-generating unit pertaining that asset is higher than recoverable amount by way of use or sales. Recoverable amount is found by selecting higher of the net sales price and use value of the asset. Use value is the estimated present value of the cash flows expected to be generated from continuous use of an asset and its disposal at the end of useful life. Impairment losses are accounted for in profit or loss and other comprehensive income statement.

Impairment losses occurred in a receivable are to be reversed when a subsequent increase in recoverable amount of that receivable is associable with an event that occurred in the periods that follow the recognition of such impairment. Impairment losses occurred in other assets are to be reversed if there is a change in the estimates used in the determination of recoverable amount. Increase in the book value of the asset due to written-off impairment should not be higher than the book value which would occur had no impairment losses recognized in the financial statements in the past periods (net amount after amortization).

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

**2.10. Summary of Important Accounting Policies (cont'd)**

**Borrowing costs**

Borrowing costs directly associatable with acquisition, construction or production of qualifying assets are accounted for as part of cost of said qualifying asset. Other borrowing costs are recognized as an expense in the period they occurred.

**Financial instruments**

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

(a) Financial assets measured at redeemed cost

A financial asset are classified according to "redeemed cost" if it meets both the criteria that it is held under a management model which aims at collection of contract-originated cash flows, and the contractual provisions of financial asset generates cash flows only for payment of the principal and interest for remaining principal on the certain dates. The contents of the derivative embedded in the financial asset should be taken into account when cash flows of investment are not only due to payment of principal or interest of remaining balance, and are not separately accounted for. Gains and losses arising out of a financial assets which is measured at redeemed cost and not being a part of financial hedging relation are accounted for through profit or loss using effective interest method when said financial asset is derecognized or impaired.

(b) Financial assets measured at fair value

When the 2 criteria above are not met, borrowing instrument is classified as "recognized at fair value through profit or loss". 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 Group has transferred all risks and proceeds.

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

*Financial liabilities*

The financial liabilities and equity instruments of the Group are classified on the basis of contractual arrangements, definition of equity-based instrument and a financial liability. A contract representing a right in the remaining assets after deducting all debts of the Group is an equity-based financial instrument. The accounting policies applied for certain financial liabilities and equity based financial instruments are provided as follows.

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

**2.10. Summary of Important Accounting Policies (cont'd)**

*Financial liabilities are classified as the financial liabilities, fair value difference of which is reflected to profit or loss, or other financial liabilities.*

*(a) Financial liabilities, fair value differences of which is reflected to profit/loss*

Financial liabilities of which fair value differences are reflected in the profit or loss are recorded at their fair values and in every reporting period, it is re-valued at its fair value on the balance sheet date. Change in fair values are recognized in the income statement. Net profit or loss recognized in the income statement includes the interest amount paid for the said financial liability.

*(b) Other financial liabilities*

Other financial liabilities, including financial debts, are recognized at their fair value minus initial transaction costs. Other financial liabilities are recognized at redeemed cost using effective interest method, together with the interest cost calculated over effective interest rate in the next periods. The effective interest method is a method of calculating the redeemed cost of a financial liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

**Financial Assets impairments**

*Financial assets accounted for at redeemed cost*

Group assesses at the end of every reporting period as to whether any objective evidences exist which show that one or a group of financial assets incurred impairment. If one or a group of financial asset incurs impairment, then losses arising out of impairment is incurred only if there is a loss event after first recognition of the assets subject to such impairment, and objective evidence caused by one or more events for that this loss event has an effect on the projected cash flows of financial assets in the future.

The criteria used by Group to demonstrate the objective evidence for impairment loss consists in:

- Significant financial difficulty of the issuer or borrower
- a breach of contract (such as a default or delinquency in interest or principal payments);
- the lenders for economic or contractual reasons relating to the borrowers financial difficulty granted the borrower a concession that would not otherwise be considered;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for the financial asset because of financial difficulties, or
- Existence of observable data which indicates a measurable decline in the projected future cash flows of a group of assets after the initial recognition even if it is not possible to observe such data for individual financial assets contained in a portfolio. Such data includes:
  - Adverse changes in the solvency of the borrowers in the portfolio, and
  - National and local economic conditions relating to non-repayment of the assets in the portfolio

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

**2.10. Summary of Important Accounting Policies (cont'd)**

Group first assesses if there is any impartial indicator for impairment.

For credits and receivables class, amount of loss is measured by the difference between the book value of the assets and the present value of the expected future cash flows discounted by the original effective interest rate of financial assets. Then, book value of the assets are reduced and resulting loss is recognized in profit or loss statement. If a credit or held-to-maturity investment has a variable interest rate, discounting rate to be used in calculation of the impairment loss is the current effective interest rate agreed on the contract. As a useful method, Group may measure the impairment based on fair value of an instrument using observable market price.

If the amount of impairment loss declines in the subsequent period, and this decline is associable with an event that occurred after the recognition of impairment (such as improved credit rating of the borrower), the impairment previously recognized will be cancelled, which will be recognized in the consolidated profit or loss statement.

***Financial Leasing Transactions***

If all benefits and risks are assumed by lessee in a leasing transaction, then such leasing transactions are classified by Group under financial leasing. Other leasing transactions are classified as operational leasing.

***Financial Leasing***

*Group as a Lessee:*

Financial leasing transactions are recognized at the lower of market value of leased asset or present value of the minimum financial leasing payments. Lease payments are treated as if they include principal and interest. Principal lease payments are recognized as a liability in the balance sheet and decreased progressively as they are paid. (Note: 9) Interest payments are recognized in the income statement during the financial leasing term. Tangible fixed assets acquired through financial leasing are amortized during the estimated useful life of the asset. Net book value of the assets subject to financial leasing are discussed in the Note 24.

*Group as a Lessor:*

None.

***Operational Leasing***

*Group as a Lessee:*

Lease contracts which lessee has all the risks and benefits of the good are called as the operational leasing. Leasing payments made for an operational leasing are recognized during leasing term as an expense according to normal method. The most important operational leasing transactions of the Group consists in the vehicles leased for transportation service.

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

**2.10. Summary of Important Accounting Policies (cont'd)**

Group as a Lessor:

Group recognizes the fixed assets subject to operational leasing according to the content of the fixed asset. Leasing payments originated from an operational leasing transaction are recognized during leasing term as an income according to normal method. Group generates leasing and warehousing service income from the warehouses serving to and vehicles and containers leased to the various customers. This incomes are accounted for in sales proceeds.

**Bank loans**

Loans are recognized at their values minus transaction costs on the draw-down date. Loans are later accounted for at discounted cost values using effective interest method. The difference between amount remaining after transaction costs and the discounted cost value are recognized as a financing cost in profit and loss and other comprehensive income statement during the loan term. Financing cost originated from loans are recognized, once incurred, in the profit or loss and other comprehensive income statement.

**Proceeds and Revenues**

Revenue is measured at the fair value of the consideration received or to be received. Estimated customer returns, discounts and provisions are deducted from the said amount.

Revenues from sales of goods are recognized once all of the conditions below are met:

- Transfer and pass of all important risks and gains in relation with ownership by Group to buyer,
- No administrative participation of Company exists which is ongoing and associated with the ownership as well as no effective control by Group exists on the goods sold,
- Reliable assessment of the amount of the proceeds,
- Likelihood of the economic benefits related with the transaction to flow towards the business.
- Reliable assessment of the costs incurred or to be incurred from the transaction.

Company began to apply as of 1 January 2018 "IFRS 15 Revenue from Contracts with Customers" Standard which replaced the "IAS 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.

**Events after the Balance Sheet Date**

Events after the Balance Sheet Date; even if they take place after any kind of profit-related announcement or public disclosure of other specific financial data, includes all events taking place from balance sheet date to the authorization date for publication of balance sheet.

Group adjusts the amounts recorded in consolidated financial statements in accordance with this new emerging situation, in case of events requiring adjustment after balance sheet date.

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

**2.10. Summary of Important Accounting Policies (cont'd)**

**Provisions, contingent assets and liabilities**

For any amount of provisions to be recognized in the financial statements, Group must have a current legal or implicit liability arising out of past events, and these sources entailing economic benefit to perform this liability are highly likely to outflow from the business, and it must be possible to estimate amount of said liability reliably. If said criteria are not yet met, Group discloses said issues in the relevant notes. Contingent assets are not accounted for unless and until they occur and they are only disclosed in the notes.

Contingent Assets are subject to continuous assessment to ensure accurate recognition of the relevant developments in the financial statements. If it becomes almost certain that economic benefit will inflow in the business, relevant asset and related revenue will be recognized on the financial statements of the period during which said change occurred. If inflow of economic benefit becomes possible, business shows said contingent asset in the footnotes to the financial statements.

**Capital and dividends**

Ordinary shares are classified as capital. Dividends distributed over ordinary shares are accounted for by reducing them from the accumulated profit in the period they are declared.

**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.

**Taxes calculated over revenues of the company**

Income tax expense consists in the total of corporate tax and deferred tax.

Corporate Tax

Corporate tax is calculated over the part subject to tax of period profit. Taxable profit differs from the profit presented in the profit or loss and other comprehensive income statements as it is taxed with the items taxable in the other years or tax deductible items, or it excludes non-tax deductible items. The Group's liability for corporate tax is calculated on the basis of legal tax rates effective on the balance sheet date.

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

**2.10. Summary of Important Accounting Policies (cont'd)**

Deferred taxes

Deferred tax liability or asset is determined by calculating the differences between amounts of assets and liabilities in the financial statements and their amounts observed in the calculation of legal tax basis by considering the legal tax rates of tax effects according to balance sheet method. While deferred tax liability is calculated for all temporary differences, deferred tax assets composed of deductible temporary differences are calculated provided that it is more likely to benefit from these differences by obtaining taxable profit in the future. Said assets and liabilities are not to be accounted for if they originate from the first-time recognition of temporary difference, goodwill or other assets and liabilities in relation with transaction which do not affect commercial or financial profit/loss (except for business combinations).

Deferred tax liabilities are calculated for all taxable temporary differences that can be associated with the investments in subsidiaries and affiliates and interests in business partnerships, except for the cases where Group can control the disappearance of the temporary differences and it is less likely for this difference to disappear in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Book value of the deferred tax is reviewed as of each balance sheet date. Book value of the deferred tax is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are calculated over the tax rates which are expected to become valid in the period, where assets will be realized or liabilities will be fulfilled, and become legal or substantially legal (tax regulations) as of the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are set off when there exist a legal right relating to setting off current tax assets and current tax liabilities against each other, or an intent of payment by associating them with income tax collected by the same tax authority, or netting off current tax assets and liabilities of the Group.

Corporate tax and deferred tax for relevant period are accounted for as an expense or income in the profit or loss and 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. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the reasonable value of the acquirer's identifiable assets, liabilities and contingent liabilities over cost.

**Employee benefits/severance pays**

According to applicable laws, Group is liable to make a certain lump sum payment to personnel whose employment ceased due to retirement, or the reasons other than those conducts stipulated in the labor law. Said payment amounts are calculated by taking the severance pay ceiling valid as of balance sheet date into account. Provisions for severance pay are calculated and reflected in the financial statements enclosed herewith according to the present net value of the future liabilities to all personnel due to their retirement.



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

**2.10. Summary of Important Accounting Policies (cont'd)**

Severance pay liability accounted for on the balance sheet is calculated and reflected in the financial statements enclosed herewith according to the present net value of the expected future liabilities to employees due to their retirement. All actuarial gains and losses so calculated are reflected in other comprehensive income statement.

**Cash flow table**

Cash flows for a period are reported by classifying through based on business, investment and financing activities in cash flow statement. Cash and cash equivalents in the cash flow table consists of cash and bank deposits.

**Government Incentives and Supports**

Government Incentives are not accounted for unless Group has fulfilled the requirements of these incentives, and there are reasonable grounds that such incentive will be received. These incentives are recognized as income in the relevant period so that they will match the costs they are expected to cover. Incomes from government incentives are accounted for as a discount from suitable expense item.

**Investment Properties**

Investment properties of the group consists in land investments valued at cost amount. Investment Properties are the properties not used in the good and service production of the Group, and held to earn rent or revaluation gain. These properties are not used for administrative purposes.

Investment properties are derecognized when they are no longer usable, or sold. Profit or loss from sales of these properties are accounted for on profit or loss and other comprehensive income statement.

**2.11. Important accounting estimates and assumptions**

Accounting estimates that have important effect on the book values of the assets and liabilities are described below:

*Deferred financing income/expense:*

In the calculation of the costs of account receivables and payables redeemed via effective interest method, the expected collection and maturities according to available data are taken into account. A mount of the financing incomes and expenses contained in the purchasing costs and sales incomes due to installment purchases and sales that fall in the relevant the period are calculated on the estimation basis according to effective interest rate using turnover rates of account receivables and payables during the relevant period, and classified in the incomes and expenses from main activities.

Non-accrued amounts of financing incomes and expenses contained in the purchase costs due to and sales incomes from installment purchases and sales in the period are determined approximately using average turnover rates of account receivables and payables.

*Useful life:* Tangible and intangible fixed assets were subjected to amortization and redemption along their estimated useful lives.

*Severance pay:* Provisions for severance pay is discounted to its value at the balance sheet date by calculating personnel turnover rate according to past experiences and expectations.

**NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)****2.10. Summary of Important Accounting Policies (cont'd)**

*Provisions for litigation:* When setting aside the provisions for litigation, the likelihood of losing a case and consequences to be suffered if a case is lost are assessed in accordance with the opinions of legal counselors of the Company, and provisions are set aside on the basis of available data that are known to Group Management.

Estimates used are described in the relevant accounting policies or footnotes.

**NOTE 3 - BUSINESS COMBINATIONS**

Reysaş Tourism purchased 100% of the shares of Rey Hotel, which engage in operation of hotels and accommodation facilities, for TRY 560,167 on the basis of the valuation report issued by Bizim Menkul Değerler A.Ş. Rey Hotel is carrying out the operations of Erzincan hotel included in the portfolio of Reysaş REIT, and Erzincan hotels included in Reysaş Tourism.

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

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

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**NOTE 4 - JOINT VENTURES**

Company has no joint ventures in the current period. (31 December 2019 - No Joint Ventures.)

**REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş. and SUBSIDIARIES**
**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**

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

**NOTE 5 - REPORTING BY UNITS**

Group mainly carries out operations in five core areas: Main business lines of the Group include Real Estate, Transportation, Warehousing, and Logistics Services. Other business lines include Vehicle Inspection Services, Tobacco Products Distribution and Marketing, and Hotel Management.

01.01-31.12.2020	Real Estate Rent Operations	Transport, Warehousing, Logistics Services	Vehicle Inspection Service Operations	Tobacco Products Dist. and Mrkt. Operations	Hotel Management	Total	Eliminations	31.12.2020 Income Statement
Revenues	263,680,649	358,074,000	115,652,520	132,898,873	8,669,689	878,975,731	(56,703,166)	822,272,565
Cost of Sales (-)	(62,819,860)	(308,828,035)	(99,600,633)	(131,231,013)	(5,360,466)	(607,840,007)	49,637,194	(558,202,813)
<b>Gross Profit (Loss)</b>	<b>200,860,789</b>	<b>49,245,965</b>	<b>16,051,887</b>	<b>1,667,860</b>	<b>3,309,223</b>	<b>271,135,724</b>	<b>(7,065,972)</b>	<b>264,069,752</b>
Marketing Expenses (-)				(4,558,793)	(137,524)	(4,696,317)	3,092,808	(1,603,509)
Overhead Expenses (-)	(4,240,193)	(6,247,275)	(159,970)	(253,605)	(8,599,113)	(19,500,156)	9,407,231	(10,092,925)
Other Operating Incomes	15,188,210	11,082,127	2,101,315	1,624,688	1,360,060	31,356,400	(514,511)	30,841,889
Other Operating Expenses (-)	(5,567,503)	(10,538,390)	(10,703,079)	(329,877)	(473,840)	(27,612,689)	12,367	(27,600,322)
<b>Main Operating Profit/Loss</b>	<b>206,241,303</b>	<b>43,542,427</b>	<b>7,290,153</b>	<b>(1,849,727)</b>	<b>(4,541,194)</b>	<b>250,682,962</b>	<b>4,931,923</b>	<b>255,614,885</b>
Incomes from Investment Operations		2,029,813				2,029,813		2,029,813
Profit/Loss Shares from Investments Valued by Equity Method	4,870,026	-	-	-	-	4,870,026	(1,634,614)	3,235,412
<b>Operating Profit/(Loss) Before Financing Income (Expense)</b>	<b>211,111,329</b>	<b>45,572,240</b>	<b>7,290,153</b>	<b>(1,849,727)</b>	<b>(4,541,194)</b>	<b>257,582,801</b>	<b>3,297,309</b>	<b>260,880,110</b>
Financing Incomes	33,267,196	21,433,249	2,569,871	161,887	13,645	57,445,848	(10,258,737)	47,187,111
Financing Expenses (-)	(305,165,969)	(45,854,098)	(2,920,067)	(425,890)	(86,476)	(354,452,500)	10,260,499	(344,192,001)
<b>Continued Operations Profit (Loss) Before Tax</b>	<b>(60,787,444)</b>	<b>21,151,391</b>	<b>6,939,957</b>	<b>(2,113,730)</b>	<b>(4,614,025)</b>	<b>(39,423,851)</b>	<b>3,299,071</b>	<b>(36,124,780)</b>
<b>Tax Income/(Expense) for Continued Operations</b>		(4,607,380)				(4,607,380)		(4,607,380)
- Period Tax Income/(Expense)								
- Deferred Tax Income/(Expense)	131,335	(1,076,346)	(3,375,365)	(15,865)	43,367	(4,292,874)	-	(4,292,874)
<b>NET PROFIT (OR LOSS) FOR THE PERIOD</b>	<b>(60,656,109)</b>	<b>15,467,665</b>	<b>3,564,592</b>	<b>(2,129,595)</b>	<b>(4,570,658)</b>	<b>(48,324,105)</b>	<b>3,299,071</b>	<b>(45,025,034)</b>
- Total Assets	1,847,348,536	847,198,338	83,134,504	32,593,017	3,291,844	2,813,566,239	(484,945,524)	2,328,620,715
- Total Liabilities	(1,386,009,313)	(405,231,380)	(34,317,626)	(14,022,076)	(8,572,341)	(1,848,152,736)	102,433,988	(1,745,718,748)
<b>TOTAL OWNER'S EQUITY</b>	<b>461,339,223</b>	<b>441,966,958</b>	<b>48,816,878</b>	<b>18,570,941</b>	<b>(5,280,497)</b>	<b>965,413,503</b>	<b>(382,511,536)</b>	<b>582,901,967</b>

**REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş. and SUBSIDIARIES**
**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**

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

**NOTE 5 - REPORTING BY UNITS (CONT'D)**

01.01-31.12.2019	Real Estate Rent Operations	Transport, Warehousing, Logistics Services	Vehicle Inspection Service Operations	Tobacco Products Dist. and Mrkt. Operations	Total	Eliminations	31.12.2019 Income Statement
Revenues	218,153,399	264,236,413	95,714,215	104,999,800	683,103,827	(20,971,484)	662,132,343
Cost of Sales (-)	(59,651,071)	(228,241,316)	(87,606,621)	(103,837,265)	(479,336,273)	29,344,553	(449,991,720)
<b>Gross Profit (Loss)</b>	<b>158,502,328</b>	<b>35,995,097</b>	<b>8,107,594</b>	<b>1,162,535</b>	<b>203,767,554</b>	<b>8,373,069</b>	<b>212,140,623</b>
Marketing Expenses (-)				(3,980,691)	(3,980,691)	647,736	(3,332,955)
Overhead Expenses (-)	(3,004,254)	(5,539,648)	(99,130)	(118,308)	(8,761,340)	801,480	(7,959,860)
Other Operating Incomes	26,143,874	8,283,065	1,072,374	2,634,985	38,134,298	(1,224,755)	36,909,543
Other Operating Expenses (-)	(12,820,315)	(10,739,972)	(10,373,969)	(660,401)	(34,594,657)	-	(34,594,657)
<b>Main Operating Profit/Loss</b>	<b>168,821,633</b>	<b>27,998,542</b>	<b>(1,293,131)</b>	<b>(961,880)</b>	<b>194,565,164</b>	<b>8,597,530</b>	<b>203,162,694</b>
Incomes from Investment Operations	-	2,140,559	-	-	2,140,559	99,575	2,240,134
Profit/Loss Shares from Investments Valued by Equity Method	10,139,929	-	-	-	10,139,929	(7,900,539)	2,239,390
<b>Operating Profit/(Loss) Before Financing Income (Expense)</b>	<b>178,961,562</b>	<b>30,139,101</b>	<b>(1,293,131)</b>	<b>(961,880)</b>	<b>206,845,652</b>	<b>796,566</b>	<b>207,642,218</b>
Financing Incomes	47,517,950	9,595,868	3,639,067	378,354	61,131,239	(11,232,126)	49,899,113
Financing Expenses (-)	(228,328,504)	(27,319,260)	(3,475,950)	(339,428)	(259,463,142)	11,228,652	(248,234,490)
<b>Continued Operations Profit (Loss) Before Tax</b>	<b>(1,848,992)</b>	<b>12,415,709</b>	<b>(1,130,014)</b>	<b>(922,954)</b>	<b>8,513,749</b>	<b>793,092</b>	<b>9,306,841</b>
<b>Tax Income/(Expense) for Continued Operations</b>							
- Period Tax Income/(Expense)	-	(3,642,720)	-	-	(3,642,720)	-	(3,642,720)
- Deferred Tax Income/(Expense)	23,525	1,097,089	(2,280,046)	7,673	(1,151,759)	-	(1,151,759)
<b>NET PROFIT (OR LOSS) FOR THE PERIOD</b>	<b>(1,825,467)</b>	<b>9,870,078</b>	<b>(3,410,060)</b>	<b>(915,281)</b>	<b>3,719,270</b>	<b>793,092</b>	<b>4,512,362</b>
- Total Assets	1,246,872,694	511,093,286	54,664,217	36,085,908	1,848,716,105	(421,672,416)	1,427,043,689
- Total Liabilities	(1,113,300,664)	(252,852,897)	(32,994,261)	(15,378,817)	(1,414,526,639)	50,861,809	(1,363,664,830)
<b>TOTAL OWNER'S EQUITY</b>	<b>133,572,030</b>	<b>258,240,389</b>	<b>21,669,956</b>	<b>20,707,091</b>	<b>434,189,466</b>	<b>(370,810,607)</b>	<b>63,378,859</b>

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))**

**NOTE 6 - DISCLOSURE ON RELATED PARTIES**

Disclosures on the related parties show the consolidated balances and transactions of the subsidiaries of Company (together, "Group") since it is necessary to prepare consolidated financial statements for Reysaş Taşımacılık ve Lojistik Ticaret A.Ş. ("Company").

**a) Payables and Receivables Balances with Related Parties**

	31 December 2020				
	Receivables			Payables	
	Commercial	Non-commercial	Prepaid Expenses	Commercial	Non-commercial
<b>Balances with related parties</b>					
<b><u>Related Companies</u></b>					
Egemen Oto Kiralama A.Ş. <sup>(1)</sup>		5,859,136			44,534
Kolay Depo Depolama A.Ş.		-			1,212,507
Reyline Uluslararası Taşımacılık A.Ş. <sup>(3)</sup>	203,272	-		23,982,172	-
Arı Lojistik	435,758	-		6,342,777	-
Persco Personel Tedarik Yönetimi		-		5,885,014	-
Reysaş Yatırım Holding A.Ş. <sup>(4)</sup>		-			2,842,624
Reysaş Antrepo İşletmesi A.Ş. <sup>(2)</sup>	5,726,841	-			-
Deferred Financing Expenses (-)	(44,060)	-		(434,249)	-
Others	199,855	25,828		325,785	85,686
Partners (**)					20,638,678
Advances To Personnel			152,629		-
<b>Total</b>	<b>6,521,666</b>	<b>5,884,964</b>	<b>152,629</b>	<b>36,101,499</b>	<b>24,824,029</b>

(\*\*) Details of the payables to partners and receivables from partners are provided below

31 December 2020	Other Receivables	Other Payables
Egemen Döven	-	20,638,678
<b>Total</b>	<b>-</b>	<b>20,638,678</b>

(1) Receivables from Egemen Oto Kiralama A.Ş. has mainly arisen out of the financing support of Reysaş Lojistik, and out of receivable, TRY 5,450,000 is bound to check dated 7 January 2021 and TRY 405,660 to check dated 18 January 2021. Checks are collected on their due dates.

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

(3) Transportation service is being received from Reyline Uluslararası Taşımacılık A.Ş. and checks with an average payment period of 15 days are given as of 31 December 2020. Checks are paid on their due dates.

(4) Consisting in debts owed by Rey Hotel, a subsidiary of Reysaş REIT to Reysaş Yatırım Holding A.Ş.

An annual interest rate of 10 -13.82% in TRY is applied for account and note receivables of Group from its related companies. Interest amounts are indicated in the statement of incomes and expenses from related parties provided below.

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))**

**NOTE 6 - DISCLOSURE ON RELATED PARTIES**

Balances with related parties	31.12.2019				
	Receivables			Payables	
	Commercial	Non-commercial	Prepaid Expenses	Commercial	Non-commercial
Kolay Depo Depolama A.Ş.	-	-	-	-	1,437,534
Reyline Uluslararası Taşımacılık A.Ş.	-	-	-	23,817,780	-
Arı Lojistik İnşaat Sanayi ve Ticaret A.Ş.	64,058	395,037	-	-	4,531,889
Emir İstif Makinaları Sanayi Ve Ticaret A.Ş.	4,652,396	-	-	-	-
Persco Personel Tedarik Yönetim ve Danışmanlık Ltd.Şti.	-	-	-	5,254,701	-
Rey Otel Turizm İşletmeciliği Ve Ticaret A.Ş.	1,315,329	1,828,040	-	65,300	-
Rey-Ta Reysaş Tarım Hayv.Gıda San.Tic.Ltd.Şti.	170,257	2,598,024	-	-	-
Reysaş Yatırım Holding A.Ş.	-	-	-	-	2,902,169
Deferred Financing Expenses (-)	(130,708)	-	-	(236,455)	-
Others	1,193,184	-	144,274	978,207	1,270,447
Partners (*)	-	-	-	-	8,461,348
Advances To Personnel	-	-	361,828	-	-
<b>Total</b>	<b>7,264,516</b>	<b>4,821,101</b>	<b>506,102</b>	<b>29,879,533</b>	<b>18,603,387</b>

(\*) Details of the payables to partners and receivables from partners are provided below

31.12.2019	Other Receivables	Other Payables
Durmuş Döven	-	-
Egemen Döven	-	8,461,348
<b>Total</b>	-	<b>8,461,348</b>

(31 December 2019: Interest rate of 13.88-97% for current accounts in TRY; 5.85% for current accounts in US Dollars; 4.04-5.43% for current accounts in EUR

The total sum of the benefits and remunerations provided to senior managers amounts to TRY 754,907 as of 31 December 2020, which entirely consists of remunerations and attendance fee (31 December 2019: TRY 263.943).

**REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş. and SUBSIDIARIES**

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
(Unless otherwise specified, amounts are expressed in Turkish Liras (“TRY”))

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

**b) Purchases from Related Parties and Sales to Related Parties**

**Purchases from Related Parties in the Period of 1 January 2020 to 31 December 2020**

Purchases from related parties	Service	Transport	Rent	Fixed Asset Acquisition	Real Estate Acquisition	Repair Maintenance Expenses	Interest Expenses	Others	Total
Emir İstif Makinaları Sanayi Ve Ticaret A.Ş.	90,197		2,767,384	2,132,372	-	-	-	-	4,989,953
Persco Personel Tedarik Yönetim ve Danışmanlık Ltd.Şti.	32,995,256	-	-	-	-	-	381,312	13,316	33,389,884
Reyline Uluslararası Taşımacılık A.Ş.	9,134,325	39,119,249	-	-	-	-	1,461,419	100,919	49,815,912
Remkar Taşımacılık Ve Danışmanlık Ltd.Şti.	1,452,392	-	-	770,239	9,605,085	2,691,641	-	228,517	14,747,874
Egemen Oto Kiralama A.Ş.	-	-	3,371,143	12,712	-	-	-	24,203	3,408,058
Others	360,559	-	300,000	1,500,064	587,397	-	317,997	152,073	3,218,090
<b>Total</b>	<b>44,032,729</b>	<b>39,119,249</b>	<b>6,438,527</b>	<b>4,415,387</b>	<b>10,192,482</b>	<b>2,691,641</b>	<b>2,160,728</b>	<b>519,028</b>	<b>109,569,769</b>

**Sales to Related Parties in the Period of 1 January 2020 to 31 December 2020**

Sales to related parties	Rent-Warehousing Service	Transport	Service Income	Interest Expenses	Others	Total
Emir İstif Makinaları San. Ve Tic.Ltd.Şti.	27,517	623,056	3,608,368	412,936	1,711,118	6,382,995
Persco Personel Tedarik Yönetim ve Danışmanlık Ltd.Şti.	-	-	350,015	-	562,282	912,297
Reysaş Antrepo İşletmesi Anonim Şirketi	5,430,288	-	108,576	400,971	-	5,939,835
Remkar Taşımacılık Ve Danışmanlık Ltd.Şti.	-	-	27,617	1,298,866	-	1,326,483
Reyline Uluslararası Taşımacılık Ltd.Şti.	2,554,340	2,675,461	445,791	-	40,032	5,715,624
Egemen Oto Kiralama A.Ş.	-	-	14,273	678,331	66,318	758,922
Others	1,399,152	981,562	219,639	137,206	157,053	2,894,612
<b>Total</b>	<b>9,411,297</b>	<b>4,280,079</b>	<b>4,774,279</b>	<b>2,928,310</b>	<b>2,536,803</b>	<b>23,930,768</b>

**REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş. and SUBSIDIARIES**

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
(Unless otherwise specified, amounts are expressed in Turkish Liras (“TRY”))

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

**Purchases from Related Parties in the Period of 1 January 2019 to 31 December 2019**

Purchases from related parties	Service	Transport	Rent	Real Estate Acquisition	Repair Maintenance Expenses	Interest Expenses	Others	Total
Emir İstif Makinaları Sanayi Ve Ticaret A.Ş.	3,128	-	2,764,159	-	-	-	-	2,767,287
Persco Personel Tedarik Yönetim ve Danışmanlık Ltd.Şti.	31,355,588	-	-	-	-	690,005	6,185	32,051,778
Reyline Uluslararası Taşımacılık A.Ş.	51,887	41,319,131	-	-	-	1,926,156	-	43,297,174
Remkar Taşımacılık Ve Danışmanlık Ltd. Şti.(*)	-	-	-	35,788,369 (*)	7,185,371	-	5,191	42,978,931
Egemen Oto Kiralama A.Ş.	-	-	948,738	-	-	6,468	556	955,762
Reysaş Antrepo İşletmesi Anonim Şirketi	445,000	-	-	-	-	-	-	445,000
Reysaş Yatırım Holding A.Ş.	866,400	-	-	-	-	-	-	866,400
Rey-Ta Reysaş Tarım Hayv.Gıda San.Tic.Ltd.Şti.	982,490	-	-	-	-	-	-	982,490
Others	172,346	-	267,373	-	-	265,102	-	704,821
<b>Total</b>	<b>33,876,839</b>	<b>41,319,131</b>	<b>3,980,270</b>	<b>35,788,369</b>	<b>7,185,371</b>	<b>2,887,731</b>	<b>11,932</b>	<b>125,049,643</b>

(\*) TRY 13,245,354 consists in the expenses incurred but not yet invoiced for the real estates contained in the Company portfolio in the period from 1 January to 31 December 2019. The remaining part has been invoiced.

**Sales to Related Parties in the Period of 1 January 2019 to 31 December 2019**

Sales to related parties	Rent-Warehousing Service	Transport	Service Income	Interest Expenses	Fixed Asset	Others	Total
Emir İstif Makinaları San. Ve Tic.Ltd.Şti.	82,459	-	1,063,611	320,136	-	24,783	1,490,989
Persco Personel Tedarik Yönetim ve Danışmanlık Ltd.Şti.	-	-	-	-	-	396,709	396,709
Reysaş Antrepo İşletmesi Anonim Şirketi	-	-	-	191,986	-	-	191,986
Remkar Taşımacılık Ve Danışmanlık Ltd.Şti.	-	-	1,205,000	1,034,779	-	49,387	2,289,166
Reyline Uluslar Arası Taşımacılık Ltd.Şti.	16,500	1,161,241	740,553	-	-	651,149	2,569,443
Egemen Oto Kiralama A.Ş.	-	124,250	197,845	-	-	132,400	454,495
Rey Otel Turizm İşletmeciliği Ve Tic.Ltd.Şti.	2,416,500	-	5,669,722	610,732	-	7,625	8,704,579
Reysaş Enerji ve Akaryakıt Dağıtım A.Ş.	4,275	-	-	-	862,804	118,817	985,896
Others	177,918	-	328,365	1,138,181	-	525,720	2,170,184
<b>Total</b>	<b>2,697,652</b>	<b>1,285,491</b>	<b>9,205,096</b>	<b>3,295,814</b>	<b>862,804</b>	<b>1,906,590</b>	<b>19,253,447</b>



**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras (“TRY”))**

**NOTE 7 - CASH AND CASH EQUIVALENTS**

The cash and cash equivalents of the Group as of 31 December 2020 and 31 December 2019 are provided below:

	<b>31 December 2020</b>	<b>31.12.2019</b>
Cash	440,696	260,967
Banks		
- <i>Time Deposit (*)</i>	258,381,095	123,649,634
- <i>Current Deposit</i>	24,201,269	5,918,226
Deferred Financing Expenses	(17,394)	(14,011)
Other Cash Equivalents	2,284,532	1,638,728
<b>Total</b>	<b>285,290,198</b>	<b>131,453,544</b>

Blocked deposit amounts to TRY 13.300 as of 31 December 2020. (31 December 2019: TRY 13,300)

\*Breakdown of the time deposits with a maturity of less than 3 months is provided below:

<b>31 December 2020</b>	<b>Average Maturity</b>	<b>Interest Rate</b>	<b>Amount in Foreign Currency</b>	<b>TRY equivalent</b>
TRY	4-24 days	16.92 -18.25%	101,229,891	101,229,891
USD	4-35 days	3,56%	3,609,659	26,496,704
EURO	4-14 days	0.25 -2.53%	14,504,439	130,654,500
<b>Total</b>				<b>258,381,095</b>
<b>31.12.2019</b>		<b>Interest Rate</b>	<b>Amount in Foreign Currency</b>	<b>TRY equivalent</b>
TRY		10.89 -12.12%	101,380,484	101,380,484
USD		2.31 -2.33%	716,824	4,258,080
EURO		0.10 -0.67%	2,708,187	18,011,070
<b>Total</b>				<b>123,649,634</b>

**NOTE 8 - FINANCIAL INVESTMENTS**

Short term financial investments of the Group which are measured at fair value through profit/loss as of 31 December 2020 and 31 December 2019, and classified as other financial assets are provided below:

**Other Financial Assets at Fair Value through Profit or Loss**

	<b>31 December 2020</b>	<b>31.12.2019</b>
BRL Liquid Fund	251,761	143
<b>Total</b>	<b>251,761</b>	<b>143</b>

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
(Unless otherwise specified, amounts are expressed in Turkish Liras (“TRY”))

**NOTE 9 - FINANCIAL LIABILITIES****a) Short-Term Borrowings from Non-Related Parties**

<b>Short-Term Financial Liabilities</b>	<b>31 December 2020</b>	<b>31.12.2019</b>
Bank Loans	631,882,458	514,568,725
Financial Leasing Liabilities	53,887,538	39,506,851
<b>Total</b>	<b>685,769,996</b>	<b>554,075,576</b>
<b>Long-Term Financial Liabilities</b>	<b>31 December 2020</b>	<b>31.12.2019</b>
Bank Loans	821,640,017	623,709,424
Financial Leasing Liabilities	34,557,923	43,347,655
<b>Total</b>	<b>856,197,940</b>	<b>667,057,079</b>

**Bank Loans**

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

	<b>Foreign Currency Balance</b>	<b>Internal Rate of Return</b>	<b>TRY equivalent</b>
TRY	397,176,886	7.05%-23.68%	397,176,886
EURO	22,355,062	4.61%-7.81%	201,372,166
USD	4,541,026	6.63%-8.40%	33,333,406
<b>Total</b>	<b>-</b>	<b>-</b>	<b>631,882,458</b>

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

	<b>Foreign Currency Balance</b>	<b>Internal Rate of Return</b>	<b>TRY equivalent</b>
TRY	567,234,443	7.05%-23.68%	567,234,443
EURO	18,130,379	4.61%-7.81%	163,316,642
USD	12,409,091	6.63%-8.40%	91,088,932
<b>Total</b>	<b>-</b>	<b>-</b>	<b>821,640,017</b>

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

	<b>Foreign Currency Balance</b>	<b>Internal Rate of Return</b>	<b>TRY equivalent</b>
TRY	217,526,479	9.9,.37.88	217,526,479
USD	20,845,912	4.23,.10.0	123,828,889
EURO	26,044,771	2.23,.8.98	173,213,357
<b>Total</b>	<b>-</b>		<b>514,568,725</b>

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

	<b>Foreign Currency Balance</b>	<b>Internal Rate of Return</b>	<b>TRY equivalent</b>
TRY	156,504,690	9.9,.37.88	156,504,690
USD	38,074,150	4.23,.10.0	226,168,066
EURO	36,242,845	2.23,.8.98	241,036,668
<b>Total</b>	<b>-</b>		<b>623,709,424</b>

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras (“TRY”))**

**NOTE 9 - FINANCIAL LIABILITIES****Bank Loans (cont'd)**

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

Repayment maturities of the loan liabilities are as follows:

	<b>31 December 2020</b>	<b>31.12.2019</b>
Payable in 0-3 months	175,763,154	149,511,836
Payable in 4-12 months	456,119,304	365,313,501
Payable in 1-5 years	816,864,456	612,450,487
Payable in a period longer than 5 years	4,775,561	11,002,325
<b>Total</b>	<b>1,453,522,475</b>	<b>1,138,278,149</b>

**Financial Leasing Liabilities**

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

	<b>Foreign Currency Balance</b>	<b>Internal Rate of Return</b>	<b>TRY equivalent</b>
TRY	26,300,480	13.51,.24.23	26,300,480
EURO	3,062,540	3.25,.12.72	27,587,058
<b>Total</b>	<b>-</b>		<b>53,887,538</b>

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

	<b>Foreign Currency Balance</b>	<b>Internal Rate of Return</b>	<b>TRY equivalent</b>
TRY	4,898,660	13.51,.24.23	4,898,660
EURO	3,292,584	3.25,.12.72	29,659,263
<b>Total</b>	<b>-</b>		<b>34,557,923</b>

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

	<b>Foreign Currency Balance</b>	<b>Internal Rate of Return</b>	<b>TRY equivalent</b>
TRY	23,340,118	13.42,.24.20	23,340,118
EURO	2,430,868	3.09,.12.66	16,166,733
<b>Total</b>	<b>-</b>		<b>39,506,851</b>

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

	<b>Foreign Currency Balance</b>	<b>Internal Rate of Return</b>	<b>TRY equivalent</b>
TRY	18,963,710	13.42,.24.20	18,963,710
EURO	3,666,428	3.09,.12.66	24,383,945
<b>Total</b>	<b>-</b>		<b>43,347,655</b>

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))**

**NOTE 9 - FINANCIAL LIABILITIES (cont'd)****Financial Leasing Payables (cont'd)**

Repayment maturities of the financial leasing are as follows:

	<b>31 December 2020</b>	<b>31.12.2019</b>
Payable in 0-3 months	14,374,445	9,897,326
Payable in 4-12 months	39,513,093	28,524,285
Payable in 1-5 years	34,557,923	44,432,895
Longer than 5 years	-	-
<b>Total</b>	<b>88,445,461</b>	<b>82,854,506</b>

**NOTE 10 - OTHER FINANCIAL LIABILITIES**

Group has no other financial liabilities as of 31 December 2020. (31 December 2019: None.)

**NOTE 11 - ACCOUNT RECEIVABLES AND PAYABLES**

Group has following account receivables as of 31 December 2020 and 31 December 2019:

<b>Account Receivables</b>	<b>31 December 2020</b>	<b>31.12.2019</b>
Account Receivables	79,492,462	51,295,536
<i>Account Receivables Other Than Related Parties</i>	73,298,436	43,900,313
<i>Account Receivables from Related Parties (Note 6)</i>	6,194,026	7,395,223
Checks and Notes Received	3,385,505	2,940,545
<i>Checks and Notes Received Other Than Related Parties</i>	3,013,805	2,940,545
<i>Checks and Notes Received from Related Parties (Note 6)</i>	371,700	-
Doubtful Account Receivables	20,204,741	19,206,663
<i>Doubtful Account Receivables Other Than Related Parties</i>	20,204,741	19,206,663
<i>Doubtful Account Receivables from Related Parties (Note 6)</i>	-	-
<b>Total Account Receivables</b>	<b>103,082,708</b>	<b>73,442,744</b>
Provision for Doubtful Account Receivables (-)	(20,204,741)	(19,206,663)
<i>Provision for Doubtful Account Receivables Other Than Related Parties (-)</i>	(20,204,741)	(19,206,663)
<i>Provision for Doubtful Account Receivables from Related Parties (Note 6)</i>	-	-
Deferred Financing Expenses Other Than Related Parties (-)	(545,031)	(372,889)
Deferred Financing Expenses for Related Parties (-)	(44,060)	(130,707)
<b>Total</b>	<b>82,288,876</b>	<b>53,732,485</b>

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras (“TRY”))**

**NOTE 11 - ACCOUNT RECEIVABLES AND PAYABLES (cont'd)**

Group set aside following provisions for overdue and doubtful receivables:

	31 December 2020	31.12.2019
Opening balance	19,206,663	12,515,326
Effect of TFRS 9	-	390,544
Terminated Provisions	(597,116)	(2,608,374)
Provisions Reserved in the Current Period	1,595,194	8,909,167
<b>Total</b>	<b>20,204,741</b>	<b>19,206,663</b>

Group has no Long-Term Account Receivables as of 31 December 2020 and 31 December 2019.

Average payment period of the account receivables of the Group is 20-40 days.

Group has following account payables as of 31 December 2020 and 31 December 2019:

	31 December 2020	31.12.2019
Sellers	50,293,201	63,975,551
- Account Payables Other Than Related Parties	37,739,625	33,859,563
- Account Payables to Related Parties (Note 6)	12,553,576	30,115,988
Notes Payable	26,790,473	2,465,864
Notes Payables Given Other Than Related Parties	2,808,301	2,465,864
Notes Payables Given to Related Parties (Note: 6) (*)	23,982,172	-
Deferred Financing Income Other Than Related Parties (-)	(258,262)	(212,434)
Deferred Financing Income for Related Parties (-)	(434,249)	(236,455)
<b>Total</b>	<b>76,391,163</b>	<b>65,992,526</b>

(\*) Transportation service is being received from Reyline Uluslararası Taşımacılık A.Ş. and checks with an average payment period of 15 days are given as of 31 December 2020. Checks are paid on their due dates.

Average payment period of the account payables of the Group is 20-60 days.

**Long-Term Account Payables**

None. (31 December 2019: None).

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras (“TRY”))**

**NOTE 12 - OTHER RECEIVABLES AND PAYABLES**

Group has following other account receivables and payables as of 31 December 2020 and 31 December 2019:

<b>Other Short Term Receivables</b>	<b>31 December 2020</b>	<b>31.12.2019</b>
Deposits And Guarantees Furnished	519,427	263,276
Other Receivables	503,658	627,830
Account Receivables from Related Parties (Note 6)	5,884,964	4,821,101
- <i>Checks and Notes Received from Related Parties (*)</i>	5,855,660	-
- <i>Receivables from Related Companies</i>	29,304	4,821,101
Other Doubtful Receivables	2,273,167	2,022,214
Provision for Other Doubtful Receivables	(2,273,167)	(2,022,214)
<b>Total</b>	<b>6,908,049</b>	<b>5,712,207</b>

(\*) Out of Receivables, TRY 5,450,000 is bound to check dated 7 January 2021, and TRY 405,660 to check dated 18 January 2021. Checks are collected on their due dates. (Note: 6)

<b>Other Long Term Receivables</b>	<b>31 December 2020</b>	<b>31.12.2019</b>
Deposits And Guarantees Furnished	1,240,117	1,360,216
<b>Total</b>	<b>1,240,117</b>	<b>1,360,216</b>
<b>Other Short Term Payables</b>	<b>31 December 2020</b>	<b>31.12.2019</b>
Deposits and guarantees received	3,710,043	3,516,456
Tax Payables (VAT, Temporary Tax)	8,625,359	13,076,227
Public Payables Overdue, Deferred or by Installments (*)	5,767,512	1,336,134
Payables to Related Parties (Note 6)	24,824,029	18,603,387
- <i>Payables to Shareholders</i>	20,638,678	8,461,348
- <i>Payables to Related Companies</i>	4,185,351	10,142,039
Others	384,356	381,672
<b>Total</b>	<b>43,311,299</b>	<b>36,913,876</b>

(\*) Group Management benefited from the payment facilitation provisions of Acts No 6736, 7020 and 7256.

<b>Other long term payables</b>	<b>31 December 2020</b>	<b>31.12.2019</b>
Public Payables Overdue, Deferred or by Installments (*)	3,952,708	610,577
<b>Total</b>	<b>3,952,708</b>	<b>610,577</b>

(\*) Group Management benefited from the payment facilitation provisions of Acts No 6736, 7020 and 7256.

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))**

**NOTE 13 - OTHER RECEIVABLES AND PAYABLES**

The details of employee benefits payables of Group as of 31 December 2020 and 31 December 2019 are provided below.

	31 December 2020	31.12.2019
Taxes, Duties, Charges and Deduction Payables	455,908	340,332
Social Security Liabilities	610,654	339,360
Personnel Payables	1,180,298	952,478
<b>Total</b>	<b>2,246,860</b>	<b>1,632,170</b>

**NOTE 14 - INVENTORIES****a) Short-Term Inventories**

Group has following short-term inventories as of 31 December 2020 and 31 December 2019:

	31 December 2020	31.12.2019
Semi-Products	472,998	-
Finished Goods	120,102	-
Commercial Goods	1,471,355	4,263,154
Other Inventories (*)	4,188,842	519,298
Provision for Decrease in Value of Inventories (-)	-	-
<b>Total</b>	<b>6,253,297</b>	<b>4,782,452</b>

(\*) Other inventories of the Group include fuel oil, spare part and consumables.

**b) Long-Term Inventories**

Pursuant to the Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. Board Resolution No 298 of 04/05/2016, a Preliminary Contract for Property Sale is executed with Sur Yapı Endüstri San. Ve Tic. Anonim Şirketi, a construction project company, for construction of residences on the lands of 10,783.80 m2, registered at Parcel 1674, Map Section 9-10, Sancaktepe Town, Istanbul Province, and 18,316.57 m2, registered at Parcel 17, Block 6650, Sancaktepe town, Istanbul Province. Construction which is based on "Revenue Sharing" will commence in 2016 and be completed within 30 months. As of 31 December 2019, sales office construction and sample apartment construction is in progress. Project is advertised with the name "Muhit", and sales process continues. As of 31 December 2020, construction level of the Muhit Project is at the level of 40% and construction and sales process continues.

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

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

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))**

**NOTE 14 - INVENTORIES (cont'd)**

Said properties are entered in the inventories in 2016. Inventories are classified as long-term considering the expected completion date of the residence construction.

Said lands have a total cost of TRY 29,773,907 on 31 December 2020. (31 December 2019: TRY 29,773,907)

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

**NOTE 15 - PREPAID EXPENSES AND DEFERRED INCOMES**

Group has following prepaid expenses and deferred incomes as of 31 December 2020 and 31 December 2019:

**Short term prepaid expenses;**

	<b>31 December 2020</b>	<b>31.12.2019</b>
Short-Term Prepaid Expenses	4,352,741	2,922,585
License Fees (*)	2,128,333	2,128,333
Job Advances	4,890,332	1,238,914
Prepaid Expenses to Related Parties (Note 6)	152,629	506,102
Advances Given	4,711,780	4,847,794
Other Doubtful Assets	287,436	287,436
Provision for Other Doubtful Assets (-) (**)	(287,436)	(287,436)
<b>TOTAL</b>	<b>16,235,815</b>	<b>11,643,728</b>

(\*\*) Movement table of other doubtful assets are as follows:

	<b>31 December 2020</b>	<b>31.12.2019</b>
As of 1 January	287,436	287,436
Collection (-)	-	-
Additional Provision Reserved During Period	-	-
<b>As of the end of the period</b>	<b>287,436</b>	<b>287,436</b>

**Long-term prepaid expenses;**

	<b>31 December 2020</b>	<b>31.12.2019</b>
Advances Given	524,849	598,865
License Fees (*)	11,883,227	14,011,567
<b>TOTAL</b>	<b>12,408,076</b>	<b>14,610,432</b>



**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))**

**NOTE 15 - PREPAID EXPENSES AND DEFERRED INCOMES (cont'd)****Prepaid expenses (cont'd)**

(\*) License Fees

They are the license fees prepaid by Group to TüvTürk Kuzey Taşıt Muayene İstasyonları Yapım ve İşletim A.Ş. for Karabük, Bartın, Kastamonu, Tosya, Karadeniz Ereğlisi, Zonguldak, Eskişehir, Sivrihisar vehicle inspection stations. Out of this amount recognized as an expense in monthly equal installments according to License Agreement, the part that will be recognized as an expense in the 12 months following the date of balance sheet is categorized in current assets, and remaining part as fixed assets. License term ends in 2027. No addition has been made to license fee in the current period and previous period. License fee is completely paid-in and there is currently no debt owed in arrears.

**Short Term Deferred Incomes;**

	31 December 2020	31.12.2019
Short-Term Deferred Incomes	7,028,206	7,821,823
Advances Received	433,892	220,713
<b>Total</b>	<b>7,462,098</b>	<b>8,042,536</b>

**Long Term Deferred Incomes;**

	31 December 2020	31.12.2019
Long-Term Incomes	623,891	7,337,947
<b>Total</b>	<b>623,891</b>	<b>7,337,947</b>

Group derived a profit of TRY 7,271,908 from 1 real estate located on Parcel 1 Map Section 198, Çarşamba Town of Samsun Province, purchased and then leased back pursuant to financial leasing contract No 16011745 made with İş Finansal Kiralama A.Ş. on 19 December 2016. Income so derived is deferred under TAS 17 Leasing Transactions Standard, and will be reflected in the comprehensive income statement to be redeemed during leasing term (60 months).

Group derived a profit of TRY 18,291,481 from 1 real estate located on Parcel 194 Map Section 6, Torbalı Neighborhood, Torbalı Town of İzmir Province, purchased and then leased back pursuant to financial leasing contract No 16012390 made with İş Finansal Kiralama A.Ş. on 19 December 2016. Income so derived is deferred under TAS 17 Leasing Transactions Standard, and will be reflected in the comprehensive income statement to be redeemed during leasing term (60 months).

With Board Resolution No 384 of 11 July 2017, Company decided to sell the warehouse with an area of 8,312 m2 located on Parcel 2, Map Section 2088 of Akse Neighborhood, Çayırova Town, Kocaeli Province for a price of TRY 14,400,000 through "Sell and Lease Back" method. The profit between fair value and sales value of the real estate amounts to TRY 4,724,821. Profit so derived is deferred under TAS 17 Leasing Transactions Standard, and will be reflected in the comprehensive income statement to be redeemed during leasing term (60 months).

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))**

**NOTE 15 - PREPAID EXPENSES AND DEFERRED INCOMES (cont'd)**

The summary table of the transactions performed are as follows;

Agreement No	Contract Date	Sales Profit (TRY)	Profits from Previous Period	31.12.2020-Reflected in Profit-Loss Statement	Short-Term Incomes	Long-Term Incomes
150648473	3.12.2015	3,894,663	3,180,644	714,019	-	-
16011745	19.12.2016	7,271,908	4,363,146	1,454,382	1,454,382	-
16012390	19.12.2016	18,291,481	10,974,888	3,658,296	3,658,296	-
85897	11.07.2017	4,724,821	2,286,204	914,481	914,481	609,654
		<b>34,182,873</b>	<b>20,804,882</b>	<b>6,741,178</b>	<b>6,027,159</b>	<b>609,654</b>

**NOTE 16 - GOVERNMENTAL SUPPORTS AND SUBSIDIES**

Group has an Investment Incentive Certificate as of 2020, details of which are provided below:

Issued on	Document Number	Subject	Investment Start Date	Investment Completion Date	Total Investment Amount
06.06.2014	F/109795	Railroad Transportation	13.03.2013	14.03.2014	8,830,915

With Investment Incentive Certificate No B/109795 of 12 April 2013, Reysaş Demiryolu Taşımacılığı A.Ş. held decision to invest in railroad transportation. With this investment incentive certificate, Company will make use of discounted corporate tax and other exemptions. As part of this investment incentive certificate, Company placed an order of 60 platform wagon to TÜDEMSAŞ, the single industrial investment of Turkish Railroads in East Anatolia Region. Leasing financing method would be used for wagon purchases, and total investment would amount to 3,510,000 EUR. Reysaş Demiryolu Taşımacılığı A.Ş. received 60 wagons in the amount of TRY 9,066,916 on the date of 10 September 2013.

Pursuant to application of company No 1116785 of 20.12.2013, it is found appropriate to revise registered fixed investment amount of TRY 7,500,000 as TRY 8,830,915, according to Decision No 2012/3305, and provision of Article 17 of Communiqué No 20128/1 for implementation of said Decision.

Upon review of the application of Company No 4524 of 14.01.2014, it is verified that at least 10% of the fixed investment amount registered in the Investment Incentive Certificate has been spent and the investment has been launched up to 31.12.2013 (including).

Pursuant to application of Company No 33073 of 11.04.2014, and Certified Public Accountant Investment Incentive Certificate Closing Report No YMM.232/1706-15 of 12.03.2014, the approval for investment completion approval was issued.

**NOTE 16 - GOVERNMENTAL SUPPORTS AND SUBSIDIES (cont'd)**

In summary, the subject matter of the incentive certificate is wagon investment, and Company benefits from interest support, discounted corporate tax, and other exemptions. Among the incentives, interest support was completed in 2016. Total investment contribution entitled by Company due to actual investment expenditure, calculated as part of said incentive certificate, amounts to TRY 3,532,366; and has a total carried-forward contribution of TRY 3,415,761 as of 31.12.2020. (31.12.2019: TRY 3,415,761)

**NOTE 17 - PERIOD PROFIT TAX LIABILITY**

**Corporate Tax**

In the financial statements enclosed herewith, necessary provisions are set aside for the estimated tax liabilities in regard to current period activity results of Group.

The rate of corporate tax to be incurred over the taxable corporate earnings is calculated over the basis remaining after addition of unallowable costs from tax basis recognized as expenses in trade earnings and deduction of tax exempted earnings, untaxable incomes and other discounts (if any, previous years losses and if possible, investment discounts). The effective tax rate applied in the period ended on 31 December 2020 is 20% (2019: 22%).

In Turkey, advance tax returns are filed and accrued on a quarterly basis. The transitional tax rate is 20% which must be calculated over the company's gains at the taxation stage by the transitional tax periods ending on 31 December 2020 of the company's gains. %22). Losses may be carried over maximum 5 years, in order to deduct them from taxable profit that will be earned in the following years. However, losses cannot be carried back for offset against profits from previous periods.

Tax rate used in the calculation of corporate tax is taken as 4% for Reysaş Demiryolu Taşımacılık, and 22% for others.

There is no practice in Turkey that a settlement can be made with tax authorities on the taxes payable. Corporate tax returns are submitted to tax authority until evening of 25th day of fourth month following the closure of the account period. However, tax authorities may investigate the accounting records for a period of up to five years, and in case of any errors, amount of tax payable may change.

In addition corporate tax, income tax withholding must also be calculated over profit shares, except for those fully accountable corporates and Turkish branches of foreign companies which earn profit share if distributed and declares such profit shares in company's earnings. Income tax withholding is applied as 15%.

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))**

**NOTE 17 - PERIOD PROFIT TAX LIABILITY (cont'd)**

Tax income / (expenses) reflected in the income statement and balance sheet of Group as of 31 December 2020 and 31 December 2019 are provided below;

	31 December 2020	31.12.2019
Provisions for Current Period Legal Tax	4,607,380	3,642,720
Prepaid Taxes (-)	(1,098,064)	(3,642,720)
<b>Total Net Tax Payable</b>	<b>3,509,316</b>	<b>-</b>
	31 December 2020	31.12.2019
Provisions for Current Period Legal Tax (-)	(4,607,380)	(3,642,720)
Deferred Tax Income/(Expense)	(4,292,874)	(1,151,759)
<b>Total Net Tax Income/(Expense)</b>	<b>(8,900,254)</b>	<b>(4,794,479)</b>

**NOTE 18 - ASSETS RELATED WITH CURRENT PERIOD TAX**

Group has following refundable tax as of 31 December 2020 and 31 December 2019:

	31 December 2020	31.12.2019
Prepaid Taxes	1,175,941	703,861
<b>Total</b>	<b>1,175,941</b>	<b>703,861</b>

**NOTE 19 - OTHER CURRENT ASSETS/OTHER FIXED ASSETS AND OTHER SHORT/LONG TERM LIABILITIES**

Group has following Other Current/Fixed Assets and Other Short/Long-Term Liabilities as of 31 December 2020 and 31 December 2019:

<b>Other Current Assets</b>	<b>31 December 2020</b>	<b>31.12.2019</b>
Deferred VAT	10,474,454	5,006,654
<b>Total</b>	<b>10,474,454</b>	<b>5,006,654</b>

Group has no Other Fixed Assets as of 31 December 2020. (31 December 2019 - N:one.)

Group has Other Short-Term Liabilities of TRY 82.956 as of 31 December 2020. (31 December 2019 - None.)

Group has no Other Long-Term Liabilities as of 31 December 2020. (31 December 2019 - None.)

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras (“TRY”))**

**NOTE 20 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES****20.1 Other Short-Term Provisions**

Group has following short-term provisions as of 31 December 2020 and 31 December 2019:

Short-Term Provisions Related with Benefits to Employees

	31 December 2020	31.12.2019
Provisions for Paid Personnel Leave	963,395	751,388
<b>Total</b>	<b>963,395</b>	<b>751,388</b>

Movements of provisions for paid personnel leave are as follows:

	31 December 2020	31.12.2019
January 1st	751,388	568,040
Paid During Year/Decrease (-)	212,007	183,348
<b>Total</b>	<b>963,395</b>	<b>751,388</b>

**20.2 Short-Term Provisions**

Group has following Long-Term Provisions as of 31 December 2020 and 31 December 2019:

	31 December 2020	31.12.2019
Long-Term Provisions For Employee Benefits (**)	4,725,853	3,924,069
Provisions for Litigation (***)	18,289,162	12,302,680
<b>Total</b>	<b>23,015,015</b>	<b>16,226,749</b>

(\*\*) Long-Term Provisions For Employee Benefits

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

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

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras (“TRY”))**

**NOTE 20 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

Severance pay liability is calculated by present value estimation of any likely liability in future arising out of retirement of Company personnel. TAS 19 Employee Benefits, as amended, prescribes for companies to calculate their liabilities by using actuarial valuation methods under the benefit plans defined. Accordingly, actuarial assumptions used in calculation of total liabilities are described below.

The basic assumption is to increase maximum liability for each year in parallel with inflation. Therefore, discount rate applied means the expected real interest rate after applying adjustments of future inflation effects.

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

On the date of balance sheet, provisions are calculated by using real discount rate of 3.34% (31 December 2019 - 4.67%) which is calculated on the basis of annual inflation of 10.04% (31 December 2019 - 7.00%) and discount rate of 13.72% (31 December 2019 - 12.00%).

Total costs except for actuarial gain/(loss) incurred with respect to severance pays are included in the income statement prepared as of 31 December 2020. Actuarial loss in the amount of TRY 247,897 are reflected in other comprehensive income statement as of 31 December 2020. (31 December 2019: TRY 786,621)

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

**20.2 Long-Term Provisions (cont'd)**

	<b>31 December 2020</b>	<b>31.12.2019</b>
Provision for Termination Indemnities	4,725,853	3,924,069
<b>Total</b>	<b>4,725,853</b>	<b>3,924,069</b>
	<b>31 December 2020</b>	<b>31.12.2019</b>
Opening balance	3,924,069	4,638,598
Service Cost	958,759	745,951
Actuarial Loss / (Gain)	299,173	(786,621)
Cost of Interest	158,205	184,632
Payment (-)	(747,342)	(858,491)
Subsidiary Acquisition	132,989	-
<b>End of Period</b>	<b>4,725,853</b>	<b>3,924,069</b>

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))**

**NOTE 20 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)****20.3. Litigation and Disputes**

Group has a total litigation liability of TRY 18,289,162 pending proceedings. (31 December 2019-TRY 12,302,680)

(\*\*\*) The movement chart of the provisions for litigation is provided below;

	31 December 2020	31.12.2019
<i>Movements in Provisions for Long-Term Liabilities</i>		
As of 1 January	12,302,680	8,502,759
Provision for Litigation Reserved in the Period	5,986,482	3,799,921
<b>Total</b>	<b>18,289,162</b>	<b>12,302,680</b>

**20.4. Given/Received Guarantees/Mortgage/Liens****a-Guarantees/Mortgage/Liens Received by Group**

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

	<u>31 December 2020</u>			
	<u>Total Equivalent in TRY</u>	<u>USD</u>	<u>EUR</u>	<u>TRY</u>
<b><u>Guarantees, Liens, Mortgage and Surety</u></b>				
Guarantee Checks Received	7,442,654	-	440,000	3,479,178
Letters of Guarantee Received	8,912,185	219,220	-	7,303,000
Guarantee Notes Received	23,142,120	617,340	452,416	14,535,218
<b>Total</b>	<b>39,496,959</b>	<b>836,560</b>	<b>892,416</b>	<b>25,317,396</b>
	<u>31.12.2019</u>			
	<u>Total Equivalent in TRY</u>	<u>USD</u>	<u>EUR</u>	<u>TRY</u>
<b><u>Guarantees, Liens, Mortgage and Bails</u></b>				
Guarantee Checks Received	6,405,442	-	440,000	3,479,178
Letters of Guarantee Received	6,565,397	149,220	-	5,679,000
Guarantee Notes Received	19,721,502	617,340	452,416	13,045,542
<b>Total</b>	<b>32,692,341</b>	<b>766,560</b>	<b>892,416</b>	<b>22,203,720</b>

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020  
(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))

## NOTE 20 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

## a-Guarantees/Mortgage/Liens Received by Group

Group has following guarantees/mortgage/liens it gave as of 31 December 2020 and 31 December 2019:

<u>Guarantees, Liens, Mortgage and Surety</u>	<u>Total Equivalent in TRY</u>	<u>31 December 2020</u>		
		<u>USD</u>	<u>EUR</u>	<u>TRY</u>
Guarantees	98,404,682	325,000	6,203,500	40,138,512
Liens/Sureties	-	-	-	-
Mortgage	2,464,327,628	74,416,000	26,200,000	1,682,070,000
<b>Total</b>	<b>2,562,732,310</b>	<b>74,741,000</b>	<b>32,403,500</b>	<b>1,722,208,512</b>

  

<u>Guarantees, Liens, Mortgage and Surety</u>	<u>Total Equivalent in TRY</u>	<u>31.12.2019</u>		
		<u>USD</u>	<u>EUR</u>	<u>TRY</u>
Guarantees	94,039,565	325,000	11,399,650	16,294,487
Liens/Sureties	-	-	-	-
Mortgage	2,515,561,467	208,516,000	39,540,000	1,013,970,000
<b>Total</b>	<b>2,609,601,032</b>	<b>208,841,000</b>	<b>50,939,650</b>	<b>1,030,264,487</b>

## Total amount of GLM's given on behalf of the partnerships included in the full consolidation

<u>Guarantees, Liens, Mortgage and Surety</u>	<u>Total Equivalent in TRY</u>	<u>31 December 2020</u>		
		<u>USD</u>	<u>EUR</u>	<u>TRY</u>
Sureties	2,538,658,190	202,880,000	4,500,000	1,008,882,000
<b>Total</b>	<b>2,538,658,190</b>	<b>202,880,000</b>	<b>4,500,000</b>	<b>1,008,882,000</b>

  

<u>Guarantees, Liens, Mortgage and Surety</u>	<u>Total Equivalent in TRY</u>	<u>31.12.2019</u>		
		<u>USD</u>	<u>EUR</u>	<u>TRY</u>
Sureties	1,368,809,100	125,601,000	33,950,000	396,926,170
<b>Total</b>	<b>1,368,809,100</b>	<b>125,601,000</b>	<b>33,950,000</b>	<b>396,926,170</b>



**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))**

**NOTE 20 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)**

<u>GPMSs Given by Company</u> <u>(Guarantees, Liens, Mortgage and Sureties)</u>	<u>Equivalent in TRY</u>	<u>31 December 2020</u>		
		<u>USD</u>	<u>EUR</u>	<u>TRY</u>
A) GLMSs given on behalf of Parent Partnership and Subsidiaries	2,562,732,310	74,741,000	32,403,500	1,722,208,512
B) GLMSs given in favor of the partnerships included in the full consolidation	2,538,658,190	202,880,000	4,500,000	1,008,882,000
C) GLMSs given to procure the debt of other 3rd parties for performance of ordinary business activities	-	-	-	-
D) GLMSs given under Article 12/2 of Corporate Management Communiqué	-	-	-	-
D) Other GLMSs Given	-	-	-	-
i) GLMSs given in favor of parent partner	-	-	-	-
ii) GLMSs given in favor of group companies not included in items B and C	-	-	-	-
iii) GLMSs given in favor of 3rd Parties not included in the item C	-	-	-	-
<b>Total</b>	<b>5,101,390,500</b>	<b>277,621,000</b>	<b>36,903,500</b>	<b>2,731,090,512</b>
		<u>31.12.2019</u>		
<u>GLMS given by Group (Guarantees, Liens, Mortgage and Sureties)</u>	<u>Equivalent in TRY</u>	<u>USD</u>	<u>EUR</u>	<u>TRY</u>
A) GLMSs given on behalf of Parent Partnership and Subsidiaries	2,609,601,032	208,841,000	50,939,650	1,030,264,487
B) GLMSs given in favor of the partnerships included in the full consolidation	1,368,809,100	125,601,000	33,950,000	396,926,170
C) GLMSs given to procure the debt of other 3rd parties for performance of ordinary business activities	-	-	-	-
D) GLMSs given under Article 12/2 of Corporate Management Communiqué	-	-	-	-
D) Other GLMSs Given	-	-	-	-
i) GLMSs given in favor of parent partner	-	-	-	-
ii) GLMSs given in favor of group companies not included in items B and C	-	-	-	-
iii) GLMSs given in favor of 3rd Parties not included in the item C	-	-	-	-
<b>Total</b>	<b>3,978,410,132</b>	<b>334,442,000</b>	<b>84,889,650</b>	<b>1,427,190,657</b>

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

**Total insurance amount of assets values;**

Total Amount of Insurance Coverage Taken for Buildings as of 31 December 2020 is TRY 1,090,376,294 (31.12.2019: TRY 956.194.506).

**NOTE 21 - COMMITMENTS**

None. (31 December 2019: None.)

**REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş. and SUBSIDIARIES****FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020  
(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))****NOTE 22 - INVESTMENTS VALUED BY EQUITY METHOD**

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 TRY 1,525,305, for a price of TRY 4,127,642, with the board resolution of 22 February 2011, and 33% shares of said subsidiary, which has a nominal value of TRY 3,050,000, for a price of TRY 16,836,000, with the board resolution of 28 March 2013.

Following this acquisition, Reysaş Taşımacılık ve Lojistik Tic.A.Ş. had no longer shares in Arı Lojistik İnş.San.ve Tic.A.Ş., and the share of Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. has increased to 50%.

After said acquisition, Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. subjected the not-publicly traded Arı Lojistik İnşaat Sanayi ve Ticaret A.Ş. to the consolidation via equity method. The part of subsidiary assets so acquired that exceeds the net reasonable value are associated with the income statement.

As a result revaluation of Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. via equity method as of 31 December 2020, the balance sheet value of the Arı Lojistik İnş.San.ve Tic.A.Ş., which cost value is TRY 20,963,642, is calculated as TRY 29,678,583.

(As a result revaluation of Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. via equity method as of 31 December 2019, the balance sheet value of the Arı Lojistik İnş.San.ve Tic.A.Ş., which cost value is TRY 20,963,642, is calculated as TRY 26,443,171).

	31 December 2020	31.12.2019
Total Assets of Arı Lojistik A.Ş.	71,358,225	64,482,022
Total Liabilities of Arı Lojistik A.Ş.	(12,001,063)	(11,595,680)
<b>Net Assets of Arı Lojistik A.Ş.</b>	<b>59,357,162</b>	<b>52,886,342</b>
<b>Revaluation Value of Subsidiary of REIT According to Equity Method (50%)</b>	<b>29,678,583</b>	<b>26,443,171</b>
	31 December 2020	31.12.2019
Balance as of 1 January	26,443,171	26,149,201
Share of Subsidiary in Period Profit / (Loss)	3,235,413	2,239,388
Dividend Incomes	-	(1,945,418)
<b>Total</b>	<b>29,678,583</b>	<b>26,443,171</b>

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

	31 December 2020				
	Total Assets	Total Liabilities	Owner's Equity	Revenues	Profit/(Loss)
Arı Lojistik A.Ş.	71,358,225	(12,001,063)	59,357,162	8,696,345	6,470,823
	31.12.2019				
	Total Assets	Total Liabilities	Owner's Equity	Revenues	Profit/(Loss)
Arı Lojistik A.Ş.	64,482,022	(11,595,680)	52,886,342	7,970,000	4,478,938

**REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş. and SUBSIDIARIES**

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras (“TRY”))**

**NOTE 23 - INVESTMENT PROPERTIES**

Movements relating to the investment properties during the periods ended on 31 December 2020 and 31 December 2019 are as follows:

<b>Cost</b>	<b>31.12.2019</b>	<b>Opening Adjustments</b>	<b>Acquisition</b>	<b>Outflows (-)</b>	<b>Classification/Additions</b>	<b>Fixed Asset Impairment/Cancellations</b>	<b>31 December 2020</b>
Lands and Plots	217,650,372	(40,918,863)	73,966,229	(2,796,386)	195,301,798	-	443,203,150
Buildings	588,244,284	76,225,143	4,509,084	(100,000)	(100,535,115)	5,173,537	573,516,933
Plant, Machinery And Equipment	2,371,660	-	-	-	(2,371,660)	-	-
Vehicles	49,194	-	-	-	(49,194)	-	-
Fixtures	5,100,773	-	-	-	(5,100,773)	-	-
<b>Total</b>	<b>813,416,283</b>	<b>35,306,280</b>	<b>78,475,313</b>	<b>(2,896,386)</b>	<b>87,245,056</b>	<b>5,173,537</b>	<b>1,016,720,083</b>
<b>Accumulated Amortizations</b>	<b>31.12.2019</b>	<b>Opening Adjustments</b>	<b>Period Cost</b>	<b>Outflows (-)</b>	<b>Classification/Additions</b>	<b>Fixed Asset Impairment/Cancellations</b>	<b>31 December 2020</b>
Buildings	122,175,744	(15,889,958)	22,183,485	(23,834)	(16,460,717)	-	111,984,720
Plant, Machinery And Equipment	960,689	-	-	-	(960,689)	-	-
Vehicles	49,194	-	-	-	(49,194)	-	-
Fixtures	4,372,932	-	-	-	(4,372,932)	-	-
<b>Total</b>	<b>127,558,559</b>	<b>(15,889,958)</b>	<b>22,183,485</b>	<b>(23,834)</b>	<b>(21,843,532)</b>		<b>111,984,720</b>
<b>Net Book Value</b>	<b>685,857,724</b>						<b>904,735,363</b>

REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş. and SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020  
(Unless otherwise specified, amounts are expressed in Turkish Liras (“TRY”))

NOTE 23 - INVESTMENT PROPERTIES (cont'd)

Cost	31.12.2018	Acquisition	Outflows (-)	Transfers	31.12.2019
Lands and Plots	212,805,771	4,944,601	(100,000)	-	217,650,372
Buildings	566,878,445	21,365,839	-	-	588,244,284
Plant, Machinery And Equipment	2,371,660	-	-	-	2,371,660
Vehicles	49,194	-	-	-	49,194
Fixtures	5,054,854	45,919	-	-	5,100,773
<b>Total</b>	<b>787,159,924</b>	<b>26,356,359</b>	<b>(100,000)</b>	<b>-</b>	<b>813,416,283</b>
Accumulated Amortizations	31.12.2018	Period Cost	Outflows (-)	Transfers	31.12.2019
Buildings	98,823,697	23,352,047	-	-	122,175,744
Plant, Machinery And Equipment	751,051	209,638	-	-	960,689
Vehicles	49,194	-	-	-	49,194
Fixtures	3,542,899	830,033	-	-	4,372,932
<b>Total</b>	<b>103,166,841</b>	<b>24,391,718</b>	<b>-</b>	<b>-</b>	<b>127,558,559</b>
<b>Net Book Value</b>	<b>683,993,084</b>				<b>685,857,724</b>
Net Book Value				31 December 2020	31.12.2019
Lands and Plots				443,203,150	217,650,372
Buildings				461,532,213	466,068,540
Plant, Machinery And Equipment				-	1,410,971
Vehicles				-	-
Fixtures				-	727,841
<b>Total</b>				<b>904,735,363</b>	<b>685,857,724</b>

**REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş. and SUBSIDIARIES**

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras (“TRY”))**

**NOTE 24 - TANGIBLE FIXED ASSETS**

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

<b>Cost</b>	<b>31.12.2019</b>	<b>Acquisition</b>	<b>Outflows (-)</b>	<b>Transfer</b>	<b>Revaluation Differences</b>	<b>Subsidiary Acquisition</b>	<b>31 December 2020</b>
Lands and Plots	245,543,751	2,851,000	-	(185,392,762)	173,267,676	-	236,269,665
Land Improvements	10,111,947	-	-	-	-	-	10,111,947
Buildings	34,241,993	-	-	108,793,842	167,842,409	-	310,878,244
Plant, Machinery And Equipment	75,416,176	43,598,612	(490,781)	2,050,796	-	-	120,574,803
Vehicles	100,943,159	36,018,674	(5,278,318)	370,058	198,661,000	-	330,714,573
Fixtures	6,030,517	2,662,885	(70,615)	5,100,772	-	945,076	14,668,635
Special Costs	2,710,095	24,846	-	(2,071,206)	-	243,800	907,535
Investments In Progress	72,514,010	13,011,226	(13,284,763)	(16,137,920)	-	-	56,102,553
<b>Total</b>	<b>547,511,648</b>	<b>98,167,243</b>	<b>(19,124,477)</b>	<b>(87,286,420)</b>	<b>539,771,085</b>	<b>1,188,876</b>	<b>1,080,227,955</b>
				<b>Transfer /</b>			
				<b>Adjustment</b>	<b>Impairment</b>	<b>Subsidiary Acquisition</b>	<b>31 December 2020</b>
<b>Accumulated Amortizations</b>	<b>31.12.2019</b>	<b>Period Cost</b>	<b>Outflows (-)</b>				
Land Improvements	2,360,785	202,175	-	-	-	-	2,562,960
Buildings	5,566,012	6,041,681	-	17,254,535	-	-	28,862,228
Plant, Machinery And Equipment	23,988,815	9,817,000	(459,054)	960,690	-	-	34,307,451
Vehicles	53,740,928	10,324,545	(2,821,939)	49,194	-	-	61,292,728
Fixtures	4,462,532	1,133,671	(5,537)	4,331,568	-	623,548	10,545,782
Special Costs	1,429,414	26,834	-	(793,818)	-	158,255	820,685
<b>Total</b>	<b>91,548,486</b>	<b>27,545,906</b>	<b>(3,286,530)</b>	<b>21,802,169</b>		<b>781,803</b>	<b>138,391,834</b>
<b>Net Book Value</b>	<b>455,963,162</b>						<b>941,836,121</b>

REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş. and SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020  
(Unless otherwise specified, amounts are expressed in Turkish Liras (“TRY”))

NOTE 24 - TANGIBLE FIXED ASSETS (cont'd)

<b>Cost</b>	<b>31.12.2018</b>	<b>Acquisition</b>	<b>Outflows (-)</b>	<b>Impairment/Cancellation</b>	<b>31.12.2019</b>
Lands and Plots	225,763,126	19,458,625	-	322,000	245,543,751
Land Improvements	10,111,947	-	-	-	10,111,947
Buildings (*)	28,762,100	-	-	5,479,893	34,241,993
Plant, Machinery And Equipment	58,278,381	17,305,907	(168,112)	-	75,416,176
Vehicles	88,902,637	15,220,422	(3,179,900)	-	100,943,159
Fixtures	5,250,916	779,601	-	-	6,030,517
Special Costs	2,681,316	28,780	-	-	2,710,095
Investments In Progress	42,436,329	30,090,048	(12,367)	-	72,514,010
<b>Total</b>	<b>462,186,752</b>	<b>82,883,383</b>	<b>(3,360,379)</b>	<b>5,801,893</b>	<b>547,511,648</b>
<b>Accumulated Amortizations</b>	<b>31.12.2018</b>	<b>Period Cost</b>	<b>Outflows (-)</b>	<b>Impairment/Cancellation</b>	<b>31.12.2019</b>
Land Improvements	2,158,610	202,175	-	-	2,360,785
Buildings	5,494,102	71,910	-	-	5,566,012
Plant, Machinery And Equipment	17,951,933	6,112,203	(75,321)	-	23,988,815
Vehicles	48,495,452	7,806,274	(2,560,798)	-	53,740,928
Fixtures	4,142,679	319,853	-	-	4,462,532
Special Costs	1,277,515	151,899	-	-	1,429,414
<b>Total</b>	<b>79,520,291</b>	<b>14,664,314</b>	<b>(2,636,119)</b>	<b>-</b>	<b>91,548,486</b>
<b>Net Book Value</b>	<b>382,666,461</b>				<b>455,963,162</b>

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))**

**NOTE 24 - TANGIBLE FIXED ASSETS (cont'd)**

<b>Net Book Value</b>	<b>31 December 2020</b>	<b>31.12.2019</b>
Lands	236,269,665	245,543,751
Land Improvements	7,548,987	7,751,162
Buildings	282,016,016	28,675,982
Plant, Machinery And Equipment	86,267,352	51,427,361
Vehicles	269,421,845	47,202,231
Fixtures	4,122,853	1,567,984
Investments In Progress	56,102,553	72,514,010
Special Costs	86,850	1,280,681
<b>Total</b>	<b>941,836,121</b>	<b>455,963,162</b>

**Effect of Revaluation****(a) Effect of Revaluation of Vehicles**

Truck, tow truck, trailer, container and truck beds existing in the portfolio of Reysaş Logistics are revalued by a revaluation company authorized by Capital Market Board on 30 November 2020. Vehicles in the portfolio of Reysaş Logistics are revalued as TRY 171,819,000, and their total net book value is TRY 171,819,000. Revaluation differences in the amount of TRY 138,468,560 are recognized in the Revaluation Increases (Decreases) of Tangible Fixed Assets account in the Equities.

Also, 216 wagons and 107 containers in the portfolio of Reysaş Railroads are revalued on the same date. Vehicles in the portfolio of Reysaş Logistics are revalued as TRY 68,309,000, and their total net book value is TRY 8,116,560. Revaluation differences in the amount of TRY 60,192,440 are recognized in the Revaluation Increases (Decreases) of Tangible Fixed Assets account in the Equities.

**(b) Effect of Revaluation of Hotels**

In 2020, Reysaş Tourism acquired entire shares of Rey Hotel, which engages in the management of hotel and accommodation facilities. Rey Hotel is carrying out the operations of Erzincan hotel included in the portfolio of Reysaş REIT, and Erzincan hotels included in Reysaş Tourism. These properties which were recognized in the investment properties in the previous periods are reclassified in tangible fixed assets in the current period since the hotels were put into operation, and accordingly subjected to revaluation.

The values of the Erzincan Hotel in the portfolio of Reysaş Tourism, Eskişehir Hotel in the portfolio of Reysaş REIT, and the lands purchased for hotel construction in Erzurum are reassessed as TRY 41,315,000, TRY 101,000,000 and TRY 4,250,000, respectively. Revaluation differences in the amount of TRY 14,075,595, TRY 66,642,301, and TRY 1,145,000 are recognized in the Revaluation Increases (Decreases) of Tangible Fixed Assets account in the Equities.

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras (“TRY”))**

**NOTE 24 - TANGIBLE FIXED ASSETS (cont'd)**

**(c) Effect of Revaluation of Vehicle Inspection Stations**

Reysaş Taşıt Muayene, a subsidiary of Company, carries out management of the privatized vehicle inspection stations.

Vehicle inspection stations in the portfolio of Group are revalued as TRY 18,170,000. Revaluation differences in the amount of TRY 14,637,091 are recognized in the Revaluation Increases (Decreases) of Tangible Fixed Assets account in the Equities.

**(d) Effect of Revaluation of Group Head Office**

Head Office of Group is located in Acıbadem, Üsküdar. It is assumed that, on average, 90% of these properties in the portfolio of Reysaş REIT are being used by Group. Total revalued amount of these real estates is TRY 42,000,000, out of which TRY 38,124,967 is classified in Tangible Fixed Assets and subjected to revaluation. Revaluation differences in the amount of TRY 24,027,579 are recognized in the Revaluation Increases (Decreases) of Tangible Fixed Assets account in the Equities.

**(e) Effect of Revaluation of Real Estates Used for Logistics Services**

The following parts of following real estates in the portfolio of Reysaş REIT are used by Reysaş Logistics for the Logistics services. In this context, revalued parts of the real estates, cost value amounts to TRY 90,423,268, classified as Tangible Fixed Assets, are realized as TRY 311,005,787. Revaluation differences in the amount of TRY 220,582,519 are recognized in the Revaluation Increases (Decreases) of Tangible Fixed Assets account in the Equities.

Real Estate	Total Revaluation Amount of Real Estate	Logistics Service-% Percent Use	Logistics Service-Revalued Amount	Logistics Service-Net Book Value	Revaluation Differences
Adana Warehouse, Parcel 2, Map Section 156	25,100,000	100%	25,100,000	4,305,668	20,794,332
Çayırova 2 Warehouse, Parcel 1, Map Section 2079	77,075,000	61%	46,757,422	2,764,830	43,992,592
Çayırova 10 Warehouse, Parcel 5, Map Section 2086	213,000,000	10%	20,562,123	4,254,240	16,307,883
Çayırova 3 Warehouse, Parcel 3, Map Section 2085	90,320,000	42%	38,376,665	4,822,481	33,554,184
Sakarya Arifiye, Parcel 47, Map Section 2587	15,000,000	100%	15,000,000	9,565,000	5,435,000
Sakarya Arifiye Adp. Warehouse, Parcel 46, Map Section 2587	19,000,000	22%	4,086,325	1,950,641	2,135,683
Çayırova 6 Warehouse, Parcel 3, Map Section 2087	32,880,000	13%	4,145,757	1,185,696	2,960,061
Çayırova 9 Warehouse, Parcel 1, Map Section 2080	201,300,000	21%	42,794,710	9,284,964	33,509,746
Ankara-Kazan-Saray Mh. Log Parcel 1, Map Section 693	25,000,000	17%	4,229,018	1,461,257	2,767,761
Orhanlı 5 Warehouse Tuzla Parcel 1990	170,000,000	9%	14,953,767	3,504,116	11,449,652
Çayırova 12, Parcel 4, Map Section 2085	95,000,000	100%	95,000,000	47,324,375	47,675,625
<b>Total</b>	<b>963,675,000</b>		<b>311,005,787</b>	<b>90,423,268</b>	<b>220,582,519</b>

Info about Mortgage etc. established on the assets are provided in Note 20.

As of 31 December 2020, Tangible Fixed Assets include machinery, plant, equipment and vehicles acquired via financial leasing method, which cost value amounts to TRY 86,757,195, and have an accumulated amortizations of TRY 21,084,011. (31 December 2019: Cost Value of TRY 64,228,915, and Accumulated Amortization of TRY 13,034,786)



**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))**

**NOTE 25 - INTANGIBLE FIXED ASSETS**

Movements relating to the intangible fixed assets and related redemption shares during the periods ended on 31 December 2020 and 31 December 2019 are as follows:

<b>Cost</b>	<b>31.12.2019</b>	<b>Acquisitions / Transfer</b>	<b>Outflows (-)</b>	<b>31 December 2020</b>
Licenses	157,750	-	-	157,750
Computer Software	698,839	73,295	-	772,134
<b>Total</b>	<b>856,589</b>	<b>73,295</b>	<b>-</b>	<b>929,884</b>

<b>Redemption Shares</b>				
Licenses	157,750	-	-	157,750
Computer Software	698,839	3140	-	701,979
<b>Total</b>	<b>856,589</b>	<b>3,140</b>	<b>-</b>	<b>859,729</b>
<b>Net Book Value</b>	<b>-</b>			<b>70,155</b>

<b>Cost</b>	<b>31.12.2018</b>	<b>Acquisitions / Transfer</b>	<b>Outflows (-)</b>	<b>31.12.2019</b>
Licenses	157,750	-	-	157,750
Computer Software	698,839	-	-	698,839
<b>Total</b>	<b>856,589</b>	<b>-</b>	<b>-</b>	<b>856,589</b>

<b>Redemption Shares</b>				
Licenses	157,750	-	-	157,750
Computer Software	698,839	-	-	698,839
<b>Total</b>	<b>856,589</b>	<b>-</b>	<b>-</b>	<b>856,589</b>
<b>Net Book Value</b>	<b>-</b>			<b>-</b>

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras (“TRY”))**

**NOTE 26 - EQUITIES****-Paid-In Capital**

Reysaş Taşımacılık ve Lojistik Ticaret Anonim Şirketi has following shareholders and their share ratios as of 31 December 2020 and 31 December 2019:

	31 December 2020		31.12.2019	
	Amount of Share	Share Ratio (%)	Amount of Share	Share Ratio (%)
Public	76,456,399	64,06%	76,456,399	64,06%
Durmuş Döven	21,388,404	17,92%	21,388,404	17,92%
Rıfat Vardar	14,551,518	12,19%	14,551,518	12,19%
Others	6,953,679	5,83%	6,953,679	5,83%
<b>Total</b>	<b>119,350,000</b>	<b>100,00%</b>	<b>119,350,000</b>	<b>100,00%</b>

Capital of the Company consists in 119,350,000 shares, each with a nominal value of TRY 1. Capital shares of the company is divided into 3 groups as 6,683,600 Group A registered shares, 1,670,900 Group B registered Shares, and 110,995,500 Group C bearer shares, and Group A and Group B shareholders has special rights in election of the Board Members.

The distribution of Group A and B shares with voting rights of the company among partners are as follows.

Shareholders	Group A		Group B	
	Amount of Share	Share Ratio (%)	Amount of Share	Share Ratio (%)
Döven Family	3,341,800	50%	1,148,744	69%
Rıfat Vardar	3,341,800	50%	522,156	31%
<b>Capital by Historical Value</b>	<b>6,683,600</b>	<b>100%</b>	<b>1,670,900</b>	<b>100%</b>

3 Members of the Board of Directors, composed of 7 Members, are elected among the candidates to be nominated by majority of the Group A Shareholders to represent them, and 2 Members among candidates to be nominated by majority of Group B Shareholders to represent them, and 2 Members are independently elected. Group C Shares have no voting rights. Management of the Group are steered by the representatives of shareholders owning shares with voting rights.

Since company has no subsidiary which will be subjected to mutual capital adjustment, there is no capital/mutual subsidiary capital adjustment as of the end of the period.

- Capital Adjustment Positive Differences	31 December 2020	31.12.2019
Capital Adjustment Differences	40,859	40,859
- Company Shares Repurchased	31 December 2020	31.12.2019
Repurchased Shares	(2,177,230)	(2,177,230)

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))**

**NOTE 26 - EQUITIES (cont'd)****- Company Shares Repurchased (cont'd)**

Decision of Capital Market Board No 26/767 of 10.08.2011 defined the principles and procedures to be observed by companies traded at BIST while repurchasing their own shares. Accordingly, total nominal value of the shares to be repurchased may not exceed 10% of the paid-in/issued capital of the company. The maximum holding-at-hand period for the repurchased shares and non-par shares acquired as part of said shares can be determined by Company but not to exceed 3 years, and shares not disposed of during said period shall be cancelled through capital reduction. Shares repurchased are accounted for as a discount item in equities in balance sheet under Turkish Accounting Standard 32, and necessary disclosures are given in the footnotes to the financial statements. Gains and losses arising out of disposal of said shares shall not be associated with income statements.

**Other Comprehensive Incomes or Expenses to Not Be Re-Classified in Profit or Loss****-- Revaluation and Assessment Gains/Losses****(a) Tangible Fixed Assets Revaluation Increases/Decreases**

Revaluation increase arising out of the real estate valuation of the Group is reflected at related assets values in the financial statements and TRY 385,441,812 is recognized in the account "Revaluation and Assessment Gains/(Losses)" in the liabilities. (Footnote 24)

	31 December 2020	31.12.2019
Rotation	8,898,510	8,898,510
Tangible Fixed Assets Revaluation Profits	539,771,085	-
Deferred Tax Assets	(32,968,829)	-
Parts of Non-Controlling Interests	(130,258,954)	-
<b>Tangible Fixed Assets Revaluation Increases/Decreases</b>	<b>385,441,812</b>	<b>8,898,510</b>

**(b) Re-Assessment Gains (Losses) Of Defined Benefit Plans**

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.

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

	31 December 2020	31.12.2019
Rotation	1,709,640	1,079,869
Actuarial Gains/Losses	(299,172)	786,621
Deferred Tax Assets	86,324	(156,850)
<b>Net Actuarial Gains/Losses</b>	<b>1,496,792</b>	<b>1,709,640</b>

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
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**NOTE 26 - EQUITIES (cont'd)****-Reserves Restricted from Profits**

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.

	<b>31 December 2020</b>	<b>31.12.2019</b>
Revenues from Sales of Property or Subsidiary to be Added to Capital	39,517,812	39,517,812
Legal Reserves	11,652,944	11,118,347
Reserves for Repurchased Shares	2,177,230	2,177,230
<b>Total</b>	<b>53,347,986</b>	<b>52,813,389</b>

**Accumulated Profits/Losses**

Accumulated profits consist in accumulated profits, extraordinary reserves and, if any, accumulated losses.

The following transactions has been made in Accumulated Profits / Losses account during the year.

	<b>31 December 2020</b>	<b>31.12.2019</b>
Beginning of the Period	(134,275,678)	(61,746,858)
Profit/(Loss) For The Period	6,402,359	(72,528,820)
Transfer to legal reserves	(534,597)	-
Increase/Decrease Due To Changes in Share Ratios Not Resulting in Loss of Control in Subsidiaries	(1,732,517)	-
Adjustments for errors (*)	31,470,327	-
<b>End of Period</b>	<b>(98,670,106)</b>	<b>(134,275,678)</b>

(\*) Between 2010 and 2016, Real Estate and land sales occurred between Group companies, for which sales profits were eliminated. The eliminations in said years have exceeded the amount what is required to occur, and Investment Properties are inadvertently accounted for TRY 51,196,238 less than what is required.

As these errors did not affect the profit and loss statements of 2020 and 2019, some of them are based on estimations, and they had limited effect on the total assets, they are corrected via re-adjustment of the accumulated profits account. Accordingly, investment properties account increased by TRY 51,196,238, and TRY 31,470,327 for the parts of parent partnership were corrected in accumulated profits and losses, and TRY 19,725,911 in the non-controlling shares account, at the opening.

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras (“TRY”))**

**NOTE 26 - EQUITIES (cont'd)**

Company whose shares traded in BIST are subject to following dividend requirement of CMB:

Pursuant to Article 19 of Capital Market Act No 6362, which came into force on 30 December 2012 and Dividend Communique of CMB No II-19.1, which came into force as of 1 February 2014, publicly traded partnerships distribute their profits under the profit distribution policies to be determined by their General Assemblies and in line with the provisions of applicable legislation. With the respect to the profit distribution policies of publicly-traded partnerships, Board may set different principles for partnerships of similar nature.

It is not permitted to set aside further reserves, carry forward the profit to next year, and distribute dividends to holders of redemption certificates, board members, employers of partnership and persons other than shareholders, unless and until the reserves are set aside as required by Turkish Commercial Act, dividends are set aside as determined for shareholders in the Articles of Association or Dividend Policy, as well as no dividend may be distributed to said persons unless the dividend determined for shareholders are paid in cash.

In publicly-traded partnerships, dividend is distributed equally across all current shares as of distribution date, regardless of their issue and acquisition dates.

According to the applicable legislation, partnerships allocate their profits under the dividend policies to be adopted by their general assemblies and with the general assembly resolution in accordance with the provisions of applicable legislation. No minimum rate of allocation is determined by said legislation. Companies pay dividend as specified in their Articles of Association or Profit Allocation Policies. Also, dividends can be paid in installments of fixed or varying amounts, and dividend advance in cash can be distributed over the profit indicated on the interim period financial statements.

	31 December 2020	31.12.2019
Accumulated Profits/Losses	(98,670,106)	(134,275,678)

**Non-Controlling Shares**

As of 31 December 2020, share other than parent partnership amounts to TRY 145,554,895 (31 December 2019: TRY 10,617,007)

	31 December 2020	31.12.2019
Opening balance	10,617,007	12,515,202
Pension Plans Actuarial Gains and Losses	32,503	(8,198)
Increase Due to Tangible Fixed Assets Revaluation Differences	130,258,954	-
Increase/Decrease Due To Changes in Share Ratios Not Resulting in Loss of Control in Subsidiaries	9,732,517	-
Effect of Combinations of Jointly Controlled Businesses	(489,333)	-
Net Period Profit	(24,322,664)	(1,889,997)
Adjustments Related to Errors	19,725,911	-
<b>Total</b>	<b>145,554,895</b>	<b>10,617,007</b>

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
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**NOTE 27 - SALES AND COST OF SALES**

Group has following sales revenues and costs as of 31 December 2020 and 31 December 2019:

<b><u>Sales Revenues (net)</u></b>	<b><u>01.01-31.12.2020</u></b>	<b><u>01.01-31.12.2019</u></b>
Local Sales Revenues	688,488,974	560,803,308
Foreign Sales Revenues	88,054,420	79,520,484
Other Incomes	52,570,577	39,732,230
Sales Returns (-)	(6,841,406)	(17,923,679)
<b>Total Sales</b>	<b>822,272,565</b>	<b>662,132,343</b>
Cost of Merchandise Goods Sold (-)	(131,231,004)	(103,837,265)
Cost of the Services Sold (-)	(426,971,809)	(346,154,455)
<b>Total Cost (-)</b>	<b>(558,202,813)</b>	<b>(449,991,720)</b>
<b>Gross Profit / (Loss)</b>	<b>264,069,752</b>	<b>212,140,623</b>

**NOTE 28 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING SALES AND DISTRIBUTION COSTS, OVERHEAD EXPENSES**

**(a) Research and Development Expenses (-)**

Group has no research and development expenses. (31 December 2019 - None.)

**(b) Marketing, Sales and Distribution Expenses (-)**

	<b><u>01.01-31.12.2020</u></b>	<b><u>01.01-31.12.2019</u></b>
Personnel Expenses	934,253	771,388
Tax, Duty, Charge Expenses	6,300	30,141
Vehicle Expenses	87,089	73,385
Depreciation Costs	112,225	60,661
Rent Expenses	727,013	1,128,088
Insurance Costs	272,976	53,158
Outsourced Facilities and Services	7,991	1,211,633
Others	316,377	4,501
<b>Total</b>	<b>2,464,224</b>	<b>3,332,955</b>

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
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**NOTE 28 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING SALES AND DISTRIBUTION COSTS, OVERHEAD EXPENSES (cont'd)**

**(c) Overhead Expenses (-)**

	<b>01.01-31.12.2020</b>	<b>01.01-31.12.2019</b>
Personnel Expenses	1,367,317	892,265
Passenger Cars and Transportation Expenses	503,842	380,404
Phone Expenses	194,994	162,560
Representation Hosting Expenses	507,570	408,430
Travel Expenses	9,823	219,832
Utilities Expenses	591,789	508,184
Tax, Duty, Charge Expenses	1,384,334	1,148,029
Consulting, Audit and Expert Expenses	571,062	662,825
Depreciation and depletion expenses	80,350	-
Advertising expenses	520,525	159,114
Litigation expenses	1,975,030	1,513,917
IT Expenses	166,424	162,326
Others	2,219,865	1,741,974
<b>Total</b>	<b>10,092,925</b>	<b>7,959,860</b>

**NOTE 29 EXPENSES ACCORDING TO THEIR NATURES**

	<b>01.01-31.12.2020</b>	<b>01.01-31.12.2019</b>
Depreciation Costs		
Cost of Production	49,225,178	38,995,371
Marketing Expenses	112,225	60,661
Overhead Expenses	80,350	-
<b>Total</b>	<b>49,417,753</b>	<b>39,056,032</b>

**NOTE 30 - OTHER INCOMES/EXPENSES FROM MAIN ACTIVITIES**

Group has following other incomes and expenses from main activities as of 31 December 2020 and 31 December 2019:

**Other Operating Incomes from Main Activities**

	<b>01.01-31.12.2020</b>	<b>01.01-31.12.2019</b>
Terminated Fixed Asset Impairment (Note 24)	4,398,038	5,801,893
Terminated Provisions	719,968	3,161,359
Exchange Difference Income	6,121,082	8,186,470
Deferred Financing Income	1,244,083	1,629,274
Sell&Lease Back Income	6,741,178	6,806,092
Others	12,478,255	11,324,455
<b>Total</b>	<b>31,702,604</b>	<b>36,909,543</b>

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
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**NOTE 30 - OTHER INCOMES/EXPENSES FROM MAIN ACTIVITIES (cont'd)****Other Operating Expenses from Main Activities (-)**

	<b>01.01-31.12.2020</b>	<b>01.01-31.12.2019</b>
Doubtful Receivable and Litigation Provision Expense	9,374,128	10,537,424
Exchange Difference Expense	2,626,531	6,827,631
Deferred Financing Expenses	1,138,747	2,427,584
Non-Deductible Expenses	4,469,780	3,051,442
Others	9,991,136	11,750,576
<b>Total</b>	<b>27,600,322</b>	<b>34,594,657</b>

**NOTE 31 - INCOMES AND EXPENSES (-) FROM INVESTMENT OPERATION**

Group has following incomes from investment operations for the periods ended on 31 December 2020 and 31 December 2019:

<b><u>Incomes from Investment Operations</u></b>	<b>01.01-31.12.2020</b>	<b>01.01-31.12.2019</b>
Fixed Asset Sales Profits	2,029,813	2,240,134
<b>Total</b>	<b>2,029,813</b>	<b>2,240,134</b>

**Expenses from Investment Operations (-)**

None. (31 December 2019: None.)

**NOTE 32 - FINANCIAL INCOMES AND EXPENSES (-)**

Group has following financial incomes for the periods ended on 31 December 2020 and 31 December 2019:

<b><u>Financing Incomes</u></b>	<b>01.01-31.12.2020</b>	<b>01.01-31.12.2019</b>
Interest Incomes	12,079,951	6,436,727
Exchange Difference Incomes	35,107,160	43,450,488
Others	-	11,898
<b>Total</b>	<b>47,187,111</b>	<b>49,899,113</b>

Group has following financial expenses for the periods ended on 31 December 2020 and 31 December 2019:

<b><u>Financing Expenses</u></b>	<b>01.01-31.12.2020</b>	<b>01.01-31.12.2019</b>
Commission Expenses	1,530	4,438
Interest Expenses (-)	146,772,610	127,064,244
Exchange Difference Expenses (-)	197,417,861	121,165,808
<b>Total</b>	<b>344,192,001</b>	<b>248,234,490</b>



**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
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**NOTE 33 - DEFERRED TAX ASSETS / LIABILITIES****Deferred Taxes**

The Group recognizes the deferred tax assets and liabilities for temporary timing variance resulted from the differences between tax base legal financial statements and the financial statements prepared according to TAS/IFRS. These differences usually result from the recognition of some revenue and expense items in different reporting periods in taxable financial statements and the financial statements prepared for TAS/IFRS and the differences are given below.

Tax rate used in the calculation of deferred tax is taken as 4% for Reysaş Demiryolu Taşımacılık, and 22% for others. (2019: 20-22%)

Under the "Act on Amendment to Certain Tax Acts and Other Certain Taxes" No 7061, which came into force on 5 December 2017, the rate of corporate tax for years 2018, 2019 and 2020 has been increased from 20% to 22%.

	Temporary Differences		Deferred Tax Assets / (Liabilities)	
	31 December 2020	31.12.2019	31 December 2020	31.12.2019
<b>Deferred Tax Assets</b>				
Provision for Severance Pay	4,489,952	3,821,212	869,873	743,895
Provisions for Paid Personnel Leave	944,508	741,002	188,605	158,312
Deferred Financing Expenses	420,609	318,374	83,091	67,677
Provision for Doubtful Receivables	10,817,365	10,498,037	2,162,742	2,099,607
Cost Accruals	1,619,647	1,743,093	324,997	376,888
Provisions for litigation	13,933,937	10,049,325	2,786,787	2,009,865
Installment Payables	-	53,995	-	11,099
<b>Total</b>	<b>32,226,018</b>	<b>27,225,038</b>	<b>6,416,095</b>	<b>5,467,343</b>
<b>Deferred Tax Liabilities</b>				
Tangible and Intangible Fixed Assets	(25,105,090)	(15,596,914)	(5,082,872)	(3,143,688)
License Fee Seasonality Adjustment	(42,448,886)	(25,781,742)	(8,489,777)	(5,156,348)
Deferred Financing Income	(387,254)	(383,011)	(77,500)	(81,579)
Renewal/Revaluation Fund	(223,617,861)	(10,358,266)	(35,040,482)	(2,071,653)
Income Accruals	(1,025)	(100,294)	(205)	(22,065)
Installment Payables	(4,750)	-	(651)	-
Others	(69,996)	(75,077)	83,281	(16,414)
<b>Total</b>	<b>(291,634,862)</b>	<b>(52,295,304)</b>	<b>(48,608,205)</b>	<b>(10,491,749)</b>
<b>Deferred Tax (Assets) / Liabilities, Net</b>	<b>(259,408,844)</b>	<b>(25,070,266)</b>	<b>(42,192,111)</b>	<b>(5,024,406)</b>
Subsidiary Acquisition			(26,446)	-
Deferred Tax Income/(Expense) of the Period			(37,194,151)	(1,316,808)
Revaluation and Assessment Gains/ (Losses)			32,901,277	165,049
<b>Deferred Tax Income/(Expense) of the Period</b>			<b>(4,292,874)</b>	<b>(1,151,759)</b>

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
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**NOTE 34 - EARNINGS PER SHARE**

Earnings/losses per share are calculated by dividing net period profit/loss with weighted average share quantity of the company shares during the year. Earnings/(Losses) per Share of the Company is calculated as follows:

	01.01-31.12.2020	01.01-31.12.2019
Net Period Profit/(Loss) Of Parent Partnership	(20,702,370)	6,402,359
Weighted Average of Issued Nominal Shares Quantity	119,350,000	119,350,000
<b>Earnings/(Losses) per Share</b>	<b>(0.173)</b>	<b>0.054</b>

**NOTE 35 NATURE AND LEVEL OF THE RISKS ARISING OUT OF FINANCIAL INSTRUMENTS****(a) Capital risk management**

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. Also, it is aimed 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 follows up the capital by using liability/total capital ratio. This ratio is found by dividing the net liability to the total equity capital. Net liability is calculated by deducting cash and cash equivalents from total liabilities.

	31 December 2020	31.12.2019
Total Liabilities	1,745,718,748	1,363,664,830
Cash and Cash Equivalents	285,290,198	131,453,544
Net Liability	1,460,428,550	1,232,211,286
Equities	582,901,965	63,378,856
Rate of Net Liabilities to Equity	2.51	19.44

**(b) Important Accounting Policies**

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

**(c) Risks to which Group is exposed**

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

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
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**NOTE 35 - NATURE AND LEVEL OF THE RISKS ARISING OUT OF FINANCIAL INSTRUMENTS (cont'd)**

**(c.1) Foreign exchange risk and management**

Transactions in foreign currencies lead to the foreign exchange risk. 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.

Provided that the other conditions remain same, if foreign exchange rate were realized by 10% higher / lower, the period profit/(loss) before tax and minority share would have been TRY 36,994,711 lower/higher as of 31 December 2020 (31 December 2019: the period profit/(loss) before tax and minority share would have been TRY 79,684,985 lower/higher.)

**Foreign Exchange Rate Sensitivity Analysis Statement**

<b>Current Period (31 December 2020)</b>		
	<b>Profit/Loss</b>	
	<b>Appreciation of Foreign Currency</b>	<b>Devaluation of Foreign Currency</b>
In case of change of USD against TRY by 10%:		
1- Net assets/(liabilities) in USD	(9,826,103)	9,826,103
2- Part hedged against USD risk (-)	-	-
<b>3- Net effect of USD (1+2)</b>	<b>(9,826,103)</b>	<b>9,826,103</b>
In case of change of EURO against TRY by 10%:		
4- Net assets/(liabilities) in Euro	(27,168,608)	27,168,608
5- Part hedged against Euro risk (-)	-	-
<b>6- Net effect of Euro (4+5)</b>	<b>(27,168,608)</b>	<b>27,168,608</b>
<b>TOTAL (3+6)</b>	<b>(36,994,711)</b>	<b>36,994,711</b>

**Foreign Exchange Rate Sensitivity Analysis Statement**

<b>Previous Period (31 December 2019)</b>		
	<b>Profit/Loss</b>	
	<b>Appreciation of Foreign Currency</b>	<b>Devaluation of Foreign Currency</b>
In case of change of USD against TRY by 10%:		
1- Net assets/(liabilities) in USD	(45,367,940)	45,367,940
2- Part hedged against USD risk (-)	-	-
<b>3- Net effect of USD (1+2)</b>	<b>(45,367,940)</b>	<b>45,367,940</b>
In case of change of EURO against TRY by 10%:		
4- Net assets/(liabilities) in Euro	(34,317,045)	34,317,045
5- Part hedged against Euro risk (-)	-	-
<b>6- Net effect of Euro (4+5)</b>	<b>(34,317,045)</b>	<b>34,317,045</b>
<b>TOTAL (3+6)</b>	<b>(79,684,985)</b>	<b>79,684,985</b>

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras (“TRY”))**

**NOTE 34 - NATURE AND LEVEL OF THE RISKS ARISING OUT OF FINANCIAL INSTRUMENTS (cont'd)**

CURRENCY POSITION STATEMENT	Current Period - 31 December 2020		
	TRY equivalent	USD	EUR
1. Account Receivables	17,179,380	231,136	1,718,794
2a. Monetary Financial Assets	178,258,273	3,723,884	16,754,527
2b. Non-monetary Financial Assets	-	-	-
3. Others	-	-	-
<b>4. Current Assets (1+2+3)</b>	<b>195,437,653</b>	<b>3,955,020</b>	<b>18,473,321</b>
5. Non-monetary Financial Assets	-	-	-
6. Others	-	-	-
<b>7. Fixed Assets (5+6)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>8. Total Assets (4+7)</b>	<b>195,437,653</b>	<b>3,955,020</b>	<b>18,473,321</b>
9. Account Payables	19,027,297	391,051	1,793,624
10. Financial Liabilities	286,895,402	7,892,674	25,417,603
11. Other Monetary Liabilities	-	-	-
<b>12. Short-Term Liabilities</b>	<b>305,922,699</b>	<b>8,283,726</b>	<b>27,211,227</b>
13. Financial Liabilities	259,462,065	9,057,443	21,422,963
<b>14. Long-Term Liabilities</b>	<b>259,462,065</b>	<b>9,057,443</b>	<b>21,422,963</b>
<b>15. Total Liabilities (12+14)</b>	<b>565,384,764</b>	<b>17,341,169</b>	<b>48,634,189</b>
<b>16. Net Foreign Currency Asset/ (Liability) Position (8-15)</b>	<b>(369,947,111)</b>	<b>(13,386,149)</b>	<b>(30,160,868)</b>
<b>17. Net Foreign Currency Asset / (Liability) Position</b>	<b>(369,947,111)</b>	<b>(13,386,149)</b>	<b>(30,160,868)</b>

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))**

**NOTE 34 - NATURE AND LEVEL OF THE RISKS ARISING OUT OF FINANCIAL INSTRUMENTS (cont'd)**

CURRENCY POSITION STATEMENT	TRY equivalent	Previous Period-31 December 2019	
		USD	EUR
1. Account Receivables	8,433,735	77,815	1,198,613
2a. Monetary Financial Assets	26,491,533	822,894	3,248,335
2b. Non-monetary Financial Assets	-	-	-
3. Others	-	-	-
<b>4. Current Assets (1+2+3)</b>	<b>34,925,268</b>	<b>900,709</b>	<b>4,446,948</b>
5. Non-monetary Financial Assets	-	-	-
6. Others	-	-	-
<b>7. Fixed Assets (5+6)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>8. Total Assets (4+7)</b>	<b>34,925,268</b>	<b>900,709</b>	<b>4,446,948</b>
9. Account Payables	4,315,080	114,372	546,670
10. Financial Liabilities	241,917,452	23,102,791	15,740,272
11. Other Monetary Liabilities	-	-	-
<b>12. Short-Term Liabilities</b>	<b>246,232,532</b>	<b>23,217,163</b>	<b>16,286,942</b>
13. Financial Liabilities	585,542,585	54,057,978	39,759,930
<b>14. Long-Term Liabilities</b>	<b>585,542,585</b>	<b>54,057,978</b>	<b>39,759,930</b>
<b>15. Total Liabilities (12+14)</b>	<b>831,775,117</b>	<b>77,275,141</b>	<b>56,046,872</b>
<b>16. Net Foreign Currency Asset / (Liability) Position (815)</b>	<b>(796,849,848)</b>	<b>(76,374,431)</b>	<b>(51,599,924)</b>
<b>17. Net Foreign Currency Asset / (Liability) Position</b>	<b>(796,849,848)</b>	<b>(76,374,431)</b>	<b>(51,599,924)</b>

**(c.2) Interest rate risk and management**

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

	Financial Instruments with Fixed Interest	31 December 2020	31.12.2019
Financial Assets	Time deposits (shorter than 3 months)	258,381,095	123,649,634
Financial Liabilities		1,438,488,013	962,567,446
	Financial Instruments with Variable Interest		
Financial Assets		-	-
Financial Liabilities		103,479,923	258,565,209

Interest analysis is made on the basis of net amount of the all assets and liabilities of Group with variable interest. Another assumptions used in the analysis is that all variables, other than interest rates, remain same. Also, balance of net assets and liabilities with interest are assumed as constant all along the period.

**(c.3) Credit risk management**

Holding financial instrument is also exposed to the risk of failure of other parties to perform their contractual obligations. Collection risk of the Group arises out of the its account receivables and other receivables. A substantial part of the account receivables and other receivables of the Group is the receivables from related parties, and details of these receivables are provided in Note 6. Account receivables and other receivables are evaluated by considering the Group's policies and procedures, and for this purpose, are recognized on the balance sheet, net of provisions for Doubtful Receivables. (Note 11-12-15) Group Management considers that the provisions set aside for the receivables are sufficient.

## NOTE 35 - NATURE AND LEVEL OF THE RISKS ARISING OUT OF FINANCIAL INSTRUMENTS (cont'd)

31 December 2020	Receivables				Cash and Cash Equivalents
	Account Receivables		Other Receivables		
	Current Period	Related Party	Others Party	Related Party	Others Party
<b>Maximum credit risk exposed by reporting date (A+B+C+D+E) (1)</b>	<b>6,521,666</b>	<b>75,767,210</b>	<b>5,884,964</b>	<b>2,263,202</b>	<b>282,582,364</b>
- The part of maximum risk assured by guarantee etc..	-	-	-	-	-
A. Net book value of undue or unimpaired financial assets (2)	6,521,666	75,767,210	5,884,964	2,263,202	282,582,364
B. Book value of financial assets conditions of which were renegotiated, which would have been deemed due or impaired otherwise	-	-	-	-	-
C. Net book value of due but unimpaired assets	-	-	-	-	-
- Part assured with guarantee etc.	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Overdue (gross book value)	-	20,204,741	-	2,273,167	-
- Impairment (-)	-	(20,204,741)	-	(2,273,167)	-
E. Items entailing credit risk out of the balance sheet	-	-	-	-	-

## NOTE 35 - NATURE AND LEVEL OF THE RISKS ARISING OUT OF FINANCIAL INSTRUMENTS (cont'd)

31.12.2019 Previous Period	Receivables				Cash and Cash Equivalents
	Account Receivables		Other Receivables		Deposits in banks
	Related party	Other party	Related party	Other party	
<b>Maximum credit risk exposed by reporting date (A+B+C+D+E) (1)</b>	<b>7,264,516</b>	<b>46,467,969</b>	<b>4,821,101</b>	<b>2,251,322</b>	<b>129,567,860</b>
- The part of maximum risk assured by guarantee etc..	-	-	-	-	-
A. Net book value of undue or unimpaired financial assets (2)	7,264,516	46,467,969	4,821,101	2,251,322	129,567,860
B. Book value of financial assets conditions of which were renegotiated, which would have been deemed due or impaired otherwise	-	-	-	-	-
C. Net book value of due but unimpaired assets	-	-	-	-	-
- Part assured with guarantee etc.	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Overdue (gross book value)	-	19,206,663	-	2,022,214	-
- Impairment (-)	-	(19,206,663)	-	(2,022,214)	-
E. Items entailing credit risk out of the balance sheet	-	-	-	-	-

**FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DATED 31 DECEMBER 2020**  
**(Unless otherwise specified, amounts are expressed in Turkish Liras ("TRY"))**

**NOTE 35 - NATURE AND LEVEL OF THE RISKS ARISING OUT OF FINANCIAL INSTRUMENTS (cont'd)**

**c.4) Liquidity Risk and Management**

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

**Liquidity Risk Statements**

A prudent liquidity risk management means holding sufficient cash at hand, availability of the fund resources with sufficient amount of the credit transactions, and the capacity to clear off the market positions.

The risks of funding existing and potential borrowing requirements are managed by constantly maintaining availability of the credit providers in sufficient number and high quality.

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

<b>31 December 2020 Current Period Contract Maturities</b>	<b>Book Value</b>	<b>Total of Cash Outflows Pursuant to Contract</b>	<b>Shorter than 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>Longer than 5 years</b>
<b>Non-Derivative Fin. Liab.</b>	<b>1,669,132,422</b>	<b>1,669,824,933</b>	<b>289,693,167</b>	<b>519,981,117</b>	<b>855,375,088</b>	<b>4,775,561</b>
Bank Loans	1,453,522,475	1,453,522,475	175,763,154	456,119,304	816,864,456	4,775,561
Financial Leasing Transactions	88,445,461	88,445,461	14,374,445	39,513,092	34,557,924	-
Account Payables	76,391,163	77,083,674	77,083,674	-	-	-
Other Payables	50,773,323	50,773,323	22,471,894	24,348,721	3,952,708	-
<b>31.12.2019 Previous Period Contract Maturities</b>	<b>Book Value</b>	<b>Total of Cash Outflows Pursuant to Contract</b>	<b>Shorter than 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>Longer than 5 years</b>
<b>Non-Derivative Fin. Liab.</b>	<b>1,324,649,634</b>	<b>1,325,098,523</b>	<b>250,786,649</b>	<b>405,815,590</b>	<b>657,493,959</b>	<b>11,002,325</b>
Bank Loans	1,138,278,149	1,138,278,149	149,511,837	365,313,501	612,450,487	11,002,325
Financial Leasing Transactions	82,854,506	82,854,506	9,897,325	28,524,285	44,432,895	-
Account Payables	65,992,526	66,441,415	66,441,415	-	-	-
Other Payables	37,524,453	37,524,453	24,936,072	11,977,804	610,577	-



**NOTE 36 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND DISCLOSURES UNDER THE HEDGING ACCOUNTING)**

Fair Value of Financial Instruments

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

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

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

The following methods and assumptions are used to estimate the reasonable value of the financial instruments:

**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

**NOTE 35 - FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND DISCLOSURES UNDER THE HEDGING ACCOUNTING) (cont'd)**

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.

Group recognized the short-term financial investments at their fair values on the financial statements as of 31 December 2020 and 31 December 2019. (Level 1)

Book values of certain financial assets recognized at costs such as cash and cash equivalents are assumed to reflect the reasonable values because of being short-term. Account receivables and payables are valued at their discounted costs using effective interest method, and accordingly their book values are considered to come close to reasonable values.

**NOTE 37 - EVENTS AFTER BALANCE SHEET DATE**

**31 December 2020**

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

\* Board of Directors of Reysaş Taşımacılık ve Lojistik Ticaret A.Ş., pursuant to authority given by Article 6 "Capital and Shares" of Articles of Association, resolved to increase its issued capital of TRY 119,350,000, within registered capital ceiling of TRY 600,000,000, by 109.46795% (TRY 130,650,000) up to TRY 250,000,000 to be fully paid in cash.

**NOTE 37 - OTHER ISSUES**

Financial Statements are signed off by Company's Board of Directors on 17 February 2021 for publication at Public Disclosure Platform (KAP). Despite not being specifically intended for, Group Management and some regulatory bodies are legally authorized to make amendments to the financial statements after their publications.