

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

**REYSAŞ TAŞIMACILIK VE
LOJİSTİK TİCARET A.Ş.
AND ITS SUBSIDIARIES
1 JANUARY – 31 DECEMBER 2022
CONSOLIDATED FINANCIAL
STATEMENTS TOGETHER WITH
INDEPENDENT AUDITOR'S
REPORT**

REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED
31 DECEMBER 2022 AND 2021

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REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AS OF 31.12.2022 AND 31.12.2021
(All amounts in Turkish Lira ("TL") unless indicated otherwise.)

	Note	Audited 31.12.2022	Revised Audited 31.12.2021
<u>ASSETS</u>			
CURRENT ASSETS		1.120.385.862	608,955,697
Cash and Cash Equivalents	6	673.439.893	440,060,893
Financial Investments	7	43.728.201	--
Trade Receivables			
- Trade receivables from related parties	5-9	15.672.867	1,156,635
- Trade receivables from third parties	9	291.318.333	109,960,967
Other Receivables			
- Other receivables from related parties	5-10	10.622.591	9,525,323
- Other receivables from third parties	10	8.700.020	9,133,476
Inventories	15	4.738.896	4,277,651
Prepaid Expenses			
- Prepaid expenses from related parties	5-19	--	--
- Prepaid expenses from third parties	19	34.385.705	6,837,796
Assets related with current year tax		19.531.206	6,961,647
Other current assets	20	18.248.150	21,041,309
		1.120.385.862	608,955,697
NON-CURRENT ASSETS		4.184.381.697	2,779,503,938
Other Receivables			
- Other Receivables From Third Parties	10	141.164.566	1,537,422
Inventories	15	37.082.346	29,773,907
Investment Accounted By Using Equity Method	11	80.529.041	77,159,566
Investment Properties	12	1.275.589.578	1,217,393,088
Tangible Assets		2.583.638.103	1.419.316.398
Intangible Assets			
- Rights		40.002	69,039
Prepaid Expenses	19	54.042.926	34,254,518
Deferred Tax Asset		12.295.135	--
		4.184.381.697	2,779,503,938
TOTAL ASSETS		5.304.767.559	3,388,459,635

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

(*): These consolidated financial statements have been approved for issue by the Board of Directors on 06/03/2023

REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AS OF 31.12.2022 AND 31.12.2021
(All amounts in Turkish Lira ("TL") unless indicated otherwise.)

	Note	Audited 31.12.2022	Revised Audited 31.12.2021
LIABILITIES			
SHORT TERM LIABILITIES		1.184.001.341	1,066,139,409
Short-term borrowings			
- Bank Loans	8	388.987.924	287,497,601
Short term portion of long-term borrowings			
- Bank Loans	8	518.703.193	651,842,468
- Leasing	8	39.049.612	27,513,995
Trade payables			
- Trade payables to related parties	5-9	21.012.753	7,673,632
- Trade payables to third parties	9	127.651.440	52,067,130
Payables related to employee benefits	18	6.298.826	2,674,875
Other Payables			
- Other payables to related parties	5-10	9.628.478	15,742,321
- Other payables to third parties	10	62.857.749	19,180,258
Deferred Income	19	424.928	758,727
Current tax liabilities	29	6.795.109	59,310
Short-term provisions			
- Short-Term provisions for employee benefits	18	2.591.327	1,129,092
- Other short-term provision	18	--	--
		1.184.001.341	1,066,139,409
LONG-TERM LIABILITIES		2.140.270.020	1,155,866,979
Long-term borrowings			
- Bank Loans	8	1.731.264.187	934,760,411
- Leasing	8	110.545.687	29,495,451
Other Payables			
- Other payables to related parties	5-10		1,718,116
- Other payables to third parties	10	9.561.167	13,670,441
Deferred Income	19	120.292	58,212
Long-term provision			
- Long-term provisions for employee benefits	18	9.931.960	7,525,130
- Other long-term provision	18	172.975.587	24,143,979
Deferred tax liability	29	105.871.140	144,495,239
		2.140.270.020	1,155,866,979
EQUITY		1.980.496.198	1,166,453,247
Equity of Parent Company			
Share Capital Paid	22	250.000.000	250,000,000
Capital Adjustment Differences	22	40.859	40,859
Subsidiary Capital Elimination (-)	22	1.634.614	(1,201,938)
Reacquired Shares (-)	22	3.607.654	(5,964,030)
Premium In Excess of Par	22	945.503	614,260
Effects Of Business Combinations Under Common Control	3	10.415.068	(2,391,837)
Other Comprehensive Income or Expenses That Will Not Be Reclassified Subsequently to Profit Or Loss			
- Revaluation And Measurement Gain / Loss	22	806.442.531	764,349,787
- Other Gain / Loss	22	0	(351,394)
- Shares Of Other Comprehensive Income of Investments Valued By The Equity Method Not To Be Classified In Profit/Loss	10	174.769.749	26,145,646
Restricted Reserves		14.251.855	54,448,131
- Legal Reserves	22		8,966,289
- Reserves For Reacquired Shares	22		5,964,030
- Real Estate or Subsidiary Sales Earnings to be Added to the Capital	22		39,517,812
Retained Earnings / Loss	22	(54.195.774)	(93,661,923)
Net Profit / Loss for the Period	30	222.148.292	(57,678,957)
TOTAL EQUITY OF PARENT COMPANY		1.430.060.350	934,348,604
Non-controlling Interest	22	550.435.848	232,104,643
TOTAL EQUITY		1.980.496.198	1,166,453,247
TOTAL LIABILITIES		5.304.767.559	3,388,459,635

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

(*): These consolidated financial statements have been approved for issue by the Board of Directors on 06/03/2023

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

<u>CONTINUING OPERATIONS</u>	Note	Audited 01.01.- 31.12.2022	Revised Audited 01.01.- 31.12.2021
Revenue	23	1.942.695.193	1,022,284,724
Cost of Sales (-)	23	(1.078.915.970)	(693,769,982)
GROSS PROFIT/LOSS		863.779.224	328,514,742
General Administrative Expenses (-)	24	(72.033.900)	(24,760,901)
Marketing, Selling and Distribution Expenses (-)	24	(5.062.587)	(2,658,256)
Other Operating Incomes	26	48.800.562	88,228,606
Other Operating Expenses (-)	26	(53.650.200)	(77,586,035)
OPERATING PROFIT/LOSS		781.833.099	311,738,156
Income from Investing Activities	27	6.660.093	780,061
Expense from Investing Activities (-)	27	--	(1,009,576)
Shares of Profits/Losses of Investments accounted by using Equity Method	11	15.348.662	4,947,183
OPERATING PROFIT / LOSS BEFORE FINANCING EXPENSES		803.841.854	316,455,824
Financial Income	28	(692.292.400)	(520,538,254)
Financial Expenses (-)	28	249.242.650	114,633,172
PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS		360.792.104	(89,449,258)
Tax expense/ income from continued operations		(9.969.500)	14,156,825
- Tax Expense / Income for the Period	29	(6.537.942)	(257,168)
- Deferred Tax Expense(-)/Income	29	(3.431.558)	14,413,993
NET PROFIT/LOSS FOR THE YEAR		350.822.603	(75,292,433)
Distribution of Profit / Loss for the Period			
Non-controlling Interest	22	128.674.312	(17,613,476)
Equity Holders of Parent	30	222.148.292	(57,678,957)
Earnings Per Share			
Earnings Per Share From Continuing Operations	30	1,4033	(0.3012)
Diluted Earnings Per Share			
Diluted Earnings Per Share From Continuing Operations	30	1,4033	(0.3012)
OTHER COMPREHENSIVE INCOME:			
Items not to be Reclassified Under Profit or Loss			
Increases/Decreases in Revaluation of Tangible Assets	13	42.092.744	497,600,149
Gain/Loss Arising from Defined Benefit Plans	18	9.923.078	(2,507,204)
Taxes on Other Comprehensive Income Not to be Reclassified to Profit or Loss			
- Deferred Tax Expense(-)/Income	29	2.911.591	(114,448,034)
Items to be Reclassified Under Profit or Loss			
- Deferred Tax Expense(-)/Income		351.394	--
OTHER COMPREHENSIVE INCOME		55.278.807	380,644,911
TOTAL COMPREHENSIVE INCOME		406.101.411	305,352,478
Attributable to:			
Non-controlling Interest		128.674.312	(17,613,476)
Equity Holders of Parent		277.427.099	322,965,954

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

	Note	Capital Paid	Capital Adjustment Differences	Subsidiary Capital Elimination (-)	Reacquired Shares (-)	Premium In Excess of Par	Effects of business combinations under common control	Other comprehensive loss not to be reclassified to profit or loss		Shares of Other Comprehensive Income of Investments Valued by the Equity Method Not to be Classified in Profit/Loss	Retained earnings			Equity Of Parent Company	Non-controlling Interest	Total Equity
								Revaluation and Measurement Gain / Loss	Other Gain / Loss		Restricted Reserves	Retained Earnings / Loss	Net Profit / Loss for the Period			
Balance at 01 January 2021		119,350,000	40,859		(2,177,230)	--	(1,056,806)	349,715,506	1,482,574	--	50,691,938	(68,469,903)	(21,593,416)	427,983,522	174,027,495	602,011,017
Change in non-controlling interests	29	(99,202,359)			--	(127,627)	2,631	34,297,286	127,203	(16,388,154)	(30,607)	5,631,003	--	(75,690,624)	75,690,624	--
Capital increase		384,649,999					--	--	--	--	--	--	--	384,649,999	--	384,649,999
Share premiums		--			--	741,887	--	--	--	--	--	--	--	741,887	--	741,887
Reacquired shares		--			(3,786,800)	--	--	--	--	--	--	--	--	(3,786,800)	--	(3,786,800)
Subsidiary capital elimination		(154,797,640)		(1,201,938)	--	--	--	--	--	--	--	--	--	(155,999,578)	--	(155,999,578)
Transfers to reserves and retained earnings / (losses)	19	--			--	--	--	--	--	--	--	(21,593,416)	21,593,416	--	--	--
Reserves for reacquired shares		--			--	--	--	--	--	--	3,786,800	(3,786,800)	--	--	--	--
Effects of business combinations under common control	29	--			--	--	(1,337,662)	--	--	--	--	--	--	(1,337,662)	--	(1,337,662)
Increase (decrease) due to other changes		--			--	--	--	--	--	42,533,800	--	(5,442,807)	--	37,090,993	--	37,090,993
Total comprehensive income/(expense)	26	--			--	--	--	380,336,995	(1,961,171)	--	--	--	(57,678,957)	320,696,867	(17,613,476)	303,083,391
Balance at 31 December 2021		250,000,000	40,859	(1,201,938)	(5,964,030)	614,260	(2,391,837)	764,349,787	(351,394)	26,145,646	54,448,131	(93,661,923)	(57,678,957)	934,348,604	232,104,643	1,166,453,247
Balance at 01 January 2022		250,000,000	40,859	(1,201,938)	(5,964,030)	614,260	(2,391,837)	764,349,787	(351,394)	26,145,646	54,448,131	(93,661,923)	(57,678,957)	934,348,604	232,104,643	1,166,453,247
Change in non-controlling interests		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Capital increase		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Share premiums		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Reacquired shares		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Subsidiary capital elimination		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Transfers to reserves and retained earnings / (losses)	19	--	--	--	--	--	--	--	--	--	--	39,466,149	57,678,957	97,145,106	318,331,205	415,476,311
Reserves for reacquired shares		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Effects of business combinations under common control		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Increase (decrease) due to other changes		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total comprehensive income/(expense)	26	--	--	2,836,552	9,571,684	331,241	12,806,905	42,092,744	351,394	148,624,102	(40,196,276)	--	222,148,292	398,566,640	--	398,566,640
Balance at 31 December 2022		250,000,000	40,859	1,634,614	3,607,654	945,501	10,415,068	806,442,531	0	174,769,748	14,251,855	(54,195,774)	222,148,292	1,558,734,662	550,435,848	1,980,496,198

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

	Note	01.01.- 31.12.2022	Revised 01.01.- 31.12.2021
A. CASH FLOWS FROM OPERATING ACTIVITIES		327,869,927	91,470,493
Profit / (loss) for the period	30	350,822,603	(75,292,433)
Adjustments Regarding Profit/(Loss) for the Period		242,041,033	263,957,613
Depreciation and amortization	13	65,145,566	57,813,980
Adjustments for Impairment/Cancellation			
- Alacaklarda Değer Düşüklüğü (İptali) ile İlgili Düzeltmeler		--	--
- Yatırım Amaçlı Gayrimenkul Değer Düşüklüğü (İptali) ile İlgili Düzeltmeler		--	--
Changes in other provisions			
- Provision for employment termination benefits	18	1,462,235	1,242,585
- Provisions for possible losses	9	352,146	586,826
- Provisions for court case expenses	16	156,512,002	6,017,925
Duran Varlıkların Elden Çıkarılmasından Kaynaklanan Kayıplar (Kazançlar) İle İlgili Düzeltmeler		(4,725,471)	(780,061)
Interest income and expenses			
- Interest income	9	(3,059,843)	3,698,170
- Interest expense	9	(125,793,671)	(1,465,243)
Adjustments for Unrealized Currency Translation Differences		(47,141,999)	215,947,439
Adjustments Regarding Retained Earnings of Investments Accounted by Using Equity Method			
- Adjustments Regarding Retained Profits of Subsidiaries	11	620,566	(4,947,183)
Tax income / (expenses)	29	(51,676,708)	(14,156,825)
Changes in Working Capital		258,257,910	(86,751,295)
Finansal Yatırımlardaki Azalış (Artış)	7	(43,728,201)	251,761
(Increase) / decrease in inventories	15	(7,769,684)	(1,597,664)
Increase/(decrease) in trade receivables			
- Trade receivables from related parties	5	(14,516,232)	5,365,031
- Trade receivables from third parties	9	(134,567,513)	(37,891,927)
Increase/(decrease) in other receivables regarding operating activities			
İlişkili Taraflardan Faaliyetlerle İlgili Diğer Alacaklardaki Azalış (Artış)	5	(1,097,268)	(3,640,359)
- Other receivables from third parties	10	(136,133,846)	(8,407,696)
(Increase) / decrease in prepaid expenses	19	(27,547,909)	(12,448,423)
(Increase) / decrease in trade payables			
- Trade payables to related parties	5	13,339,121	(22,085,090)
- Trade payables to third parties	9	69,756,920	13,242,709
Increase/(decrease) in other payables regarding operating activities			
- Other payables to related parties	5	(6,113,843)	(15,424,485)
- Other payables to third parties	10	43,739,571	10,410,721
(Increase) / decrease in deferred income	19	(271,719)	(7,269,050)
Increase/(decrease) in payables regarding employee benefits	18	1,462,235	3,392,989
Other increase/(decrease) in working capital		(14,809,542)	(10,649,812)
Cash flow from provided operating activities		334,605,726	101,913,885
Tax paid/ tax refund		6,735,799	(9,492,880)
Other Cash Inputs/Outputs		--	(950,512)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		(1,326,971,252)	(326,888,293)
Cash inflow from sale of tangible and intangible assets	13, 14	230,328,863	16,445,843
Cash outflow from purchase of tangible and intangible assets	13, 14	2,525,134,377	(50,484,733)
Cash inflow from sale of investment properties	12	--	--
Cash outflow from purchase of investment properties	12	(967,834,262)	(292,849,403)
C. CASH FLOWS FROM FINANCING ACTIVITIES		1,232,480,325	390,188,495
Cash Outflows from the Company's Own Shares	22	(9,571,684)	(3,786,800)
Proceeds from borrowings	8	101,490,323	868,562,139
Repayments of borrowings	8	(630,156,682)	(701,899,603)
Cash Inflows Resulting from Changes in Partnership Shares without Loss of Control in Subsidiaries		--	--
Cash outflow from effects of business combinations under common control	22	12,806,905	(1,337,662)
Other Cash Inputs/Outputs	22	478,454,731	228,650,421
NET INCREASE DECREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF CURRENCY TRANSLATION RESERVES		233,379,000	154,770,695
D. THE EFFECT OF CURRENCY TRANSLATION RESERVES ON CASH AND CASH EQUIVALENTS		--	--
NET INCREASE /DECREASE IN CASH AND CASH EQUIVALENTS		233,379,000	154,770,695
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	440,060,893	285,290,198
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	673,439,893	440,060,893

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

(*): These consolidated financial statements have been approved for issue by the Board of Directors on 06/03/2023

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

REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.

Notes to the consolidated financial statements as of and for the years ended 31 December 2022 and 2021
(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

NOTE 1-ORGANIZATION AND ACTIVITY OF THE GROUP

The field of activity of Reysaş Taşımacılık ve Lojistik Ticaret A.Ş. (“Company”) is to transport cargo by land, sea and air by all kinds of vehicles. The company also engages in warehousing services through the warehouses it owns.

The head office address of the Company is Küçük Çamlıca Mahallesi Erkan Ocaklı Sokak No:13 Üsküdar/Istanbul. Joint venture company Arı Lojistik İnşaat San. ve Tic. Inc. and Acıbadem Cad. It continues its activities at Yaprak Sokak No: 5/7 Kadıköy, Istanbul.

The Company has 4 branches in the provinces of Istanbul, Adapazarı, Bursa and Adana.

As of 31 December 2022, the free float rate of Reysaş Taşımacılık ve Lojistik Ticaret Anonim Şirketi is 46,19% (31 December 2021: 63.71%).

The breakdown of the partners of Reysaş Taşımacılık ve Lojistik Ticaret A.Ş is shown below.

	31.12.2022		31.12.2021	
	Share Amount	Share Ratio (%)	Share Amount	Share Ratio (%)
Public (*)	45.011.320	18,00	159,271,030	63.71
Durmuş Döven	27.275.000	10,91	45,011,320	18.00
Rıfat Vardar	30.480.766	12,19	30,480,766	12.19
Other	147.232.914	58,89	15,236,884	6.09
Total	250.000.000	100,00	250,000,000	100.00

The subsidiary of the Group, Reymar Tütün Mamülleri Dağıtım ve Pazarlama Ltd. Sti. (Reymar)'s field of activity is the distribution and marketing of tobacco products.

The breakdown of the partners of Reymar Tütün Mamülleri Dağıtım ve Pazarlama Ltd. Şti. is shown below.

	31.12.2022		31.12.2021	
	Share Amount	Share Ratio (%)	Share Amount	Share Ratio (%)
Reysaş Taşımacılık ve Lojistik Ticaret A.Ş.	25.492.500	99,00	25,492,500	99.00
Durmuş Döven	257.500	1,00	257,500	1.00
Total	25.750.000	100,00	25,750,000	100.00

The subsidiary of the Group, Reysaş Taşıt Muayene İstasyonları İşletim A.Ş. (Reysaş Taşıt Muayene) the field of activity of operate the privatized vehicle inspection stations.

Reysaş Taşıt Muayene operates vehicle inspection stations in Karabük, Bartın, Kastamonu, Tosya, Karadeniz Ereğli, Zonguldak Eskişehir, Sivrihisar regions.

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The breakdown of the partners of Reysaş Taşıt Muayene İstasyonları İşletim A.Ş. is shown below.

	31.12.2022		31.12.2021	
	Share Amount	Share Ratio (%)	Share Amount	Share Ratio (%)
Reysaş Taşımacılık ve Lojistik Ticaret A.Ş. (*)	26.418.800	75,48	26,418,800	75.48
Egemen Döven	8.576.200	24,50	8,576,200	24.50
Other	5.000	0,01	5,000	0.01
Total	35.000.000	100,00	35,000,000	100.00

The subsidiary of the Group, Reysaş Demiryolu Taşımacılığı A.Ş., (Reysaş Demiryolu) is actively engaged in domestic freight transportation with the wagons it owns.

The breakdown of the partners of Reysaş Demiryolu Taşımacılığı A.Ş. is shown below.

	31.12.2022		31.12.2021	
	Share Amount	Share Ratio (%)	Share Amount	Share Ratio (%)
Reysaş Taşımacılık ve Lojistik Ticaret A.Ş.	5.700.000	100,00	5,700,000	100.00
Total	5.700.000	100,00	5,700,000	100.00

Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. (Reysaş GYO)

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

The Company, whose main shareholder is Reysaş Taşımacılık ve Lojistik Ticaret A.Ş. ("Reysaş Logistics") (61,94%) is registered in Turkey and carries out operations based at the address:

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

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

As of 31 December 2022 the percentage of the publicly quoted shares of the Company is 29,89 % (31 December 2021: 38,53%) and shares are traded at the National Market in Borsa İstanbul A.Ş. (BIST).

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

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

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

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NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS

2.1) Accounting Standards Applied and Statement of Compliance with TMS

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

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

The financial statements were authorized for issue by the management on 06.03.2023. Although there is no such intention, the General Assembly and certain regulatory bodies have the power to amend the financial statements prepared under legal regulation after issuance.

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

2.2) Functional Currency

The financial statements of the entities of the Company are presented in local currencies (“functional currency”) of the economic zones they operate in. All of the financial position and operational results of the entities are presented in Turkish Lira (“TL”) which is functional currency of the Company and presentation currency of the condensed financial statements.

2.3) Application of Financial Reporting in High Inflation Economies

The law on amending the Tax Procedure Law and the Corporate Tax Law was enacted on January 20, 2022, Law No. It has been enacted with the number 7352 and it has been decided that the financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods, including the temporary accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for the inflation adjustment within the scope of the Repeated Article 298 are met. The Public Oversight Authority made a statement on the Implementation of Financial Reporting in High Inflation Economies under TFRS on January 20, 2022, and it was stated that there was no need to make any adjustments within the scope of TAS 29 Financial Reporting in Hyperinflationary Economies in the consolidated financial statements for 2021.

2.4) Changes and Errors in Accounting Estimates

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

If the effect of a change in an accounting estimate relates to only one period, in the current period in which the change is made; If it is related to future periods, it is reflected in the financial statements both in the future period and in the future period, to be taken into account in determining the net profit or loss for the period.

The amount of correction of an error is considered retrospectively. An error is corrected by restating the comparative amounts for previous periods in which it arose or, when it occurs before the next reporting period, by restating the

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retained earnings account for that period. If the rearrangement of the information causes an excessive cost, the comparative information of the previous periods is not rearranged, and the retained earnings account of the next period is rearranged with the cumulative effect of the error before the said period starts.

2.5) Going Concern

As of 31 December 2022, the Group's current assets are TL 1.120.385.862 (31 December 2021: TL 608,955,697), short-term liabilities are TL 1.184.001.341 (31 December 2021: TL 1,066,139,409) and short-term liabilities exceeded short-term assets by TL 63.615.479 (31 December 2021: TL 457,183,712). Although this situation shows the existence of uncertainty regarding the continuity of the business, the Group's management decided to increase its current capital from TL 130.650.000 to TL 250,000,000, all in cash, with the decision of the Board of Directors dated 02.06.2021. An application has been made to the Capital Markets Board regarding the capital increase.

The Group plans to sell the 12.000 m2 area of the Sur Yapı Muhit Project, which is expected to start as of 06/2023 and be completed gradually by the end of 2023, for a minimum price of 50.000 TL. The Group management aims to generate approximately 600 Million TL of income from this sale.

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

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

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

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

The consolidated financial statements of the Group as of 31.12.2020 have been subject to some corrections and reclassifications and have been rearranged in order to present them in comparison with the consolidated financial statements prepared as of 31.12.2021. The adjustments and classifications made are as follows:

	Previously reported 31.12.2020	Revised 31.12.2020	Differences	
ASSETS				
CURRENT ASSETS	408,878,391	405,305,081	3,573,310	
Cash and Cash Equivalents	285,290,198	285,290,198	--	
Financial investments	251,761	251,761	--	
Trade receivables				
- Trade receivables from related parties	6,521,666	6,521,666	--	
- Trade receivables from third parties	75,767,210	75,767,210	--	
Other receivables				
- Other receivables from related parties	5,884,964	5,884,964	--	
- Other receivables from third parties	1,023,085	1,023,085	--	
Inventories	6,253,297	2,679,987	3,573,310	1
Prepaid expenses				
- Prepaid expenses from related parties	152,629	152,629	--	
- Prepaid expenses from third parties	16,083,186	16,083,186	--	
Assets related with current year tax	1,175,941	1,175,941	--	
Other current assets	10,474,454	10,474,454	--	
NON-CURRENT ASSETS	1,919,742,322	1,942,424,685	(22,682,363)	
Other receivables				
- Other receivables from third parties	1,240,117	1,240,117	--	
Inventories	29,773,907	29,773,907	--	
Investment accounted by using equity method	29,678,583	29,678,583	--	
Investment properties	904,735,363	926,552,430	(21,817,067)	2
Tangible assets				
-Lands	236,269,665	236,269,665	--	
-Infrastructure and land improvements	7,548,987	7,548,982	5	
- Buildings	282,016,016	282,945,665	(929,649)	3
- Property, plant and equipment	86,267,352	87,562,060	(1,294,708)	4
- Motor vehicles	269,421,845	268,117,851	1,303,994	5
- Furniture and fittings	4,122,853	4,123,301	(448)	6
- Leasehold improvements	86,850	86,850	--	
- Construction in progress	56,102,553	56,047,043	55,510	7
Intangible assets				
- Rights	70,155	70,155	--	
Prepaid expenses	12,408,076	12,408,076	--	
TOTAL ASSETS	2,328,620,713	2,347,729,766	(19,109,053)	

- 1- It is related to the transfer of the Group's inventories for the year 2020, which were expensed within the 2021 costs, to the previous year's profits/losses.
- 2- It is related to erroneously calculated depreciation adjustment for the investment properties of the Group.
- 3- It is related to erroneously calculated depreciation adjustment for the buildings of the Group.
- 4- It is related to erroneously calculated depreciation adjustment for the machinery, plant and equipment of the Group.
- 5- It is related to erroneously calculated depreciation adjustment for the motor vehicles of the Group.
- 6- It is related to erroneously calculated depreciation adjustment for the furniture and fittings of the Group.
- 7- It is related to the transfer of the previous period's expenses, which are capitalized in the ongoing investments of the Group, to the previous year's profits/losses.

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	Previously reported 31.12.2020	Revised 31.12.2020	Differences	
LIABILITIES				
Short Term Liabilities	819,737,083	819,737,084	(1)	
Short-term borrowings				
- Bank loans	78,072,437	78,072,437	--	
Short term portion of long-term borrowings				
- Bank loans	553,810,021	553,810,021	--	
- Leasing	53,887,538	53,887,538	--	
Trade payables				
- Trade payables to related parties	36,101,499	29,758,722	6,342,777	1
- Trade payables to third parties	40,289,664	40,289,664	--	
Payables related to employee benefits	2,246,860	2,246,860	--	
Other payables				
- Other payables to related parties	24,824,029	31,166,806	(6,342,777)	1
- Other payables to third parties	18,487,270	18,487,270	--	
Deferred income	7,462,098	7,462,098	--	
Current tax liabilities	3,509,316	3,509,316	--	
Short term provisions				
- Short-term provisions for employee benefits	963,395	963,395	--	
- Other short-term provision	82,956	82,957	(1)	
Long-Term Liabilities	925,981,665	925,981,665	--	
Long-term borrowings				
- Bank Loans	821,640,017	821,640,017	--	
- Leasing	34,557,923	34,557,923	--	
Other Payables				
- Other payables to third parties	3,952,708	3,952,708	--	
Deferred Income	623,891	623,891	--	
Long-term provision				
- Long-term provisions for employee benefits	4,725,853	4,725,853	--	
- Other long-term provision	18,289,162	18,289,162	--	
Deferred tax liabilities	42,192,111	42,192,111	--	
Equity	437,347,070	427,983,522	9,363,548	
Equity of Parent Company				
Share Capital Paid	119,350,000	119,350,000	--	
Sermaye Düzeltme Farkları	40,859	40,859	--	
Reacquired shares (-)	(2,177,230)	(2,177,230)	--	
Effects of business combinations under common control	(780,673)	(1,056,806)	276,133	2
Other Comprehensive income or expenses that will not be reclassified subsequently to profit or loss				
- Revaluation and Measurement Gain / Loss	385,441,812	349,715,506	35,726,306	2
- Other Gain / Loss	1,496,792	1,482,574	14,218	2
Restricted Reserves				
-Legal Reserves	11,652,944	8,996,896	2,656,048	2
-Reserves for reacquired shares	2,177,230	2,177,230	--	
-Real Estate or Subsidiary Sales Earnings to be Added to the Capital	39,517,812	39,517,812	--	
Retained Earnings / Loss	(98,670,106)	(68,469,903)	(30,200,203)	2
Net Profit / Loss for the Period	(20,702,370)	(21,593,416)	891,046	
TOTAL EQUITY OF PARENT COMPANY	437,347,070	427,983,522	9,363,548	
Non-Controlling Interests	145,554,895	174,027,495	(28,472,600)	2
TOTAL EQUITY	582,901,965	602,011,017	(19,109,052)	
TOTAL LIABILITIES	2,328,620,713	2,347,729,766	(19,109,053)	

- 1- It is related to the reclassification of Arı Lojistik balance in the Group's trade payables to other payables.
2- It is related to the reclassification of non-controlling interests.

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	Previously reported 01.01.- 31.12.2020	Revised 01.01.- 31.12.2020	Differences	
CONTINUING OPERATIONS				
Revenue	822,272,565	822,272,565	--	
Cost of Sales (-)	(558,202,813)	(558,795,323)	592,510	1
GROSS PROFIT/LOSS	264,069,752	263,477,242	592,510	
General Administrative Expenses (-)	(10,092,925)	(10,157,279)	64,354	2
Marketing and Selling Expenses (-)	(2,464,224)	(2,464,224)	--	
Other Operating Incomes	31,702,604	27,304,566	4,398,038	3
Other Operating Expenses (-)	(27,600,322)	(27,600,322)	--	
OPERATING PROFIT/LOSS	255,614,885	250,559,983	5,054,902	
Income from Investing Activities	2,029,813	6,427,851	(4,398,038)	3
Shares of Profits/Losses of Investments accounted by using Equity Method	3,235,412	3,235,412	--	
OPERATING PROFIT / LOSS BEFORE FINANCING EXPENSES	260,880,110	260,223,246	656,864	
Financial Expenses (-)	(344,192,001)	(344,192,001)	--	
Financial Income	47,187,111	47,187,111	--	
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	(36,124,780)	(36,781,644)	656,864	
Tax expense/ income from continued operations	(8,900,254)	(8,900,254)	--	
- Current Tax Income/(Expense)	(4,607,380)	(4,607,380)	--	
- Deferred Tax Income/(Expense)	(4,292,874)	(4,292,874)	--	
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	(45,025,034)	(45,681,898)	656,864	
NET PROFIT/(LOSS) FOR THE YEAR	(45,025,034)	(45,681,898)	656,864	
Distribution of Profit / Loss for the Period				
Non-controlling Interest	(24,322,664)	(24,088,482)	(234,182)	
Equity Holders of Parent	(20,702,370)	(21,593,416)	891,046	

- 1- It consists of the difference between the effect of the periodic adjustment of the inventory costs for 2020 and the depreciation adjustment for the investment properties.
- 2- It is related to the depreciation adjustment.
- 3- It is related to the classification of the amount of impairment of fixed assets, which are not accounted under other operating income, to income from investment activities.

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2.7) Principles of Consolidation

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

Consolidated Companies	Rate of direct ownership %	Rate of direct ownership %
	31.12.2022	31.12.2021
Reysaş Taşıt Muayene İstasyonları İşletim A.Ş.	75,48	75,48
Reymar Tütün Mamülleri Dağıtım ve Pazarlama Ltd. Şti.	99	99,00
Reysaş Demiryolu Taşımacılığı A.Ş.	100	100,00
Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş.	61,94	61,47
Reysaş Turizm Yatırımları ve Ticaret Ltd. Şti. (Effective rate)	61,47	61,47

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

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

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

- Financial statements of the subsidiaries are consolidated using full consolidation method. In this context, 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.

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Reysaş Taşımacılık ve Lojistik Ticaret A.Ş., its subsidiary Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. and its own subsidiary Arı Lojistik İnşaat Sanayi ve Ticaret A.Ş. Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. shares with a nominal value of 3,050,000 TL, which corresponds to 33.33% of the capital of Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. He sold it to. After this sale, Reysaş Logistics Arı Lojistik İnş. San.ve Tic. A.Ş. and Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. The share of partnership has reached 50%. After the sale, Reysaş Taşımacılık ve Lojistik Ticaret A.Ş. Arı Logistics İnş. San.ve Tic. A.Ş. Due to these changes, Arı Lojistik İnş. San.ve Tic. Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. included in the financial statements (Note 11)

Business Combinations Subject to Common Control

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

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

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

2.8) Summary of Significant Accounting Policies

The important accounting policies followed in the preparation of the financial statements are summarized below:

Revenue

When the Group fulfils or fulfils a performance obligation by transferring a promised good or service to its customer, it records the revenue in its consolidated financial statements. An asset is transferred when (or when) control of an asset is acquired by the customer. The Group records revenue in its consolidated financial statements in line with the following basic principles:

- (a) Determining contracts with customers,
- (b) Determining performance obligations in the contract,
- (c) Determining the transaction price in the contract,
- (d) Allocating the transaction price to the performance obligations in the contract,
- (e) Recognition of revenue when each performance obligation is satisfied.

The Group recognizes a contract with a customer as revenue if all of the following conditions are met:

- (a) The parties to the contract have approved the contract (whether in writing, verbally or in accordance with other commercial customs) and undertake to perform their own acts,
- (b) The Group can identify the rights in the goods or services to be transferred by each party;
- (c) The Group may define payment terms for the goods or services to be transferred.,
- (d) The contract is commercial in nature,

It is probable that the Group will collect a consideration for the goods or services to be transferred to the customer. In assessing whether a consideration is likely to be collectible, an entity considers only the customer's ability and intent to pay the consideration on time.

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Sale of real estate

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

Rental income from real estates

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

Service revenues

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

Interest income

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

Cost of sales

In accordance with the principle of directly associating the expenses with the relevant income accounts, it is the item that shows the costs of the revenue elements, which are reflected in the Statement of Profit or Loss and Other Comprehensive Income simultaneously with the recognition of the revenue. Cost of sales is presented separately as commercial activities and financial sector activities (Note 23).

Related parties

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

Cash and cash equivalents

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

Trade receivables and allowance for doubtful receivables

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

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

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

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

Account payables

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

Inventories

Inventories 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 labour 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.

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

Investments Accounted by Using Equity Method

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

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

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

Investment Properties

Investment properties are properties held for the purpose of earning rent and/or capital appreciation and are initially measured at cost and the transaction costs involved. After initial recognition, investment properties are subject to pro-rata depreciation over their expected useful lives using the straight-line method.

Investment properties are derecognised if they are sold or become unusable and it is determined that no future economic benefits will be derived from their sale. Profit/loss arising from the expiry of the investment property or its sale is included in the income statement in the period in which it occurs.

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Cost method

The cost value of an investment property is the amount of cash or cash equivalents paid in the acquisition or construction of an asset, or the fair value of other payments, or, if applicable, the consideration attributable to the asset at initial recognition.

After an item of property, plant and equipment is accounted for as an asset under the cost method, it is shown at cost less accumulated depreciation and any accumulated impairment losses, in the financial statements.

Investment properties are examined in order to determine a possible decrease in value, and if the book value of investment properties is more than their recoverable value at the end of this examination, they are reduced to their recoverable value by making a provision. The recoverable amount is the higher of the net cash flows from the current use of the investment property and its fair value less costs to sell.

Property, plant and equipment

Tangible Fixed Assets, except for lands, buildings and motor 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:

	<u>Years</u>
Infrastructure and land improvements	5-50
Buildings	10-50
Property, plant and equipment	5-10
Motor vehicles	4-10
Furniture and fittings	5-10
Other tangible fixed assets	5-10
Leasehold improvements	10-20

Expenses arising from replacing any part of tangible fixed assets, together with maintenance and repair costs, can be capitalized if they increase the future economic benefit of the asset. All other expenses are recognized as expense items in the statement of profit or loss and other comprehensive income as incurred.

If there are conditions indicating that there is a decrease in the value of the tangible assets, an examination is made in order to determine a possible decrease in value. The recoverable amount is accepted as the higher of the net cash flows from the current use of the related property, plant and equipment and the net selling price.

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

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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. 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.

Advances given for the purchases of tangible fixed assets are shown under the “Prepaid Expenses” item, not in this item until the related asset is capitalized.

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 of assets

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

Financial instruments

Classification and measurement

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

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

“Financial assets measured at fair value through other comprehensive income”, are non-derivative assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Gains or losses on a financial asset measured at fair value through other comprehensive income is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognized or reclassified.

When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified to retained earnings.

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Leasing operations

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

Company as lessor

Rental income from operating leases is recognized as income on a straight-line basis over the lease term, unless another systematic method is available that better reflects the timing of the decline in the benefit from the leased asset. Rental income arising from the operating lease of the Company is accrued at the rate determined over the gross revenue or gross operating profit obtained by the operators at the end of each month in accordance with the agreements made with the operating companies.

Company as tenant

Since rights to lands leased to develop investment property are classified as investment property, rights to these lands are accounted for in the same way as in finance leases. For this reason, the discounted values of the rents to be paid for these lands are accounted for in the “Financial borrowings” account as operating lease borrowings in the individual financial statements.

At the inception of a contract, the Group evaluates whether the contract is or contains a lease. If the contract transfers the right to control the use of an identified asset for a specified period of time, the contract is or includes a lease.

The group considers the following conditions when assessing whether a contract transfers the right to control the use of an identified asset for a specified period of time:

- The contract contains an identified asset (identification of an asset by express or implied indication in the contract),
- A functional part of the asset is physically separate or represents almost the entire capacity of the asset (the asset is not defined if the supplier has a substantive right to replace the asset throughout its useful life and derive economic benefits from it),
- The Group has the right to obtain almost all of the economic benefits to be derived from the use of the identified asset,
- The Group has the right to direct the use of the identified asset. The Group has the right to manage the use of the asset in any of the following situations:

a) The Group has the right to manage and change how and for what purpose the asset will be used throughout the period of use, or

b) The following decisions regarding how and for what purpose the asset will be used have been determined beforehand:

I. The Group has the right to operate the asset (or direct others to operate the asset as it determines) throughout the life of the asset and the supplier does not have the right to change these operating instructions; or

ii. The Group has designed the asset (or certain features of the asset) to predetermine how and for what purpose the asset will be used throughout its useful life.

After the above-mentioned assessments, the Group reflects a right-of-use asset and a lease liability to its consolidated financial statements at the actual commencement date of the lease.

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Financial Liabilities

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

Borrowing cost

Assets that need considerable time to be ready for use or sale, acquisition, construction or production of borrowing costs that are directly attributable to the cost of the asset until the asset is brought into use or ready for sale, is included. Financial investment income obtained by evaluating the part of the investment-related loan that has not yet been spent in financial investments for a temporary period is deducted from borrowing costs eligible for capitalization. All other borrowing costs are recorded in the individual income statement during the period in which they are incurred.

Corporate income tax

Income tax expense is the sum of corporate tax and deferred tax expense.

Current tax

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

Deferred tax

Deferred tax liability or asset is found out by calculating temporary differences between the amounts of assets and liabilities shown in financial statement and the amounts taken into consideration in calculation of legal tax base by balance sheet method taking into account legalized tax rates of tax effects. While deferred tax liabilities are calculated for all of taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that benefiting from the differences in question is highly likely by making profit subjected to tax in future. The mentioned assets and liabilities are not accounted in case that they arise from inclusion of temporary difference, goodwill related to transaction not affecting commercial or financial profit/loss or other assets and liabilities in the financial statement for the first time (except for business enterprise merger).

Deferred tax liabilities are calculated for all of taxable temporary differences which are associated with investments in subsidiaries and affiliates and shares in joint ventures except for the conditions under which Group is able to control removal of temporary differences and under which possibility of removal of these differences in near future is low. Deferred tax assets arising from taxable temporary differences which are associated with such kind of investments and shares are calculated provided that benefiting from the differences in question is highly likely by making sufficient profit subjected to tax in near future and removal of relevant differences in future is possible.

Recorded value of deferred tax asset is reviewed as of each balance sheet date. Recorded value of deferred tax asset is reduced at extend to which it is impossible to obtain financial profit which will enable to benefit from it partially or wholly.

Deferred tax assets and liabilities are calculated over tax rate which has become legal or become legal at a considerable extend (tax regulations) as of the date of balance sheet and which is expected to be valid in the period during which assets will realize or liabilities will be fulfilled. During the calculation of deferred tax assets and liabilities, tax results of methods anticipated for Group assets’ regaining their book value or fulfilling its liabilities as of balance sheet date are taken into consideration.

Deferred tax assets and liabilities are deducted in case that there is a legal right related to deducting current tax assets and current tax liabilities or assets and liabilities in question are associated with income tax collected by the same taxation authority or Group has the intention to pay it by way of clarifying its current tax assets and liabilities.

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Current tax except for those which are associated with the items accounted as receivable or payable directly in equity (under these circumstances deferred tax related to relevant items are accounted directly in equity) or those which arises from first recording of business enterprise mergers as well as deferred tax of the period are accounted as income or expense in income statement. Tax effect is taken into account during business enterprise mergers, calculation of cost control or determination of purchase-cost exceeding part of share obtained by purchaser at the fair value of identifiable asset, liability and contingent payables of purchased subsidiary.

Employee benefits / retirement pay provision

Retirement pay provision

Under the Turkish Labor Law and union agreements, severance payments are made to employees retiring or involuntarily leaving their companies. Such payments are considered as being part of defined retirement benefit plan as per International Accounting Standard No: 19 (revised) “Employee Benefits” (“IAS 19”). The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses (Note 18).

Unused leave rights

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

Operating expenses

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

Offsetting

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

Foreign currency transactions

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

The year-end rates are shown below:

	31.12.2022
Currency purchase	
USD	18.6983
EURO	19.9349
Currency sale	
USD	18.7320
EURO	19.9708

Provisions, contingent liabilities and contingent assets

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

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If it becomes possible that the economic benefit will enter the business, the contingent asset is disclosed in the footnotes of the financial statements. If it is determined that the economic benefit will enter the business, the asset in question and the income associated with it are recognized in the financial statements on the date of the change (Note 16).

Commitments and obligations

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

Statement of cash flow

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

Subsequent Events

It represents the events that occur in favour of or against the Company between the reporting period and the date of authorization for the publication of the balance sheet. Events after the reporting period are divided into:

- there is new evidence that the relevant events existed at the end of the reporting period (adjusting events after the reporting period),
- there is evidence that the relevant events occurred after the reporting period (non-adjusting events after the reporting period).

If there is new evidence that the said events exist as of the end of the reporting period or if the related events occur after the reporting period and these events require the financial statements to be adjusted, the Group adjusts its financial statements in accordance with the new situation. If the said events do not require the correction of the financial statements, the Group explains the said issues in the related footnotes (Note 28).

Repurchased shares

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

2.9) New and Revised Standards and Comments

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

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

- a) Name of TAS and TFRS
- b) Accounting policy change, if any, is made in accordance with the relevant adoption principles,
- c) Explanations of change in accounting policy
- d) Explanations of adoptions of accounting policy
- e) Explanations of effects of adoptions
- f) Effects of adjustments for the current and prior period
- g) Each financial statement item effected should be presented
- h) If the “TAS 33, Earnings Per Share” standard applies to the company, earnings per share must be recalculated.
- i) Adjustment amounts of prior periods not presented

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- j) If retrospective application is not possible for any period or periods, the events leading up to this situation should be disclosed and the date and manner in which the change in accounting policy has been applied should be explained.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE 3 – BUSINESS COMBINATIONS

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

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

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

NOTE 4 – SEGMENT REPORTING

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

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

The Group has been active in five main areas intensively. The main field of activity of the Group are Real Estate, Transportation, Storage and Logistics Service activities. Another activity of the Group are Vehicle Inspection Services, Tobacco Products Distribution and Marketing and Hotel Management.

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01.01-31.12.2022	Real Estate Rental	Transport Storage Logistics	Vehicle Inspection Services	Tobacco Products Distribution and Marketing	Railway	Total	Elimination	31.12.2022 Income Statement
Revenues	625.030.803	1.022.407.208	207.215.359	195.192.384	53.764.607	2.103.610.361	-160.915.168	1.942.695.193
Cost of Sales (-)	-77.966.810	-736.093.660	-215.331.478	-191.632.393	-42.630.253	-1.263.654.594	184.738.624	-1.078.915.970
Gross Profit (Loss)	547.063.993	286.313.548	-8.116.119	3.559.991	11.134.354	839.955.767	23.823.457	863.779.224
Marketing Expenses (-)	--	--	--	-4.362.617	--	-4.362.617	-699.970	-5.062.587
General Administrative Expenses (-)	-14.352.245	-30.274.831	-7.931.588	-2.314.939	-4.929.320	-59.802.923	-12.230.977	-72.033.900
Other Operating Incomes	41.594.154	61.823.700	30.928.783	7.363.553	1.420.046	143.130.236	-94.329.674	48.800.562
Other Operating Expenses (-)	-17.869.384	-63.569.046	-27.255.657	-237.083	-305.641	-109.236.811	55.586.611	-53.650.200
OPERATING PROFIT/LOSS	556.436.518	254.293.371	-12.374.580	4.008.905	7.319.439	809.683.653	-27.850.554	781.833.099
Income from Investing Activities	6.660.093	--	--	--	--	6.660.093	--	6.660.093
Expense from Investing Activities (-)	--	--	--	--	--	--	--	--
Shares of Profits/Losses of Investments accounted by using Equity Method	8.145.633.164	--	--	--	--	8.145.633.164	-8.130.284.502	15.348.662
OPERATING PROFIT / LOSS BEFORE FINANCING EXPENSES	8.708.729.775	254.293.371	-12.374.580	4.008.905	7.319.439	8.961.976.910	-8.158.135.056	803.841.854
Financial Income	176.362.324	--	--	--	--	176.362.324	72.880.326	249.242.650
Financial Expenses (-)	-554.316.352	-72.692.936	-4.805.996	-1.210.101	-1.497.475	-634.522.860	-57.769.540	-692.292.400
PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS	8.330.775.747	181.600.435	-17.180.576	2.798.804	5.821.964	8.503.816.374	-8.143.024.270	360.792.104
Tax expense/ income from continued operations	-1.303.671	-8.376.468	766.209	-1.069.210	60.980	-9.922.160	-47.340	-9.969.500
- Tax Expense / Income for the Period	-182.197	-2.141.300	--	--	--	-2.323.497	-4.214.445	-6.537.942
- Deferred Tax Expense(-)/Income	-1.121.474	-6.235.168	766.209	-1.069.210	60.980	-7.598.663	4.167.105	-3.431.558
NET PROFIT/LOSS FOR THE YEAR	8.329.472.076	173.223.967	-16.414.368	1.729.594	5.882.944	8.493.894.213	-8.143.071.610	350.822.603
- Total Assets	14.809.013.428	1.902.787.477	211.495.554	49.065.794	129.823.258	17.102.185.511	-11.797.417.952	5.304.767.559
- Total Liabilities	2.523.718.350	769.478.455	175.989.078	26.941.555	32.321.215	3.528.448.653	-204.177.292	3.324.271.361
TOTAL EQUITY	12.285.295.078	1.133.309.020	35.506.476	22.124.239	97.502.043	13.573.736.856	-11.593.240.658	1.980.496.198

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01.01-31.12.2021	Real Estate Rental	Transport Storage Logistics	Vehicle Inspection Services	Tobacco Products Distribution and Marketing	Hotel management	Elimination	31.12.2021 Income Statement
Revenues	323,438,769	450,303,179	144,748,461	138,984,350	17,606,021	(52,796,056)	1,022,284,724
Cost of Sales (-)	(73,257,551)	(364,261,351)	(145,967,656)	(136,438,069)	(11,568,914)	37,723,559	(693,769,982)
Gross Profit (Loss)	250,181,218	86,041,828	(1,219,195)	2,546,281	6,037,107	(15,072,497)	328,514,742
Marketing Expenses (-)	--	--	--	(2,326,040)	(332,216)	--	(2,658,256)
General Administrative Expenses (-)	(5,444,757)	(14,356,193)	(4,254,428)	(538,158)	(8,157,256)	7,989,891	(24,760,901)
Other Operating Incomes	22,662,440	16,923,942	46,367,349	2,154,552	122,523	(2,200)	88,228,606
Other Operating Expenses (-)	(11,144,654)	(22,459,512)	(43,759,616)	(134,958)	(105,550)	18,255	(77,586,035)
OPERATING PROFIT/LOSS	256,254,247	66,150,065	(2,865,890)	1,701,677	(2,435,392)	(7,066,551)	311,738,156
Income from Investing Activities	327,962	3,459,373	85,431	--	--	(3,092,705)	780,061
Expense from Investing Activities (-)	--	(1,009,576)	--	--	--	--	(1,009,576)
Shares of Profits/Losses of Investments accounted by using Equity Method	4,947,183	--	--	--	--	--	4,947,183
OPERATING PROFIT / LOSS BEFORE FINANCING EXPENSES	261,529,392	68,599,862	(2,780,459)	1,701,677	(2,435,392)	(10,159,256)	316,455,824
Financial Income	104,802,690	23,305,012	9,725,420	88,793	20,618	(23,309,361)	114,633,172
Financial Expenses (-)	(414,588,060)	(119,170,433)	(7,427,617)	(1,064,079)	(1,604,426)	23,316,361	(520,538,254)
PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS	(48,255,978)	(27,265,559)	(482,656)	726,391	(4,019,200)	(10,152,256)	(89,449,258)
Tax expense/ income from continued operations							
- Tax Expense / Income for the Period	(257,168)	--	--	--	--	--	(257,168)
- Deferred Tax Expense(-)/Income	2,298,012	3,447,241	7,470,048	1,174,411	24,281	--	14,413,993
NET PROFIT/LOSS FOR THE YEAR	(46,215,134)	(23,818,318)	6,987,392	1,900,802	(3,994,919)	(10,152,256)	(75,292,433)
- Total Assets	2,086,024,354	1,240,216,781	102,641,325	35,860,851	5,528,388	(81,812,064)	3,388,459,635
- Total Liabilities	(1,723,817,314)	(542,672,966)	(50,721,619)	(15,409,938)	(14,883,551)	125,499,000	(2,222,006,388)
TOTAL EQUITY	362,207,040	697,543,815	51,919,706	20,450,913	(9,355,163)	43,686,936	1,166,453,247

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NOTE 5 – RELATED PARTY TRANSACTIONS

Trade Receivables from Related Parties	31.12.2022	31.12.2021
Emir İstif Makinaları San. Ve Tic.A.Ş.	7.604.675	--
Reysaş Antrepo İşletmesi A.Ş.	7.925.225	285,347
Other	142.965	871,288
	15.672.867	1,156,635

For the Group's current and notes receivables from related companies, an annual interest rate of 10% - 14.29% is applied in TL basis.

Other Receivables from Related Parties	31.12.2022	31.12.2021
Egemen Oto Kiralama A.Ş.	10.622.591	9,525,323
Other	--	--
		9,525,323

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

Trade Payables to Related Parties	31.12.2022	31.12.2021
Reyline Uluslararası Taşımacılık A.Ş	5.123.936	--
Persco Personel Tedarik Yönetimi	13.586.154	6,150,464
Other	2.302.660	1,523,168
Discount on related party trade payables (-)	--	--
	21.012.753	7,673,632

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Other Payables to Related Parties (short-term)	31.12.2022	31.12.2021
Egemen Döven	817.591	1,279,395
Arı Lojistik İnşaat San. ve Ticaret A.Ş. (*)	8.578.071	11,636,562
Egemence İnşaat A.Ş.	232.816	1,523,621
Other	--	1,302,743
	9.628.478	15,742,321

(*) The Group's as of 31.12.2022 other payables from Arı Lojistik İnşaat Sanayi ve Ticaret AŞ consist of nature of the commercial relationship.

Other Payables to Related Parties (long-term)	31.12.2022	31.12.2021
Persco Personel Tedarik Yönetim Ve Danışmanlık Ltd Şti	--	1,558,219
Other	--	159,897
	--	1,718,116

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

	Fixed assets	Other	Goods/ Service	Late interest	Investment	Total
Egemence İnşaat Anonim Şirketi	4.112.450	--	28.563	371.891	--	4.512.904
Egemen Oto Kiralama A.Ş.	--	--	--	--	2.711.522	2.711.522
Persco Personel Tedarik Yön.Dan.Tic.Ltd.Şti.	--	--	82.201.495	837.656	--	83.039.152
Reyline Uluslararası Taş.Aş.	--	72.815.284	11.210.587	846.044	--	84.871.915
Other	39.530	0	36.942.107	31.291.681	124.962.739	196.453.593
Total	4.151.980	72.815.284	130.382.752	33.347.272	127.674.261	371.589.086

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

	Rent	Late interest	Service	Other	Total
Persco Personel Tedarik Yön.Dan.Tic.Ltd.Şti.	0	0	0	0	0
Reysaş Antrepo İşletmesi A.Ş.	7.080	418.472	21.240	0	446.792
Emir İstif Makinaları Sanayi Ve Tic.Aş.	21.519.593	0	0	18.328	21.537.921
Egemen Oto Kiralama A.Ş.	0	1.527.328	0	736.029	2.263.357
Reyline Uluslararası Taşımacılık Ltd. Şti.	20.373.106	302.320	29.205	32.948.024	53.652.655
Other	48.326	4.288.113	4.910.547	9.355.515	18.602.501
Total	41.948.105	6.536.233	4.960.992	43.057.896	96.503.226

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

	Fixed assets	Other	Goods/ Service	Late interest	Investment	Total
Egemençe İnşaat Anonim Şirketi	--	--	205,615	--	83,148,917	83,354,532
Egemen Oto Kiralama A.Ş.	--	35,183	9,043,880	--	--	9,079,063
Persco Personel Tedarik Yön.Dan.Tic.Ltd.Şti.	--	11,706	45,365,642	740,947	--	46,118,295
Reyline Uluslararası Taş.Aş.	--	--	94,081,372	--	--	94,081,372
Other	15,282	101,770	715,682	68,874	268,993	1,170,601
Total	15,282	148,659	149,412,191	809,821	83,417,910	233,803,863

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

	Rent	Late interest	Service	Total
Persco Personel Tedarik Yön.Dan.Tic.Ltd.Şti.	--	--	1,979,912	1,979,912
Reysaş Antrepo İşletmesi A.Ş.	2,614,835	219,286	103,620	2,937,741
Emir İstif Makinaları Sanayi Ve Tic.Aş.	5,902,128	--	--	5,902,128
Egemen Oto Kiralama A.Ş.	--	1,060,085	11,828	1,071,913
Reyline Uluslararası Taşımacılık Ltd. Şti.	13,109,770	1,105,200	8,376,168	22,591,138
Other	480,772	172,230	147,130	800,132
Total	22,107,505	2,556,801	10,618,658	35,282,964

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Remuneration of board of directions and executive management:

The total benefits provided by the Group to its board of directors and executive management during the periods ended 31 December 2022 are TL 1.188.234 (31 December 2021: TL 949,337).

NOTE 6 – CASH AND CASH EQUIVALENTS

	31.12.2022	31.12.2021
Cash		
- Turkish Lira	1.075.524	393,112
- Foreign currency	--	1,101
Banks - Demand deposits		
- Turkish Lira	275.335.556	6,493,343
- Foreign currency	90.535.674	73,233,046
Banks – Time deposits (*)		
- Turkish Lira	288.841.518	133,887,522
- Foreign currency	--	222,838,102
Deferred finance expense (-)		
Other liquid assets		
- Turkish Lira	17.651.621	3,214,667
	673.439.893	440,060,893

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

31 Aralık 2022	Average Maturity	Interest Rate	Amount in Foreign currency	TL Equivalent
TL	1-35 gün	% 17,00-% 25,00	--	288.841.518
USD	3-30 gün	% 0,05-% 1,28	--	--
EURO	3 gün	% 0,01 -% 0,10	--	--
Total				288.841.518

31 Aralık 2021	Average Maturity	Interest Rate	Amount in Foreign currency	TL Equivalent
TL	1-35 days	17.00%-25.00%	--	133,887,522
USD	3-30 days	0.05%-1.28%	9,168,064	122,201,123
EURO	3 days	0.01% -0.10%	6,670,576	100,636,979
Total				356,725,624

31.12.2022 - DÖVİZDEN DÖNÜŞÜMLÜ KKM DETAY						
FİRMA	AÇILIŞ VADESİ	VADE SONU	TUTAR	PARA BİRİMİ	KUR	TL KARŞILIĞI
İŞ BANKASI	1.12.2022	3.03.2023	3.034.045,00	EUR	19,96	58.880.194
İŞ BANKASI	1.12.2022	3.03.2023	2.639.860,53	USD	18,74	49.229.439
ZİRAAT BANKASI	15.11.2022	15.02.2023	1.000.000,00	USD	18,74	18.624.400
QNB FİNANSBANK	15.11.2022	15.02.2023	1.006.676,76	USD	18,74	18.745.529
TOPLAM						145.479.563

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

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NOTE 7 – FINANCIAL INVESTMENT

As of 31 December 2022 and 31 December 2021, the Group's short-term financial investments classified as other financial assets measured at fair value through profit or loss are as follows:

Other Financial Assets Measured at Fair Value at Profit/Loss

	31 Aralık 2022	31 Aralık 2021
BRL Liquid Fund	43.728.201	--
Total	43.728.201	--

NOTE 8 – FINANCIAL LIABILITIES

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

Short Term Financial Liabilities	31.12.2022	31.12.2021
Bank loans	388.987.924	287,497,601
Short-term portion of long-term bank loans	518.703.193	651,842,468
Financial lease liabilities, net	39.049.612	27,513,995
	946.740.729	966,854,064

Long Term Financial Liabilities	31.12.2022	31.12.2021
Bank loans	1.731.264.187	934,760,411
Financial lease liabilities, net	110.545.687	29,495,451
	1.841.809.874	964,255,862

The breakdown of financial liabilities by currency is as follows:

Short Term Financial Liabilities	31.12.2022		31.12.2021	
TL Bank loans	--	751.769.396	--	598,448,950
USD Bank loans	--	--	8,329,576	111,224,831
EURO Bank loans	7.821.545	155.921.721	15,195,700	229,666,288
		907.691.117		939,340,069

Long Term Financial Liabilities	31.12.2022		31.12.2021	
TL Bank loans	--	1.617.513.609	--	668,002,810
USD Bank loans	--	--	4,783,156	63,869,484
EURO Bank loans	5.706.102	113.750.578	13,423,942	202,888,117
		1.731.264.187		934,760,411

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

	31.12.2022	31.12.2021
Payable in 0-3 months	239.222.014	327,545,315
Payable in 4-12 months	545.417.662	611,794,754
Payable in 1-5 years	1.887.455.161	910,420,614
Payable in a period longer than 5 years	0	24,339,797
	2.672.094.837	1,874,100,480

Short Term Financial Lease Payables	31.12.2022	31.12.2021
TL financial lease	5.660.630	2.892.127
EURO financial lease	-- 33.388.982	1.629.088 24.621.867
	39.049.612	27.513.994

Long Term Financial Lease Payables	31.12.2022	31.12.2021
TL financial lease	99.813.289	5,696,371
EURO financial lease	10.732.398	1,574,649 23,799,080
	110.545.687	29,495,451

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

	31.12.2022	31.12.2021
Payable in 0-3 months	5.660.630	7,294,721
Payable in 4-12 months	33.388.982	20,219,273
Payable in 1-5 years	110.545.687	29,495,452
	149.595.299	57,009,446

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

	31.12.2022	31.12.2021
TL Bank loans	% 7,84 - % 27,96	7.84% - 24.73%
USD Bank loans	--	8.10% -10.94%
EURO Bank loans	% 4,38 - % 5,48	4.38% -5.48%

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

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The amount of the guarantees given by the Group for its financial debts is given in Note 17.

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

	31.12.2022	31.12.2021
Current rate	95%	58%
Current ratio	61%	46%
Financial Leverage Ratio	31%	67%
Financing Rate	220%	205%

NOTE 9 – TRADE RECEIVABLES AND PAYABLES

	31.12.2022	31.12.2021
Trade receivables		
-Non-Group trade receivables	303.441.851	108,164,110
-Trade receivables from related parties (Note 5)	15.672.867	1,156,635
Notes receivables	5.363.136	4,534,195
Discount on trade receivables (-)	(17.620.529)	(2,737,338)
Doubtful trade receivables	20.795.040	21,965,254
Provision for doubtful trade receivables (-)	(20.661.164)	(21,965,254)
	306.991.200	111,117,602

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

	01.01.- 31.12.2022	01.01.- 31.12.2021
1 January	21.965.254	20,204,741
Provisions for the period (Notes 22)	--	2,816,824
Receivables collected during the period (-) (Note 22)	(1.304.090)	(1,055,868)
Waived receivables which are uncollectible	--	(443)
End of the period	20.661.164	21,965,254

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Short Term Trade Payables	31.12.2022	31.12.2021
Trade payables		
-Non-Group trade receivables	132.389.830	45,691,454
-Trade receivables to related parties (Note 5)	21.012.753	7,673,632
Note payables	-	7,234,193
Discount on trade payables (-)	(4.738.391)	(858,655)
Other	-	138
	148.664.193	59,740,762

NOTE 10 – OTHER RECEIVABLES AND PAYABLES

Short Term Other Receivables	31.12.2022	31.12.2021
Deposits and guarantees given	1.558.152	2,500,178
Other receivables to related parties (Note 5)	10.622.591	9,525,323
Doubtful Other receivables	319.427	2,273,167
Provision for doubtful other receivables (-)	(319.427)	(2,273,167)
Other (*)	7.141.869	6,633,298
	19.322.611	18,658,799

Long Term Other Receivables	31.12.2022	31.12.2021
Deposits and guarantees given	141.164.566	1,537,422
	141.164.566	1,537,422

Short Term Other Payables	31.12.2022	31.12.2021
Deposits and guarantees received	2.246.809	3,980,336
Taxes and funds payable	58.404.033	12,822,916
Other receivables to related parties (note 5)	9.628.478	15,742,321
Deferred payable to public sector in installments (*)	1.648.020	2,216,227
Other	558.888	160,779
	72.486.228	34,922,579

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Long Term Other Payables	31.12.2022	31.12.2021
Other receivables to related parties (note 5)	--	1,718,116
Deferred payable to public sector in installments (*)	9.561.167	13,670,441
	9.561.167	15,388,557

(*) As of 31.12.2022, installment debts consist of property tax debts belonging to past periods that must be paid to municipalities in accordance with the “law on restructuring some receivables and amending some laws” No. 7256 and 7326.

NOTE 11 – INVESTMENTS ACCOUNTED BY USING EQUITY METHOD

Subsidiaries and Affiliates

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

	31.12.2022		31.12.2021	
	Amount	%	Amount	%
Arı Lojistik (*)	80.529.041	50,00	77,159,566	50.00
	80.529.041		77,159,566	

(*) With the decision of the board of directors on February 22, 2011, the company became a subsidiary of its main partner, Reysaş Taşımacılık ve Lojistik Ticaret A.Ş., Arı Lojistik İnşaat Sanayi ve Ticaret A.Ş. purchased its shares with a nominal value of TL 1.525.305, which corresponds to 16.67% of its capital, from the parent company at a value of TL 4.127.642 determined by the independent valuation study.

With the decision of the board of directors, the company became a subsidiary of its main partner, Reysaş Taşımacılık ve Lojistik Ticaret A.Ş., Arı Lojistik İnşaat Sanayi ve Ticaret A.Ş., as of March 28, 2013. purchased its shares with a nominal value of 3,050,000 TL, which corresponds to 33.33% of its capital, from Reysaş Taşımacılık ve Lojistik Ticaret A.Ş., with a value of 16,836,000 TL determined by the independent company valuation study. After this purchase, Reysaş Taş. and Loj. Trade A.Ş. Arı Lojistik İnş. Singing. ve Tic. A.Ş. and the partnership share of Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. has reached 50%.

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

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

	31 December 2021				
	Total Assets	Total Payables	Equity	Net Sales	Profit / (Loss)
Arı Lojistik	193.960.809	(40.004.514)	153.956.294	10.179.684	9,531,529

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Arı Lojistik	31.12.2022	31.12.2021
	Amount	Amount
Total Assets	194.345.894	194,432,027
Total Liabilities	(33.287.812)	(40,112,895)
Net Assets	161.058.082	154,319,132
Carrying Amount of Subsidiary in GYO by Equity Method (50%)	80.529.041	77,159,566

As of 31 December 2022 and 31 December 2021, the movements of Arı Lojistik are as follows:

	01.01.-	01.01.-
	31.12.2022	31.12.2021
Balances as of 1 January	77.159.566	29,678,583
Share of Subsidiary in Period Profit / (Loss)	3.369.475	4,947,183
Share of the Subsidiary’s property, plant and equipment valuation	--	42,533,800
Total	80.529.041	77,159,566

NOTE 12 – INVESTMENT PROPERTIES

The movements in investment properties for the periods ending on 31 December 2022 and 31 December 2021 are as follows:

	31.12.2022	31.12.2021
Investment Properties	1.275.589.578	1.217.393.088
Toplam	1.275.589.578	1.217.393.088

The fair value of the Group's warehouses and warehouses under construction as of 31 December 2022, is determined by Emek Tasnmaz Değerleme ve Danışmanlık A.Ş. It was obtained according to the valuation carried out by the real estate appraisal company. Valuations made in accordance with International Valuation Standards were determined by the Market Method, Cost (Expense) Method and Income (Yield) Method. Emek Real Estate Appraisal and Consultancy Inc. is a real estate appraisal company authorized by the Capital Markets Board.

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NOTE 13 – PROPERTY, PLANT AND EQUIPMENT

Tangible fixed assets and accumulated depreciation movements for the periods ending on 31 December 2021 and 31 December 2020 are as follows:

	31.12.2021	Additions	Disposals (-)	Fair Value	31.12.2022
Land	316,631,593	19.175.361	0	270.305.830	606.112.784
Infrastructure and land improvements	10,111,942	0	(21.581)	0	10.090.361
Buildings	526,526,611	78.553.493	0	26.969.965	632.050.069
Property, plant and equipment	138,658,227	0	(25.156.821)	0	113.501.406
Motor vehicles	532,090,243	108.391.251	0	345.843.572	986.325.066
Furniture and fittings	28,703,285	15.350.384	0	0	44.053.669
Construction in progress	25,495,266	8.858.374	0	324.714.895	359.068.535
Leasehold improvements	1,127,971	0	(1.127.971)	0	0
Cost	1,579,345,138	230.328.863	(26.306.373)	967.834.262	2.751.201.890
Infrastructure and land improvements	2,765,130	202.880	0	0	2.968.010
Buildings	28,473,551	0	(27.078.384)	0	1.395.167
Property, plant and equipment	45,554,583	27.279.158	0	0	72.833.741
Motor vehicles	70,012,348	11.084.853	0	0	81.097.201
Furniture and fittings	12,314,101	0	(3.044.433)	0	9.269.668
Leasehold improvements	909,027	0	(909.027)	0	0
Accumulated depreciations (-)	160,028,740	38.566.891	(31.031.844)	0	167.563.787
Net Book Value	1,419,316,398				2.583.638.103

Insurance coverage on investment properties amounted to TL 3.106.483.596 (31 December 2021: TL 1,295,417,653).

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Tangible fixed assets and accumulated depreciation movements for the periods ending on 31 December 2021 and 31 December 2020 are as follows:

	31.12.2020	Additions	Disposals (-)	Fair Value	31.12.2021
Land	236,269,665	318,930	--	80,042,998	316,631,593
Infrastructure and land improvements	10,111,942	--	--	--	10,111,942
Buildings	310,878,244	1,824,647	--	213,823,720	526,526,611
Property, plant and equipment	120,574,804	28,404,381	(10,320,958)	--	138,658,227
Motor vehicles	330,714,573	5,681,690	(8,039,451)	203,733,431	532,090,243
Furniture and fittings	14,668,636	14,034,649	--	--	28,703,285
Construction in progress	56,047,043	55,509	(30,607,286)	--	25,495,266
Leasehold improvements	963,050	164,921	--	--	1,127,971
Cost	1,080,227,957	50,484,727	(48,967,695)	497,600,149	1,579,345,138
Infrastructure and land improvements	2,562,955	202,175	--	--	2,765,130
Buildings	27,932,578	540,973	--	--	28,473,551
Property, plant and equipment	33,012,744	12,904,491	(362,652)	--	45,554,583
Motor vehicles	62,596,722	9,747,601	(2,331,975)	--	70,012,348
Furniture and fittings	10,545,335	1,768,766	--	--	12,314,101
Leasehold improvements	876,200	32,827	--	--	909,027
Accumulated depreciations (-)	137,526,534	25,196,833	(2,694,627)	--	160,028,740
Net Book Value	942,701,423				1,419,316,398

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The detail of depreciation and amortization expenses related to tangible and intangible assets are recognized as an expense on the basis of income statements accounts is as follows:

	01.01.- 31.12.2022	01.01.- 31.12.2021
Cost of sales (Note 23)	38.338.723	32,616,031
Marketing and selling expenses	12.184.735	25,196,833
General and administrative expenses	935	1,116
	50.524.393	57,813,980

Effect of Fair Value

a) Motor Vehicles Fair Value Effect

31.12.2022:

Trucks, tow trucks, trailers, containers and semi-trailers in the portfolio of Reysaş Lojistik were revalued on 5 January 2022 by an authorized valuation company from the Capital Markets Board. The revaluation amount of the vehicles in the Reysaş Lojistik portfolio is TL 786.615.000, and the total net book value is TL 203.733.431. The valuation differences resulting from the revaluation amounting to TL 582.881.569 are accounted for in the Revaluation Increases (Decreases) of Property, Plant and Equipment under Equity.

31.12.2021:

Trucks, tow trucks, trailers, containers and semi-trailers in the portfolio of Reysaş Lojistik were revalued on 5 January 2022 by an authorized valuation company from the Capital Markets Board. The revaluation amount of the vehicles in the Reysaş Lojistik portfolio is TL 350,614,000, and the total net book value is TL 190,527,158. The valuation differences resulting from the revaluation amounting to TL 160,086,842 are accounted for in the Revaluation Increases (Decreases) of Property, Plant and Equipment under Equity.

In addition, 216 wagons and 107 containers in the Reysaş Demiryolu portfolio were revalued on the same date. The revaluation amount of the vehicles in the Reysaş Demiryolu portfolio is TL 112,480,000 and the total net book value is TL 68,833,411. The valuation differences resulting from the revaluation amounting to TL 43,646,589 are accounted for in the Revaluation Increases (Decreases) of Property, Plant and Equipment under Equity.

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b) Hotels Fair Value Effect

31.12.2022:

Rey Hotel, a 100% subsidiary of Reysaş GYO, operates the Eskişehir and Erzincan hotels in the portfolio of Reysaş REIT. These properties, which were followed under the investment properties account in the previous periods, have been classified as tangible assets in the current period and revalued, since the operation of the hotels has been taken.

The revalued amounts of the Erzincan hotel, the Eskişehir Hotel and the lands purchased for the construction of a hotel in Erzurum in the Reysaş Real Estate Portfolio were determined as 120,622,000 TL, 185,816,000 TL and 22,746,000 TL, respectively. The valuation differences of TL 66,327,000, TL 19,816,000 and TL 17,446,000, which arose respectively, were accounted for in the Revaluation Increases (Decreases) of Tangible Fixed Assets under Equity.

31.12.2021:

In 2020, Reysaş Turizm acquired all of the shares of Rey Otel, whose field of activity is the operation of hotels and accommodation places. Rey Otel operates the Eskişehir hotel in the portfolio of Reysaş GYO and the Erzincan hotels in the portfolio of Reysaş Turizm. These properties, which were followed in the investment properties account in the previous periods, have been classified as tangible assets in the current period and revalued since the operation of the hotels has been taken.

The revalued amounts of the Erzincan hotel in Reysaş Turizm's portfolio, the Eskişehir Hotel in the Reysaş GYO and the lands purchased for hotel construction in Erzurum are determined as TL 46,860,000, TL 166,000,000, and TL 5,300,000, respectively. The valuation differences of TL 14,458,250, TL 66,928,870 and TL 1,050,000, which arose respectively, were accounted for in the Revaluation Increases (Decreases) of Tangible Fixed Assets under Equity.

c) Vehicle Inspection Stations Fair Value Effect

31.12.2022:

The Group management had a study done to determine the fair values of the vehicle inspection stations in the Group's portfolio. Since the effect of the amount reached as a result of the study on the consolidated financial statements is insignificant, the records are not reflected.

31.12.2021:

The Group management had a study done to determine the fair values of the vehicle inspection stations in the Group's portfolio. Since the effect of the amount reached as a result of the study on the consolidated financial statements is insignificant, the records are not reflected.

d) Group Head Office Fair Value Effect

31.12.2022:

The head office of the Group is located in Acıbadem/Üsküdar. It is assumed that 90% of these real estates in the portfolio of Reysaş GYO are used by the Group. The total revalued value of these real estates is TL 81.933.000, and TL 72.233.000 of them are classified as property, plant and equipment and subject to valuation. The valuation differences of TL 46.322.252 resulting from the revaluation are accounted for in the Revaluation Increases (Decreases) of Property, Plant and Equipment under Equity.

REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.**Notes to the consolidated financial statements as of and for the years ended 31 December 2022 and 2021**
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The head office of the Group is located in Acıbadem/Üsküdar. It is assumed that 90% of these real estates in the portfolio of Reysaş GYO are used by the Group. The total revalued value of these real estates is TL 83,000,000, and TL 74,744,787 of them are classified as property, plant and equipment and subject to valuation. The valuation differences of TL 36,622.252 resulting from the revaluation are accounted for in the Revaluation Increases (Decreases) of Property, Plant and Equipment under Equity.

e) Fair Value Effect of real estate used for logistics services**31.12.2022:**

The following parts of the following real estates in the portfolio of Reysaş GYO are used by Reysaş Lojistik for logistics services. In this context, the revalued parts of the real estates, which were classified as tangible assets and whose cost value was TL 87,848,857, were realized as TL 3.648.615.000. The valuation differences resulting from the revaluation amounting to TL 613.976.768 are accounted for in the Revaluation Increases (Decreases) of Property, Plant and Equipment under Equity.

Real Estate	Total Revaluation amount of the Real Estate	Logistics service-% Percentage usage	Logistics service-Revalued Amount	Logistics service-Net Book Value	Revaluation differences
Adana Warehouse, Parcel 2, Map Section 156	113.511.000	100%	113.511.000	3.990.713	109.520.287
Çayırova 2 Warehouse, Parcel 1, Map Section 2079	299.676.000	48%	144.914.751	2.456.561	142.458.190
Çayırova 3 Warehouse, Parcel 3, Map Section 2085	344.658.000	10%	32.982.889	4.659.617	28.323.272
Sakarya Arifiye, Parcel 47, Map Section 2587	53.219.000	100%	53.219.000	9.565.000	43.654.000
Sakarya Arifiye Adp. Warehouse, Parcel 46, Map Section 2587	100.246.000	43%	42.666.256	1.877.894	40.788.362
Çayırova 6 Warehouse, Parcel 3, Map Section 2087	136.641.000	13%	17.228.723	1.178.114	16.050.609
Çayırova 9 Warehouse, Parcel 1, Map Section 2080	715.717.000	21%	152.155.495	8.792.043	143.363.452
Ankara-Kazan-Saray Mh. Log Parcel 1, Map Section 693	121.140.000	17%	20.492.128	1.378.597	19.113.531
Çayırova 12, Parcel 4, Map Section 2085	389.733.000	32%	124.655.383	46.626.568	78.028.815
TOTAL	2.274.541.000		701.825.625	80.525.107	621.300.518

31.12.2021:

The following parts of the following real estates in the portfolio of Reysaş GYO are used by Reysaş Lojistik for logistics services. In this context, the revalued parts of the real estates, which were classified as tangible assets and whose cost value was TL 87,848,857, were realized as TL 481,193,305. The valuation differences resulting from the revaluation amounting to TL 393,344,448 are accounted for in the Revaluation Increases (Decreases) of Property, Plant and Equipment under Equity.

Real Estate	Total Revaluation amount of the Real Estate	Logistics service-% Percentage usage	Logistics service-Revalued Amount	Logistics service-Net Book Value	Revaluation differences
Adana Warehouse, Parcel 2, Map Section 156	46,040,000	100%	46,040,000	3,990,713	42,049,287
Çayırova 2 Warehouse, Parcel 1, Map Section 2079	124,865,000	61%	75,749,146	2,456,561	73,292,585
Çayırova 10 Warehouse, Parcel 5, Map Section 2086	340,000,000	10%	32,822,168	3,977,187	28,844,981
Çayırova 3 Warehouse, Parcel 3, Map Section 2085	128,000,000	42%	54,386,771	4,659,617	49,727,154
Sakarya Arifiye, Parcel 47, Map Section 2587	20,000,000	100%	20,000,000	9,565,000	10,435,000
Sakarya Arifiye Adp. Warehouse, Parcel 46, Map Section 2587	27,500,000	22%	5,914,417	1,877,894	4,036,523
Çayırova 6 Warehouse, Parcel 3, Map Section 2087	43,500,000	13%	5,484,806	1,178,114	4,306,692
Çayırova 9 Warehouse, Parcel 1, Map Section 2080	300,000,000	21%	63,777,511	8,792,043	54,985,468
Ankara-Kazan-Saray Mh. Log Parcel 1, Map Section 693	44,500,000	17%	7,527,651	1,378,597	6,149,054
Orhanlı 5 Warehouse Tuzla Parcel 1990	250,000,000	9%	21,990,835	3,346,563	18,644,272
Çayırova 12, Parcel 4, Map Section 2085	147,500,000	100%	147,500,000	46,626,568	100,873,432
TOTAL	1,471,905,000		481,193,305	87,848,857	393,344,448

Mortgages and similar information established on asset values are provided in Note 17.

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NOTE 14 – INTANGIBLE ASSETS

Intangible fixed assets and accumulated amortization movements for the periods ending on 31 December 2022 and 31 December 2021 are as follows:

	31.12.2020	Additions	31.12.2021	Additions	31.12.2022
Rights	157,750	--	157,750	--	--
Computer programs	772,134	--	772,134	--	56.634
Cost	929,884	--	929,884	--	56.634
Rights	157,750	--	157,750	--	--
Computer programs	701,979	1,116	703,095	--	16.632
Accumulated Amortization (-)	859,729	1,116	860,845	--	16.632
Net Book Value	70,155		69,039		40.002

NOTE 15 – INVENTORIES

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

Short Term Inventories	31.12.2022	31.12.2021
Raw materials	506.155	235,703
Work in process	2.138.874	1,219,526
Finished goods	192.702	192,702
Merchandises	--	1,593,382
Other inventories	1.901.164	1,036,338
	4.738.896	4,277,651
Long Term Inventories	31.12.2022	31.12.2021
Land inventories	37.082.346	29,773,907
	37.082.346	29,773,907

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

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

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

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

The total cost values of the residential zoned lands as of 31 December 2022 are TL 37.082.346 (31 December 2021: TL 29,773,907).

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

NOTE 16 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Provisions:

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

	31.12.2022	31.12.2021
Provisions for accumulated personnel leave expenses	2.591.327	1,129,092
Other	--	--
	2.591.327	1,129,092

b) Contingent liabilities:

	31.12.2022	31.12.2021
Provisions for litigation expenses	19.069.969	23,807,087
Other	153.905.619	336,892
	172.975.587	24,143,979

As of 31.12.2022, the explanation regarding the lawsuits and disputes concerning the Group is as follows:

	Number of cases	Total Amount
1- Various lawsuits filed and ongoing in favour of the Group	10	0
2- Various lawsuits filed and ongoing against the Group	16	2.016.100

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NOTE 17 – COMMITMENTS

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

Guarantee, pledge and mortgage given by the Group	31.12.2022	31.12.2021
A. Total amount of Guarantees provided by the Company on behalf of itself	5.001.165.825	3,762,075,150
B. Total amount of Guarantees provided on behalf of the associates accounted under full consolidation method	--	2,783,029,278
C. Provided on behalf of third parties in order to maintain operating activities	--	--
D. Other Guarantees given		
i. Total amount of Guarantees given on behalf of the parent Company	--	--
ii. Total amount of Guarantees provided on behalf of the associates which are not in the scope of B and C	--	--
iii. Total amount of Guarantees provided on behalf of third parties which are not in the scope of C	--	--
Total	5.001.165.825	6,545,104,428

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

Type	Type of FX	FX amount	31.12.2021 TL equivalent
Mortgage	TL		2,152,645,000
Mortgage	USD	24,000,000	320,472,000
Mortgage	EURO	20,000,000	302,278,000
Suretyship	TL		1,095,926,300
Suretyship	USD	183,630,000	2,452,011,390
Suretyship	EURO	4,500,000	68,012,550
Guarantee letter	TL		23,890,895
Guarantee letter	USD	355,000	4,740,315
Guarantee letter	EURO	8,279,000	125,127,978
Total			6,545,104,428

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

Type	Type of FX	FX amount	31.12.2022
			TL equivalent
Guarantee letter	TL		825.000,00
Guarantee bond	USD	470.300,00	8.793.810,49
Guarantee bond	TL		5.533.395,00
Guarantee bond	EURO	430.416,00	8.580.299,92
Guarantee check	TL		3.479.178,27
Guarantee check	EURO	440.000,00	8.771.356,00
Total			35.983.039,68

Type	Type of FX	FX amount	31.12.2021
			TL equivalent
Guarantee letter	TL		3,424,000
Guarantee bond	USD	147,040	1,963,425
Guarantee bond	TL		10,094,573
Guarantee bond	EURO	22,000	332,506
Guarantee check	EURO	300,000	4,534,170
Total			20,348,674

NOTE 18 – EMPLOYEE BENEFITS

a) Payables within the scope of employee benefits:

	31.12.2022	31.12.2021
Due to personnel	3.392.661	1,809,367
Social security premiums payables	2.571.373	828,618
Personnel tax deductions	334.792	36,890
	6.298.826	2,674,875

b) Provision for Employee Termination Benefits

In accordance with existing social legislation in Turkey the Group is required to make lump-sum payment to employees whose employments are terminated due to retirement or for reasons other than resignation or misconduct except the ones who are subject to press regulations. In addition, under the existing Social Security Law No.506, clause No. 60, amended by the Labor Laws dated 06.03.1981, No.2422 and 25.08.1999, No.4447, the Group is also required to pay termination benefits to each employee who has earned the right to retire by receiving termination indemnities. As of 31.12.2022 the amount payable of one month’s salary for each year of service is limited to a maximum of TL 15.37 (31.12.2020: TL 8,284).

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

According to this calculation following actuarial assumptions are used.

	31.12.2022	31.12.2021
Discount rate	%23,00	24.00%
Expected rate of salary / limit increases	%22,00	19.00%
Net discount rate	%0,82	4.20%

The basic assumption is that the ceiling provision for each year of service will increase in proportion to inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the expected effects of inflation. The Group’s severance pay provision is calculated over the full ceiling amount of 19.982,83TL effective from 1 January 2023, since the severance pay ceiling is adjusted every six months.

Movement table of Employee Termination Benefits is as follows:

	01.01.- 31.12.2022	01.01.- 31.12.2021
Beginning balance	7.525.130	4,725,853
Current service cost	2.283.415	574,342
Payments made in the current period (-)	(159.679)	(440,312)
Interest cost	26.268	158,043
Actuarial gain / (loss)	256.826	2,507,204
Acquisition of subsidiary	--	--
Balance, end of the period	9.931.960	7,525,130

Expense of provision for employment termination benefits on income statement are summarized as below:

	01.01.- 31.12.2022	01.01.- 31.12.2021
Cost of sales	1.434.289	1,242,585
	1.434.289	1,242,585

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NOTE 19 – PREPAID EXPENSES AND DEFERRED INCOME

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

Short Term	31.12.2022	31.12.2021
Advances given for purchasing inventory	3.059.843	1,262,969
Advances given to related parties (note 5)	--	--
Expenses for the next months	23.864.204	3,298,662
License fee (*)	--	2,128,333
Advances given to personnel	7.461.659	147,832
	34.385.705	6,837,796
Long Term	31.12.2022	31.12.2021
Advances given for purchasing fixed assets	53.175.445	24,315,128
Expenses for the next years	867.481	184,496
License fee (*)	--	9,754,894
	54.042.926	34,254,518

(*) License fee

The amount paid in advance by the Group to Tüvtürk Kuzey Taşıt Muayene İstasyonları Yapım ve İşletim A.Ş. license fee for Karabük, Bartın, Kastamonu, Tosya, Karadeniz Ereğlisi, Zonguldak, Eskişehir, Sivrihisar vehicle inspection stations. From this amount, which is expensed in monthly equal installments according to the provisions of the license agreement, the portion to be expensed in the 12-month period following the balance sheet date is classified among current assets, and the remaining balance is classified among non-current assets. License Term ends in 2027. There is no addition to the license fee in the current period or the previous period. The license fee has been paid in full and there is no current debt.

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

Short term deferred income	31.12.2022	31.12.2021
Order advances received	424.928	758,727
Sales to be delivered in the next period	--	--
	424.928	758,727
Long term deferred income	31.12.2022	31.12.2021
Sales to be delivered in the next period	120.292	58,212
	120.292	58,212

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NOTE 20 – OTHER ASSETS AND LIABILITIES

Other current assets	31.12.2022	31.12.2021
VAT carried forward	16.906.329	20,805,793
Advances given to personnel	1.341.821	235,516
	18.248.150	21,041,309

NOTE 21 – GOVERNMENT GRANTS AND INCENTIVES

The Group has one Investment Incentive Certificate as of 2022, and the details of the incentive certificate are as follows:

Document date	Document Number	Subject	Investment Start Date	Investment End Date	Total Investment Amount
06.06.2014	F/109795	Demiryolu Taşımacılığı	13.03.2013	14.03.2014	8.830.915

With the Investment Incentive Certificate dated 12 April 2013 and numbered B/109795, Reysaş Demiryolu Taşımacılığı A.Ş. has decided to invest in the purchase of wagons for railway transportation. With this investment incentive certificate, the Company will benefit from interest support, reduced corporate tax and other exemptions. Within the scope of this investment incentive certificate, T.C.D.D. It has ordered 60 platform wagons from TÜDEMSAŞ, the only industrial investment in Turkey's Eastern Anatolia Region. It is planned to use the leasing financing method in wagon purchases, and the total investment cost will be 3.510.000 Euros. Reysaş Demiryolu Taşımacılığı A.Ş. On September 10, 2013, 60 wagons amounting to TL 9,066,916 were received.

Based on the firm's application dated 20.12.2013 and numbered 1116785, it was deemed appropriate to revise the fixed investment amount recorded as TL 7,500,000 as TL 8,830,915.

As a result of the examination of the Company's application dated 14.01.2014 and numbered 4524, it has been understood that investment has been started by making an investment of at least 10% of the fixed investment amount registered in the Investment Incentive Certificate until 31.12.2013 (including this date).

Based on the firm's application dated 11.04.2014 and numbered 33073 and the Sworn-in Certified Public Accountant Investment Incentive Certificate Closing report dated 12.03.2014 and numbered YMM.232/1706-15, the investment completion visa has been made.

In summary, the subject of the incentive certificate is the wagon investment. benefits from incentives on interest support, reduced corporate tax and other exemptions. Among the incentives utilized, the interest support incentive was completed in 2016. The total amount of the company's contribution to the investment, calculated within the scope of the aforementioned incentive certificate and earned due to the actual investment expenditure, is 3,532,366 TL; As of 31.12.2022, the total amount of transferred contribution is 3.112.139 TL (31.12.2021: 3.532,366 TL).

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NOTE 22 – CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS

Paid-in capital

As of 31 December 2022 and 31 December 2021 the shareholders and share ratios of Reysaş Taşımacılık ve Lojistik Ticaret Anonim Şirketi are as follows:

	31.12.2022		31.12.2021	
	Share amount	Share %	Share amount	Share %
Durmuş Döven	45.011.320	18,00	45.011.320	
Egemen Döven	27.275.000	10,91	13.050.000	
Rıfat Vardar	30.480.766	12,19	30.480.766	
Other	147.232.914	58,89	161.457.914	
Total	250.000.000	100,00	250.000.000	

The Company has increased its issued capital from TL 119,350,000 to TL 250,000,000 by an increase of TL 130,650,000 (109.46795%) within the registered capital ceiling of TL 600,000,000. Capital increase transactions have been completed within the framework of the conditions specified in the prospectus. In order to obtain the appropriate opinion regarding the amendment of Article 6 of the Company's Articles of Association, titled "Type of Capital and Shares", pursuant to subparagraph (c) of paragraph 1 of Article 25 of the Capital Markets Board's Communiqué on Shares numbered VII-128.1. on 18/05/2021 and approved by the CMB on 31.05.2021. The registration of the new capital was made by the Istanbul Trade Registry Directorate on 02.06.2021.

The Company's capital consists of 250,000,000 shares with a nominal value of 1 TL each. The company's capital shares are divided into 3 groups, 14.000.000,000 registered group A, 3.500.000,000 registered B group and 232.500.000 bearer C group.

Some of the similar characteristics between partners and partners of companies are as follows:

Shareholders	Group A		Group B	
	Share Amount	Share (%)	Share Amount	Share (%)
Döven Family	7.000.000	50%	2.406.250	69%
Rıfat Vardar	7.000.000	50%	1.093.750	31%
Total	14.000.000,000	100%	3.500.000	100%

3 members of the Board of Directors, which consists of 7 members, are elected among the candidates nominated by the majority of A group shareholders, and 2 members are elected from among the candidates nominated by the majority of B group shareholders, and 2 members are independently elected. There is no privilege right provided by C group shares. The management of the Group is carried out through the representatives of the privileged shareholders.

	31.12.2022	31.12.2021
Capital Adjustment Differences	40.859	40,859
	40.859	40,859

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Elimination Of Share Capital and Equity Investments (-)

	31.12.2022	31.12.2021
Elimination of share capital and equity investments (*)	1.634.614	(1,201,938)
	1.634.614	(1,201,938)

It is the accounting amount of the Reysaş GYO shares purchased by the Parent of the Group from the stock exchange in the 2021 period.

Share Premiums

	31.12.2022	31.12.2021
Premiums	945.501	614,260
	945.501	614,260

Reacquired Shares

	31.12.2022	31.12.2021
Reacquired shares	1.731.320	(5,964,030)
	1.731.320	(5,964,030)

With the Capital Markets Board's decision dated 10.08.2011 and numbered 26/767, the principles and principles to be followed by companies whose shares are traded on the BIST when purchasing their own shares have been determined. Accordingly, the total nominal value of the shares to be repurchased cannot exceed 10% of the company's paid/issued capital. The maximum holding period for the repurchased shares and bonus shares acquired within the framework of the said shares can be determined freely by the company, if it does not exceed 3 years. Repurchased shares are followed as a discount item in the balance sheet under equity in the framework of Turkish Accounting Standards no. 32 and necessary explanations are made in the footnotes of the financial statements. Gains and losses arising from the disposal of the said shares cannot be associated with the income statement.

Other Accumulated Comprehensive Income or Expenses Not to be Reclassified to Profit or Loss

The amount of the increase in value arising from the real estate valuation of the Group is reflected on the related asset values in the financial statements and the amount of TL 806.442.531 (31.12.2021: TL 764,349,787) is shown in the “Revaluation measurement gains/losses” account in the liabilities.

	31.12.2022	31.12.2021
Opening balance	764.349.787	349,715,506
Tangible Asset Revaluation Increases	42.092.744	497,600,149
Revaluation Increases (Decreases) of Tangible Fixed Assets	806.442.531	764,349,787

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The amendments to TAS 19 change the accounting for defined benefit plans and termination benefits. In accordance with the changes made, changes in the fair values of defined benefit liabilities and assets are required to be recorded. Thus, the 'corridor method', which was allowed in the previous version of TAS 19, is eliminated and the recording of past service costs is accelerated. The amendments require that all actuarial losses and gains be recognized immediately as other comprehensive income so that the net retirement asset or liability to be shown in the statements of financial position reflects the full value of the plan deficit or surplus. In addition, a 'net interest' amount calculated as a result of the discount rate applied to the net defined benefit liability or asset is used instead of the estimated returns to be obtained from the plan assets explained in the previous edition of TAS 19 and the interest expense related to the plan assets.

In this context, the Group has calculated actuarial gain/(loss) in the defined benefit plans for its personnel and has also shown it in the financial statements.

	31.12.2022	31.12.2021
Actuarial gain/(loss)	256.826	(345,291)
	256.826	(345,291)

Retained Earnings / (Loss)

	31.12.2022	31.12.2021
Retained Profits/(Loss)	(54.195.774)	(93,661,923)
End of the period	(54.195.774)	(93,661,923)

(*) Explained in Note 2.

Restricted Reserves

Restricted reserves; consists of legal reserves, real estate sales revenues exempted from corporate tax, and reserves of repurchased shares of the enterprise. According to the Turkish Commercial Code, the general legal reserve is set aside as 5% of the annual profit, until 20% of the paid-in capital of the company is reached. Other legal reserves are set aside at the rate of 10% of the total amount to be distributed to those who will receive a share of the profit, after the five percent dividend is paid to the shareholders. According to the Turkish Commercial Code, if the general legal reserve does not exceed half of the capital or issued capital, it can only be used to cover losses, to continue the business when things are not going well, to prevent unemployment and to take measures to mitigate its consequences.

	31.12.2022	31.12.2021
Legal Reserves	10.739.681	8,966,289
Reserves of Reacquired Shares (*)	3.512.174	5,964,030
Real Estate or Subsidiary Sales Earnings to be Added to the Capital	--	39,517,812
	14.251.855	54,448,131

Non-Controlling Interests

	31.12.2022	31.12.2021
Opening balance	550.435.848	232,104,643
	550.435.848	232,104,643

NOTE 23 – REVENUE AND COST OF SALES

	01.01.- 31.12.2022	01.01.- 31.12.2021
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<i>Sales</i>		
Domestic	1.687.871.658	856,982,933
Overseas	112.196.623	119,407,483
Other sales	155.529.371	50,489,661
Sales returns (-)	(12.902.458)	(4,595,353)
<hr/>		
Net Sales	1.942.695.193	1,022,284,724
<i>Cost of Sales</i>		
Cost of merchandise sold (-)	(194.381.905)	(143,480,590)
Cost of service sold (-)	(834.009.672)	(492,713,274)
Depreciation and amortization expenses (-)	(50.524.393)	(57,576,118)
<hr/>		
Gross Profit	863.779.224	328,514,742

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NOTE 24 – GENERAL AND ADMINISTRATIVE AND MARKETING AND SELLING EXPENSES

General And Administrative Expenses	01.01.- 31.12.2022	01.01.- 31.12.2021
Personnel expenses	2.830.506	7,924,836
Consulting and audit expenses	570.066	5,771,332
IT Expenses	230.384	275,442
Travelling expenses	876.088	708,117
Electricity and water expenses	32.913.869	617,369
Entertainment and representation expenses	2.027.583	--
Insurance expenses	1.260.643	1,260,643
Motor vehicle expenses	3.157.009	1,398,440
Taxes and funds	2.588.963	1,411,216
Lawsuits and enforcement expenses	2.326.947	1,202,290
Announcement and advertising expenses	7.393.707	1,242,885
Communication expenses	446.824	160,146
Depreciation and amortization expenses	14.319.213	2,021
Other	1.092.097	2,786,164
	72.033.900	24,760,901

Marketing and Selling Expenses	01.01.- 31.12.2022	01.01.- 31.12.2021
Personnel expenses	1.508.365	810,174
Motor vehicle expenses	21.499	113,933
Taxes and funds	33.301	17,591
Rent expenses	1.487.475	527,886
Announcement and advertising expenses	495.339	193,436
Insurance expenses	99.722	98,638
Repair and maintenance expenses	72.034	33,676
Commission expenses	52.001	326,966
Outsourced benefits and services	--	--
Depreciation and amortization expenses	301.960	235,841
Other	990.891	300,115
	5.062.587	2,658,256

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NOTE 25 – FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR/INDEPENDENT AUDIT FIRMS

	01.01.- 31.12.2022	01.01.- 31.12.2021
Audit and assurance fees (*)	75.000	275,000
Tax consultancy fees (*)	48.000	148,000
	123.000	423,000

(*) Related services are shown exclusive of VAT.

NOTE 26 – OTHER INCOME / (EXPENSES) FROM OPERATING ACTIVITIES

	01.01.- 31.12.2022	01.01.- 31.12.2021
Other income from operating activities		
Provisions for doubtful trade receivable collected	7.229.279	1,055,868
Severance expenses paid	--	950,512
Discount on notes payable	2.823.593	1,465,243
Foreign exchange income (**)	33.220.702	77,045,876
sell-lease-back income	--	--
Insurance damage income	--	2,220,054
Other	5.526.988	5,491,042
	48.800.562	88,228,606
Other expenses from operating activities		
Current term provisions for doubtful trade receivables	--	(2,816,824)
Provisions for court case expenses	(5.529.793)	(6,017,925)
Disallowable expenses	--	--
Discount on notes receivable	(13.827.048)	(3,698,170)
Foreign exchange losses (*)	(26.800.423)	(60,283,697)
Donations and grants	--	(175,000)
Sell-lease-back expenses	--	(1,413,715)
Other	(7.492.936)	(3,180,704)
	(53.650.200)	(77,586,035)

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NOTE 27 – GAIN / (LOSSES) FROM INVESTING ACTIVITIES

Gain from investing activities	01.01.- 31.12.2022	01.01.- 31.12.2021
Profit on sales of fixed assets	6.660.093	780,061
Canceled fixed asset impairment	--	--
	6.660.093	780,061

Loss from investing activities (-)	01.01.- 31.12.2022	01.01.- 31.12.2021
Loss on sales of fixed assets	--	(1,009,576)
	--	(1,009,576)

NOTE 28 – FINANCIAL INCOME / (EXPENSES)

Financial expenses	01.01.- 31.12.2022	01.01.- 31.12.2021
Bank commission expenses	(486.898)	(3,681)
Interest expenses	(611.112.096)	(212,394,738)
Foreign exchange expenses (**)	(80.693.406)	(306,996,010)
Other	--	(1,143,825)
	(692.292.400)	(520,538,254)

Financial income	01.01.- 31.12.2022	01.01.- 31.12.2021
Interest income	78.553.614	34,193,197
Foreign exchange income (***)	170.689.036	80,439,975
	249.242.650	114,633,172

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NOTE 29 – INCOME TAXES (DEFERRED TAX ASSETS AND LIABILITIES INCLUDED)

Period profit tax liabilities for the accounting periods ending on 31.12.2022 and 31.12.2021 are as follows:

	31.12.2022	31.12.2021
Corporate tax provision – Current period	6.537.942	257,168
Prepaid taxes and funds (-)	--	(197,858)
	6.537.942	59,310

In Turkey 2022, statutory income is subject to corporate tax at 23% (2021: 25%). This rate is applied to accounting income modified for certain exemptions (like dividend income) and deductions (like investment incentives), and additions for certain non-tax-deductible expenses and allowances for tax purposes. If there is no dividend distribution planned, no further tax charges are made.

According to Turkish Corporate Income Tax Law numbered 5520, effective from 21 June 2006, a 75% portion of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property, which has remained in assets for more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years. The sales consideration has to be collected up until the end of the second calendar year following the year the sale was realized.

Dividends paid to the resident institutions and the institutions working through local offices or representatives in Turkey are not subject to withholding tax. Accordingly, the withholding tax rate on the dividend payments other than the ones paid to the nonresident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15%. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

Corporations are required to pay advance corporate tax quarterly at a rate of 25% on their corporate income. Advance tax is declared by the 14th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Tax returns are required to be filled and delivered to the related tax office before the evening of the 25th of the fourth month following the balance sheet date.

Tax returns are open for five years from the beginning of the year following the date of filing, during which period the tax authorities have the right to audit tax returns and the related accounting records on which they are based, and may issue re-assessments based on their findings. Under the Turkish Corporate Tax Law, losses can be carried forward to offset future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods. The Corporate Tax Legislation consists of various numbers of exemptions regarding the corporations.

There are many exceptions for corporations in the Corporate Tax Law. Among these exceptions, the ones related to the Group are explained below:

Dividend earnings of corporations from participation in the capital of another fully liable corporation (except for participation certificates of mutual funds and dividends obtained from shares of investment partnerships) are exempt from corporate tax.

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75% of the profits of corporations from the sale of priority right coupons and the emission premium earnings resulting from the sale of shares above the nominal values of joint stock companies when they are established or when they increase their capital are exempt from corporate tax. Therefore, the above-mentioned gains / (losses) included in the commercial profit / (loss) figure are taken into account in the calculation of corporate tax.

In the determination of the corporate tax base, besides the exceptions mentioned above, the discounts specified in the 8th article of the Corporate Tax Law and the 40th article of the Income Tax Law along with the other discounts specified in the 10th article of the Corporate Tax Law are also taken into consideration.

Transfer Pricing

The Law numbered 5520 article 13, which made new arrangements to transfer pricing was effective from 01 January 2007. With the aforementioned law, considerable amendments have been made to transfer pricing regulations by taking EU and OECD transfer pricing guidelines as a basis. In this respect, corporations should set the prices in accordance with the arm’s length principle while entering into transactions regarding the sale or purchase of goods and services with related parties. Under the arm’s length principle within the new legislation related parties must set the transfer prices for purchase and sale of goods and services as if they would have been agreed between third parties. Depending on the circumstances, a choice of accepted methods in aforementioned law of arm’s length transaction has to be made by corporations for transactions with related parties. Corporations should keep the documentary evidence within the company representing how arm’s length price has been determined and the methodology that has been chosen by use of any fiscal records and calculations in case of any request by tax authorities. Besides, corporations must report transactions with related parties in a fiscal period.

If a taxpayer enters into transactions regarding the sale or purchase of goods and services with related parties, where the prices are not set in accordance with the arm’s length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. The profit distributed in a disguised manner through transfer pricing completely or partially, will be assessed as distributed profit share or transferred amount to headquarter for limited taxpayers.

After the distributed profit share is considered as net profit share and complemented to gross amount, deemed profit will be subject to corporate tax. Previous taxation processes will be revised accordingly by taxpayer who distributes disguised profit. In order to make adjustments in this respect, the taxes assessed in the name of the company distributing dividends in a disguised manner must be finalized and paid.

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

	01.01.- 31.12.2022	01.01.- 31.12.2021
Provision for corporate tax	(6.537.942)	(257,168)
Deferred tax income / (expenses)	(3.431.558)	14,413,993
Tax expenses reflected to income statement	(9.969.500)	14,156,825

Reysaş GYO

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

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

Deferred Tax Assets and Liabilities

The Group calculates deferred income tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with CMB Financial Reporting Standards and their statutory financial statements. Deferred income taxes are calculated on temporary differences that are expected to be realized or settled based on the taxable income in the following periods under the liability method using the enacted tax rate of 23%.

As of 31.12.2022 and 31.12.2021, the breakdown of deferred tax bases and deferred tax liability computed using the current effective tax rates are as follows:

	31.12.2022		31.12.2021	
	Cumulative Temporary Difference	Asset / (Liability)	Cumulative Temporary Difference	Asset / (Liability)
Difference between the carrying values and tax base of property, plant, equipment and intangible assets	25.387.868	5.839.210	(30,668,144)	(7,040,924)
Provisions for employee termination benefits	9.330.106	2.145.924	7,212,543	1,609,710
Cut-off adjustment for license fees	0	0	(8,029,710)	(1,846,833)
Deferred financial income	3.890.105	894.724	(763,890)	(175,695)
Deferred financial expenses	(1.142.680)	(262.816)	2,450,212	563,549
provision for doubtful receivables	12.526.352	2.881.061	10,670,779	2,454,279
Staff leave allowance	2.395.702	551.011	1,072,648	235,677
Provisions for court expenses	0	0	15,131,916	3,480,341
expense accruals	1.069.653	246.020	10,540,882	2,424,404
Fair value reserves	(460.309.304)	(105.871.140)	(710,336,744)	(147,364,566)
carried forward from accumulated losses	0	0	5,228,672	1,202,595
Other	0	0	(151,443)	(37,776)
Deferred tax assets / (liabilities), net	(406.852.198)	(93.576.005)		(144,495,239)

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

	01.01.- 31.12.2022	01.01.- 31.12.2021
Beginning of the period	(144.495.239)	(42,192,111)
Actuarial gain / (losses)	--	(116,717,121)
Current tax income / (expenses) for the period	238.204.699	14,413,993
Effect of subsidiary	--	--
End of the period	93.709.460	(144,495,239)

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NOTE 30 – EARNINGS PER SHARE

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

	01.01.- 31.12.2022	01.01.- 31.12.2021
Net profit / (loss) attributable to shareholders (TL)	350.822.603	(75,292,433)
Weighted average number of issued shares	250.000.000	250,000,000
Earnings / (loss) per share (TL)	1,4033	(0.3012)

NOTE 31 – NATURE OF LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Capital Risk Management

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

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

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

	31.12.2022	31.12.2021
Total Liabilities	2.788.550.602	1,931,109,927
Cash and Cash Equivalents (-)	(717.168.094)	(440,060,893)
Net Liability	2.071.382.508	1,491,049,034
Total Equity	1.980.496.198	1,166,453,247
Rate of Net Liabilities to Equity	%105	128%

Significant Accounting Policies

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

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Credit Risk

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

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements and in turn credit risk arises from cash and cash equivalents, deposits in banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. These risks are monitored by credit ratings and limiting the aggregate risk to any individual counter party and receiving guarantees when required (Note 8).

The following tables analyses the Company’s credit and receivable risk as of 31.12.2022 and 31.12.2021.

	Receivables				Deposits in banks	Other
	Trade receivables		Other receivables			
	Related party	Third party	Related party	Third party		
31.12.2022						
Maximum net credit risk as of balance sheet date (A+B+C+D+E)	15.672.867	291.318.333	10.622.591	8.700.020	655.788.272	17.651.621
- The part of maximum risk under guarantee with collateral etc.	--	--	--	--	--	--
A. Net book value of financial assets that are neither past due nor impaired	15.672.867	291.318.333	10.622.591	8.700.020	655.788.272	17.651.621
B. Net book value of financial assets whose conditions are renegotiated, otherwise will be classified as past due or impaired	--	--	--	--	--	--
C. Net book value of assets past due but not impaired	--	--	--	--	--	--
- The part covered by guarantees etc.	--	35.983.040	--	--	--	--
D. Net book value of assets impaired	--	--	--	--	--	--
- Past due (gross book value)	--	20.795.040	--	319.427	--	--
- Impairment amount (-)	--	(20.661.164)	--	(319.427)	--	--
- The part of net value covered with guarantees etc.	--	--	--	--	--	--
- Not due (gross book value)	--	--	--	--	--	--
- Impairment amount (-)	--	--	--	--	--	--
- The part of net value covered with guarantees etc.	--	--	--	--	--	--
E. Off balance items exposed to credit risk	--	--	--	--	--	--

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	Receivables				Deposits in banks	Other
	Trade receivables		Other receivables			
	Related party	Third party	Related party	Third party		
31.12.2021						
Maximum net credit risk as of balance sheet date (A+B+C+D+E)	1,156,635	109,960,967	9,525,323	9,133,476	436,452,013	3,214,667
- The part of maximum risk under guarantee with collateral etc.	--	--	--	--	--	--
A. Net book value of financial assets that are neither past due nor impaired	1,156,635	109,960,967	9,525,323	9,133,476	436,452,013	3,214,667
B. Net book value of financial assets whose conditions are renegotiated, otherwise will be classified as past due or impaired	--	--	--	--	--	--
C. Net book value of assets past due but not impaired	--	--	--	--	--	--
- The part covered by guarantees etc.	--	20,348,674	--	--	--	--
D. Net book value of assets impaired	--	--	--	--	--	--
- Past due (gross book value)	--	21,965,254	--	2,273,167	--	--
- Impairment amount (-)	--	(21,965,254)	--	(2,273,167)	--	--
- The part of net value covered with guarantees etc.	--	--	--	--	--	--
- Not due (gross book value)	--	--	--	--	--	--
- Impairment amount (-)	--	--	--	--	--	--
- The part of net value covered with guarantees etc.	--	--	--	--	--	--
E. Off balance items exposed to credit risk	--	--	--	--	--	--

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Liquidity Risk Management

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

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

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

Contractual maturity analysis	Carrying value	Total cash outflow according to contract (=I+II+III+IV+V)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)	Demand (V)
Non-derivative financial liabilities							
Financial liabilities	2.672.094.837	2.672.094.837	--	2.672.094.837	--	--	--
Financial lease liabilities	116.206.317	116.206.317	--	5.660.630	110.545.687	--	--

Expected maturities	Carrying value	Total cash outflow according to contract (=I+II+III+IV+V)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)	Demand (V)
Non-derivative financial liabilities							
Trade payables	148.664.193	153.402.584	--	153.402.584	--	--	--
Other payables	82.047.394	82.047.394	58.404.033	--	9.561.167	--	558.888

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

Contractual maturity analysis	Carrying value	Total cash outflow according to contract (=I+II+III+IV+V)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)	Demand (V)
Non-derivative financial liabilities							
Financial liabilities	1,874,100,480	2,260,192,339	329,311,158	646,253,687	1,261,102,838	23,524,656	--
Financial lease liabilities	57,009,446	57,009,446	--	27,513,995	29,495,451	--	--

Expected maturities	Carrying value	Total cash outflow according to contract (=I+II+III+IV+V)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)	Demand (V)
Non-derivative financial liabilities							
Trade payables	59,740,762	60,599,417	--	60,599,417	--	--	--
Other payables	50,311,136	50,311,136	12,822,916	21,938,884	15,388,557	--	160,779

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Market Risk

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

Foreign currency risk

The Group is exposed to foreign exchange risk primarily due to various income and expense items in foreign currencies and foreign currency debts, receivables and financial liabilities arising from them.

In order to minimize the exchange rate risk in the balance sheet from foreign currencies, the Group sometimes keeps its idle cash in foreign currency. The company tries to manage its foreign exchange risk by holding US Dollar, Euro and TL cash.

The Group realizes its medium and long-term loans in the currency of the project revenues. For short-term loans, borrowings are carried out in TL, EUR and USD in a balanced manner under the pool/portfolio model.

a) Foreign Currency Position Table and Sensitivity Analysis

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

	31.12.2022	31.12.2021
Foreign currency asset	277.553.250	322,656,104
Foreign currency liabilities (-)	(241.391.858)	(659,847,885)
Net short position	36.161.392	(337,191,781)

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FOREIGN CURRENCY POSITION			
CONSOLIDATED	31.12.2022		
	TL Equivalent	USD	EUR
1. Trade Receivables	39.118.366	961.545	1.060.407
2a. Monetary Financial Assets (Cash, Bank accounts included)	238.434.884	7.469.153	4.954.850
2b. Non-Monetary Financial Assets	--	--	--
3. Other	--	--	--
4. Current Assets (1+2+3)	277.553.250	8.430.698	6.015.256
5. Trade Receivables	--	--	--
6a. Monetary Financial Assets	--	--	--
6b. Non-Monetary Financial Assets	--	--	--
7. Other	--	--	--
8. Non-Current Assets (5+6+7)	--	--	--
9. Total Assets (4+8)	277.553.250	8.430.698	6.015.256
10. Trade Payables	12.214.291	1.368.142	(670.564)
11. Financial Liabilities	--	--	--
12a. Monetary Other Liabilities	--	--	--
12b. Non-Monetary Other Liabilities	--	--	--
13. Short Term Liabilities (10+11+12)	12.214.291	1.368.142	(670.564)
14. Trade Payables	--	--	--
15. Financial Liabilities	213.866.751	--	10.728.258
16a. Monetary Other Liabilities	--	--	--
16b. Non-Monetary Other Liabilities	15.310.815	--	768.041
17. Long Term Liabilities (14+15+16)	229.177.566	--	11.496.299
18. Total Liabilities (13+17)	241.391.858	1.368.142	10.825.734
19. Net Asset/ (Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)	--	--	--
19a. Amount of Asset Nature Off-Balance Sheet Derivative Instruments	--	--	--
19b. Amount of Liability Nature Off-Balance Sheet Derivative Instruments	--	--	--
20. Net Foreign Asset / (Liability) Position (9-18+19)	36.161.393	7.062.556	(4.810.478)
21. Net Foreign Currency Asset / (Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	36.161.393	7.062.556	(4.042.437)
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	--	--	--
23. Hedged foreign currency asset	--	--	--
24. Hedged foreign currency liabilities	--	--	--
25. Export	--	--	--
26. Import	--	--	--

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FOREIGN CURRENCY POSITION			
CONSOLIDATED	31.12.2021		
	TL Equivalent	USD	EUR
1. Trade Receivables	23,802,172	165,223	1,431,719
2a. Monetary Financial Assets (Cash, Bank accounts included)	296,072,249	11,791,958	9,206,602
2b. Non-Monetary Financial Assets	--	--	--
3. Other	2,781,683	--	184,048
4. Current Assets (1+2+3)	322,656,104	11,957,181	10,822,369
5. Trade Receivables	--	--	--
6a. Monetary Financial Assets	--	--	--
6b. Non-Monetary Financial Assets	--	--	--
7. Other	--	--	--
8. Non-Current Assets (5+6+7)	--	--	--
9. Total Assets (4+8)	322,656,104	11,957,181	10,822,369
10. Trade Payables	3,778,206	188,645	83,316
11. Financial Liabilities	365,512,992	8,329,576	16,824,788
12a. Monetary Other Liabilities	--	--	--
12b. Non-Monetary Other Liabilities	--	--	--
13. Short Term Liabilities (10+11+12)	369,291,198	8,518,221	16,908,104
14. Trade Payables	--	--	--
15. Financial Liabilities	290,556,687	4,783,156	14,998,591
16a. Monetary Other Liabilities	--	--	--
16b. Non-Monetary Other Liabilities	--	--	--
17. Long Term Liabilities (14+15+16)	290,556,687	4,783,156	14,998,591
18. Total Liabilities (13+17)	659,847,885	13,301,377	31,906,695
19. Net Asset/ (Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)	--	--	--
19a. Amount of Asset Nature Off-Balance Sheet Derivative Instruments	--	--	--
19b. Amount of Liability Nature Off-Balance Sheet Derivative Instruments	--	--	--
20. Net Foreign Asset / (Liability) Position (9-18+19)	(337,191,781)	(1,344,196)	(21,084,326)
21. Net Foreign Currency Asset / (Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	(339,973,464)	(1,344,196)	(21,268,374)
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	--	--	--
23. Hedged foreign currency asset	--	--	--
24. Hedged foreign currency liabilities	--	--	--
25. Export	--	--	--
26. Import	--	--	--

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

Table of Sensitivity Analysis for Foreign Currency Risk				
31.12.2022				
	Profit / Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:				
1- Asset / Liability denominated in USD	13.205.779	(13.205.779)	--	--
2- The part of USD risk hedged (-)	--	--	--	--
3- USD Effect - net (1+2)	13.205.779	(13.205.779)	--	--
Change of EUR by 10% against TL:				
4- Asset / Liability denominated in EUR	(9.589.640)	9.589.640	--	--
5- The part of EUR risk hedged (-)	--	--	--	--
6- EUR Effect (4+5)	(9.589.640)	9.589.640	--	--
TOTAL (3+6)	3.616.139	(3.616.139)		

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Table of Sensitivity Analysis for Foreign Currency Risk				
31.12.2021				
	Profit / Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:				
1- Asset / Liability denominated in USD	(1,794,905)	1,794,905	(1,794,905)	1,794,905
2- The part of USD risk hedged (-)	--	--	--	--
3- USD Effect - net (1+2)	(1,794,905)	1,794,905	(1,794,905)	1,794,905
Change of EUR by 10% against TL:				
4- Asset / Liability denominated in EUR	(31,866,639)	31,866,639	(31,866,639)	31,866,639
5- The part of EUR risk hedged (-)	--	--	--	--
6- EUR Effect (4+5)	(31,866,639)	31,866,639	(31,866,639)	31,866,639
TOTAL (3+6)	(33,661,544)	33,661,544	(33,661,544)	33,661,544

b) Interest Rate Position Schedule and Sensitivity Analysis

Interest rate risk

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

The interest position table is as follows:

Interest Position Table

		31.12.2022	31.12.2021
Financial instruments with fixed interest rate			
Financial assets	Time deposits	288.841.518	356,725,624
	Available-for-sale financial assets		--
Financial liabilities		1.562.001.154	1.632.996.641
Financial instruments with floating interest rate			
Financial assets	Assets held to maturity		--
Financial liabilities		1.226.300.000	298.113.285

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NOTE 32 – FINANCIAL INSTRUMENTS (FAIR VALUE AND FINANCIAL RISK MANAGEMENT DISCLOSURES)

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

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

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

Monetary Assets

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

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

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

Monetary Liabilities

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

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

Fair Value Estimation:

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

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

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

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

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NOTE 33 – SUBSEQUENT EVENTS

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

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

NOTE 34 – OTHER MATTERS WHICH ARE SIGNIFICANT TO THE FINANCIAL STATEMENTS OR WHICH SHOULD BE DISCLOSED FOR THE PURPOSE OF TRUE AND FAIR INTERPRATION OF THE FINANCIAL STATEMENTS

None.