

(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
CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD
1 JANUARY – 31 DECEMBER 2021
TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT**

**REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.
AND ITS SUBSIDIARIES
AS OF 31 DECEMBER 2021
INDEPENDENT AUDITOR'S REPORT**

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To the General Assembly of Reysaş Taşımacılık ve Lojistik Ticaret A.Ş.
İstanbul

A) Audit of the Consolidated Financial Statements

1. Opinion

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

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

2. Basis for Opinion

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

3. Key Audit Matters

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

3. Key Audit Matters (Cont'd)

Key Audit Matters	Auditor's Response
<i>Valuation studies to determine the fair values of fixed assets</i>	
<p>The Group accounts for its land, buildings and motor vehicles at fair value.</p> <p>As of 31 December 2021, the fair value of the land, buildings and motor vehicles recorded in tangible assets is TL 1,276,762,553 (31 December 2020: TL 787,333,181) (Note 13).</p> <p>As of 31 December 2021, the fair values of land, buildings and motor vehicles are determined by an independent valuation firm authorized by the Capital Markets Board and are taken as the basis for the carrying value in the statement of financial position after the evaluations made by the Group management.</p> <p>The fair values of land, buildings and motor vehicles are based on the valuation method adopted and the inputs and assumptions used in the valuation model.</p> <p>In order to obtain the valuation result, valuation studies are carried out by considering the detailed characteristics of the property according to the comparable market information based on current market data and transactions.</p> <p>The studies conducted on the determination of the fair value of land, buildings and motor vehicles have been determined as a key audit matter due to the fact that the book value of investment properties constitutes a significant part of the total assets of the Group, as well as the subjective nature of valuations, important assumptions and judgments.</p>	<ul style="list-style-type: none"> - The design and functional effectiveness of the control activities implemented by the Group management in determining the fair value of land, buildings and motor vehicles have been evaluated. - The following procedures have been carried out by us in relation to the expert institution that carried out the valuation study. - The real estate valuation accreditation and license of the expert institution, which was appreciated by the Capital Markets Board, was checked. - The competence, capability and impartiality of the expert body were evaluated. - The valuation reports prepared by the expert institution for each real estate were read and the valuation studies were evaluated. - The appraisal report prepared by the expert organization that carried out the valuation study of the Group, the valuation method applied and the appropriateness of the assumptions used were evaluated. - By comparing the consistency of the inputs in the appraisal report, such as the unit sales value, with observable market prices, it has been evaluated whether the appraised values are within an acceptable range. - The compliance of the fair values in the valuation report with the footnotes has been checked, it has been evaluated whether the values in the footnotes are in agreement with the valuation reports and whether the footnote explanations are sufficient in terms of TFRS.
<i>Financial Liabilities</i>	
<p>In the consolidated financial statements of the Group, there are financial liabilities amounting to TL 1,931,109,926 (31.12.2020: TL 1,541,967,936) in the short and long term, and they constitute the most important part of the Group's liabilities.</p> <p>The details of Short- and Long-Term Financial Debts are given in Note 8.</p> <p>The Group presents its financial liabilities at amortized cost using exchange rate valuations and effective interest method. Calculation of financial liabilities and accounting for their cost have been considered by us as a key audit matter.</p>	<p>Our audit procedures are designed to question the accuracy of financial liabilities.</p> <ul style="list-style-type: none"> - The accounting policies applied by the Group regarding financial liabilities and their application principles have been evaluated. - The authenticity of financial debts has been questioned by external confirmations with banks and financial institutions. - Currency valuations, discounts and accruals made by the Group for financial liabilities have been recalculated and tested. <p>The explanations in the footnotes of the consolidated financial statements regarding financial liabilities were examined and the adequacy of the information included in these notes was evaluated</p>

4. Other Matters

The consolidated financial statements of the Group for the accounting period 1 January - 31 December 2020 were audited by another independent audit firm whose auditors report dated 17 February 2021 contained an unqualified opinion on those financial statements.

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

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

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

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

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

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

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

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

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

6. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Cont'd)

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

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

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

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

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

B) Other Responsibilities Arising from Regulatory Requirements

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

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

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

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



İstanbul, 28 February 2022

REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.

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

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REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AS OF 31.12.2021 AND 31.12.2020
(All amounts in Turkish Lira ("TL") unless indicated otherwise.)

<u>ASSETS</u>	<u>Note</u>	<u>Audited</u> <u>31.12.2021</u>	<u>Revised</u> <u>Audited</u> <u>31.12.2020</u>
CURRENT ASSETS		608,955,697	405,305,081
Cash and Cash Equivalents	6	440,060,893	285,290,198
Financial Investments	7	--	251,761
Trade Receivables			
- Trade receivables from related parties	5-9	1,156,635	6,521,666
- Trade receivables from third parties	9	109,960,967	75,767,210
Other Receivables			
- Other receivables from related parties	5-10	9,525,323	5,884,964
- Other receivables from third parties	10	9,133,476	1,023,085
Inventories	15	4,277,651	2,679,987
Prepaid Expenses			
- Prepaid expenses from related parties	5-19	--	152,629
- Prepaid expenses from third parties	19	6,837,796	16,083,186
Assets related with current year tax		6,961,647	1,175,941
Other current assets	20	21,041,309	10,474,454
		608,955,697	405,305,081
NON-CURRENT ASSETS		2,779,503,938	1,942,424,685
Other Receivables			
- Other Receivables From Third Parties	10	1,537,422	1,240,117
Inventories	15	29,773,907	29,773,907
Investments Accounted By Using Equity Method	11	77,159,566	29,678,583
Investment Properties	12	1,217,393,088	926,552,430
Tangible Assets			
- Land	13	316,631,593	236,269,665
- Infrastructure And Land Improvements	13	7,346,807	7,548,982
- Buildings	13	498,053,059	282,945,665
- Property, Plant And Equipment	13	93,103,644	87,562,060
- Motor Vehicles	13	462,077,901	268,117,851
- Furniture And Fittings	13	16,389,184	4,123,301
- Leasehold Improvements	13	218,944	86,850
- Construction In Progress	13	25,495,266	56,047,043
Intangible Assets			
- Rights	14	69,039	70,155
Prepaid Expenses	19	34,254,518	12,408,076
		2,779,503,938	1,942,424,685
TOTAL ASSETS		3,388,459,635	2,347,729,766

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 28.02.2022

REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AS OF 31.12.2021 AND 31.12.2020
(All amounts in Turkish Lira ("TL") unless indicated otherwise.)

	Note	Audited 31.12.2021	Revised Audited 31.12.2020
LIABILITIES			
SHORT TERM LIABILITIES			
Short-term borrowings		1,066,139,409	819,737,084
- Bank Loans	8	287,497,601	78,072,437
Short term portion of long-term borrowings			
- Bank Loans	8	651,842,468	553,810,021
- Leasing	8	27,513,995	53,887,538
Trade payables			
- Trade payables to related parties	5-9	7,673,632	29,758,722
- Trade payables to third parties	9	52,067,130	40,289,664
Payables related to employee benefits	18	2,674,875	2,246,860
Other Payables			
- Other payables to related parties	5-10	15,742,321	31,166,806
- Other payables to third parties	10	19,180,258	18,487,270
Deferred Income	19	758,727	7,462,098
Current tax liabilities	29	59,310	3,509,316
Short-term provisions			
- Short-Term provisions for employee benefits	18	1,129,092	963,395
- Other short-term provision	18	--	82,957
		1,066,139,409	819,737,084
LONG-TERM LIABILITIES			
Long-term borrowings		1,155,866,979	925,981,665
- Bank Loans	8	934,760,411	821,640,017
- Leasing	8	29,495,451	34,557,923
Other Payables			
- Other payables to related parties	5-10	1,718,116	--
- Other payables to third parties	10	13,670,441	3,952,708
Deferred Income	19	58,212	623,891
Long-term provision			
- Long-term provisions for employee benefits	18	7,525,130	4,725,853
- Other long-term provision	18	24,143,979	18,289,162
Deferred tax liability	29	144,495,239	42,192,111
		1,155,866,979	925,981,665
EQUITY			
Equity of Parent Company			
Share Capital Paid	22	250,000,000	119,350,000
Capital Adjustment Differences	22	40,859	40,859
Subsidiary Capital Elimination (-)	22	(1,201,938)	--
Reacquired Shares (-)	22	(5,964,030)	(2,177,230)
Premium In Excess of Par	22	614,260	--
Effects Of Business Combinations Under Common Control	3	(2,391,837)	(1,056,806)
Other Comprehensive Income or Expenses That Will Not Be Reclassified Subsequently to Profit Or Loss			
- Revaluation And Measurement Gain / Loss	22	764,349,787	349,715,506
- Other Gain / Loss	22	(351,394)	1,482,574
- Shares Of Other Comprehensive Income of Investments Valued By The Equity Method Not To Be Classified In Profit/Loss	10	26,145,646	--
Restricted Reserves			
- Legal Reserves	22	8,966,289	8,996,896
- Reserves For Reacquired Shares	22	5,964,030	2,177,230
- Real Estate or Subsidiary Sales Earnings to be Added to the Capital	22	39,517,812	39,517,812
Retained Earnings / Loss	22	(93,661,923)	(68,469,903)
Net Profit / Loss for the Period	30	(57,678,957)	(21,593,416)
TOTAL EQUITY OF PARENT COMPANY		934,348,604	427,983,522
Non-controlling Interest	22	232,104,643	174,027,495
TOTAL EQUITY		1,166,453,247	602,011,017
TOTAL LIABILITIES		3,388,459,635	2,347,729,766

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 28.02.2022

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

CONTINUING OPERATIONS	Note	Audited 01.01.- 31.12.2021	Revised Audited 01.01.- 31.12.2020
Revenue	23	1,022,284,724	822,272,565
Cost of Sales (-)	23	(693,769,982)	(558,795,323)
GROSS PROFIT/LOSS		328,514,742	263,477,242
General Administrative Expenses (-)	24	(24,760,901)	(10,157,279)
Marketing, Selling and Distribution Expenses (-)	24	(2,658,256)	(2,464,224)
Other Operating Incomes	26	88,228,606	27,304,566
Other Operating Expenses (-)	26	(77,586,035)	(27,600,322)
OPERATING PROFIT/LOSS		311,738,156	250,559,983
Income from Investing Activities	27	780,061	6,427,851
Expense from Investing Activities (-)	27	(1,009,576)	-
Shares of Profits/Losses of Investments accounted by using Equity Method	11	4,947,183	3,235,412
OPERATING PROFIT / LOSS BEFORE FINANCING EXPENSES		316,455,824	260,223,246
Financial Income	28	(520,538,254)	(344,192,001)
Financial Expenses (-)	28	114,633,172	47,187,111
PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS		(89,449,258)	(36,781,644)
Tax expense/ income from continued operations		14,156,825	(8,900,254)
- Tax Expense / Income for the Period	29	(257,168)	(4,607,380)
- Deferred Tax Expense(-)/Income	29	14,413,993	(4,292,874)
NET PROFIT/LOSS FOR THE YEAR		(75,292,433)	(45,681,898)
Distribution of Profit / Loss for the Period			
Non-controlling Interest	22	(17,613,476)	(24,088,482)
Equity Holders of Parent	30	(57,678,957)	(21,593,416)
Earnings Per Share			
Earnings Per Share From Continuing Operations	30	(0.3012)	(0.3828)
Diluted Earnings Per Share			
Diluted Earnings Per Share From Continuing Operations	30	(0.3012)	(0.3828)
OTHER COMPREHENSIVE INCOME:			
Items not to be Reclassified Under Profit or Loss			
Increases/Decreases in Revaluation of Tangible Assets	13	497,600,149	539,771,085
Gains/Losses Arising from Defined Benefit Plans	18	(2,507,204)	(247,897)
Taxes on Other Comprehensive Income Not to be Reclassified to Profit or Loss			
- Deferred Tax Expense(-)/Income	29	(114,448,034)	(32,901,277)
OTHER COMPREHENSIVE INCOME		380,644,911	506,621,911
TOTAL COMPREHENSIVE INCOME		305,352,478	460,940,013
Attributable to:			
Non-controlling Interest		(17,613,476)	105,311,930
Equity Holders of Parent		322,965,954	355,628,083

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 28.02.2022

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

	Note	Other comprehensive loss not to be reclassified to profit or loss										Retained earnings				Total Equity
		Capital Paid	Capital Adjustment Differences	Subsidiary Capital Elimination (-)	Reacquired Shares (-)	Premium in Excess of Par	Effects of business combinations under common control	Revaluation and Measurement Gain / Loss	Other Gain / Loss	Shares of Other Investments Valued by the Equity Method Not to be Classified in Profit/Loss	Restricted Reserves	Retained Earnings / Loss	Net Profit / Loss for the Period	Equity Of Parent Company	Non-controlling Interest	
Balance at 01 January 2020		119,350,000	40,859		(2,177,230)									111,520,997	22,820,011	134,341,008
Change in non-controlling interests under common control	29						(276,133)									
Increase/Decrease Due to Share Ratio Changes in Subsidiaries Not Resulting in Loss of Control							(780,673)									
Transfers to reserves and retained earnings / (losses)	19															
Total comprehensive income/(expense)	26															
Balance at 31 December 2020		119,350,000	40,859		(2,177,230)		(1,056,806)							111,520,997	36,652,368	(1,270,004)
Balance at 01 January 2021		119,350,000	40,859		(2,177,230)									(1,732,517)	9,732,517	8,000,000
Change in non-controlling interests	29	(99,202,359)														
Capital increase		384,649,999					2,631									
Share premiums																
Reacquired shares																
Subsidiary capital elimination		(154,797,640)														
Transfers to reserves and retained earnings / (losses)	19															
Reserves for reacquired shares																
Effects of business combinations under common control	29															
Increase (decrease) due to other changes																
Total comprehensive income/(expense)	26															
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)	934,348,604	232,104,643	1,166,453,247	

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 28.02.2022

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.- 31.12.2021	Revised 01.01.- 31.12.2020
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) for the period		91,470,493	150,153,601
Adjustments Regarding Profit/(Loss) for the Period	30	(75,292,433)	(45,681,898)
Depreciation and amortization	13	263,957,613	216,753,246
Adjustments for Impairment/Cancellation			
- Adjustments for Impairment/Cancellation in Trade receivables		---	998,078
- Impairment provisions (reversals) of investment properties		---	(5,173,537)
Changes in other provisions			
- Provision for employment termination benefits	18	1,242,585	700,457
- Provisions for possible losses	9	586,826	---
- Provisions for court case expenses	16	6,017,925	5,986,482
Losses (Gains) from disposal of non-current assets		(780,061)	(2,029,813)
Interest income and expenses			
- Interest income	9	3,698,170	85,495
- Interest expense	9	(1,465,243)	(1,339,673)
Adjustments for Unrealized Currency Translation Differences		215,947,439	169,719,760
Adjustments Regarding Retained Earnings of Investments Accounted by Using Equity Method			
- Adjustments Regarding Retained Profits of Subsidiaries	11	(4,947,183)	(3,235,412)
Tax income / (expenses)	29	(14,156,825)	4,225,322
Changes in Working Capital		(86,751,295)	(23,954,983)
Decrease (Increase) in Financial Assets	7	251,761	(251,618)
(Increase) / decrease in inventories	15	(1,597,664)	2,280,470
Increase/(decrease) in trade receivables			
- Trade receivables from related parties	5	5,365,031	3,961,506
- Trade receivables from third parties	9	(37,891,927)	(30,469,461)
Increase/(decrease) in other receivables regarding operating activities			
Decrease(Increase) in Other Receivables from Related Parties	5	(3,640,359)	(1,048,974)
- Other receivables from third parties	10	(8,407,696)	(11,880)
(Increase) / decrease in prepaid expenses	19	(12,448,423)	(2,383,728)
(Increase) / decrease in trade payables			
- Trade payables to related parties	5	(22,085,090)	2,311,995
- Trade payables to third parties	9	13,242,709	3,283,197
Increase/(decrease) in other payables regarding operating activities			
- Other payables to related parties	5	(15,424,485)	6,220,642
- Other payables to third parties	10	10,410,721	3,423,539
(Increase) / decrease in deferred income	19	(7,269,050)	(7,454,527)
Increase/(decrease) in payables regarding employee benefits	18	3,392,989	447,331
Other increase/(decrease) in working capital		(10,649,812)	(4,263,475)
Cash flow from provided operating activities		101,913,885	147,116,365
Tax paid/ tax refund		(9,492,880)	3,037,236
Other Cash Inputs/Outputs		(950,512)	---
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
Cash inflow from sale of tangible and intangible assets	13, 14	16,445,843	17,867,761
Cash outflow from purchase of tangible and intangible assets	13, 14	(50,484,733)	(98,233,353)
Cash inflow from sale of investment property	12	---	2,872,552
Cash outflow from purchase of investment property	12	(292,849,403)	(78,475,313)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Outflows from the Company's Own Shares	22	390,188,495	159,651,406
Proceeds from borrowings	8	(3,786,800)	---
Repayments of borrowings	8	868,562,139	1,389,099,230
Cash Inflows Resulting from Changes in Partnership Shares without Loss of Control in Subsidiaries	8	(701,899,603)	(1,236,887,657)
Cash outflow from effects of business combinations under common control	22	---	8,000,000
Other Cash Inputs/Outputs	22	(1,337,662)	(560,167)
	22	228,650,421	---
NET INCREASE DECREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF CURRENCY TRANSLATION RESERVES		154,770,695	153,836,654
D. THE EFFECT OF CURRENCY TRANSLATION RESERVES ON CASH AND CASH EQUIVALENTS			
NET INCREASE /DECREASE IN CASH AND CASH EQUIVALENTS		---	---
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	285,290,198	285,290,198
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	440,060,893	285,290,198

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 28.02.2022

(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 2021 and 2020

(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 2021, the public shares of Reysaş Taşımacılık ve Lojistik Ticaret Anonim Şirketi is 63.71% (31 December 2020: 64.06%).

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

	31.12.2021		31.12.2020	
	Share Amount	Share Ratio (%)	Share Amount	Share Ratio (%)
Public (*)	159,271,030	63.71	76,456,399	64.06
Durmuş Döven	45,011,320	18.00	21,388,404	17.92
Rıfat Vardar	30,480,766	12.19	14,551,518	12.19
Other	15,236,884	6.09	6,953,679	5.83
Total	250,000,000	100.00	119,350,000	100.00

(*) 5.22% of the publicly traded shares belong to Egemen Döven.

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.

	31.12.2021		31.12.2020	
	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) is engaged in the field of activity to operate privatized vehicle inspection stations.

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

(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 2021 and 2020
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 1-ORGANIZATION AND ACTIVITY OF THE GROUP (Cont'd)

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

	31.12.2021		31.12.2020	
	Share Amount	Share Ratio (%)	Share Amount	Share Ratio (%)
Reysaş Taşımacılık ve Lojistik Ticaret A.Ş. (*)	26,418,800	75.48	11,418,800	95.16
Egemen Döven	8,576,200	24.50	576,200	4.80
Other	5,000	0.01	5,000	0.04
Total	35,000,000	100.00	12,000,000	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.

	31.12.2021		31.12.2020	
	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)

The business Area of the Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. ("Company") is to engage in the areas and purposes stated 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") (61.47%) is incorporated in Turkey and carries out its 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 Istanbul (BIST) as of 12 July 2010.

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

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

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

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

* 7.70% of the publicly held shares belong to Egemen Döven and 0.47 to Reysaş Taşımacılık.

REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.

Notes to the consolidated financial statements as of and for the years ended 31 December 2021 and 2020
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 1-ORGANIZATION AND ACTIVITY OF THE GROUP (Cont'd)

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

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

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

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

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

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

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

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS

2.1) Accounting Standards Applied 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.

REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.

Notes to the consolidated financial statements as of and for the years ended 31 December 2021 and 2020

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

The financial statements were authorized for issue by the management on 28.02.2022. 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 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 2021, the Group's current assets are TL 608,955,697 (31 December 2020: TL 405,305,081), short-term liabilities are TL 1,066,139,409 (31 December 2020: TL 819,737,084) and short-term liabilities exceeded short-term assets by TL 457,183,712 (31 December 2020: TL 414,432,003). Although this situation shows the existence of uncertainty regarding the continuity of the business, the Group's management decided to increase the share capital from TL 119,350,000 to TL 250,000,000, all in cash, with the decision of the Board of Directors dated 28.01.2021. An application has been made to the Capital Markets Board regarding the capital increase.

The Group plans to sell m2 of the 12.000 m2 area, which is part of the Sur Yapı Muhit Project, which is expected to be completed by the end of 2022, for a minimum price of TL 30,000. The Group management expects to earn approximately TL 360 – 400 million from this sale.

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

REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.

Notes to the consolidated financial statements as of and for the years ended 31 December 2021 and 2020

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

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.

A number of adjustments and reclassifications were made to the Group's comparative consolidated financial statements as of 31.12.2020. Therefore the comparative financial statements have been restated in order to present them with the consolidated financial statements prepared as of 31.12.2021. The adjustments and reclassifications made are as follows:

	Previously reported 31.12.2020	Restated 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
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)
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)
- Property, plant and equipment	86,267,352	87,562,060	(1,294,708)
- Motor vehicles	269,421,845	268,117,851	1,303,994
- Furniture and fittings	4,122,853	4,123,301	(448)
- Leasehold improvements	86,850	86,850	--
- Construction in progress	56,102,553	56,047,043	55,510
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.

REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.

Notes to the consolidated financial statements as of and for the years ended 31 December 2021 and 2020
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

	Previously reported 31.12.2020	Restated 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	--	
Share capital restatement differences	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.

(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 2021 and 2020
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

	Previously reported 01.01.- 31.12.2020	Restated 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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Notes to the consolidated financial statements as of and for the years ended 31 December 2021 and 2020
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

2.7) Principles of Consolidation

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

Consolidated Companies	Rate of direct ownership %	Rate of direct ownership %
	31.12.2021	31.12.2020
Reysaş Taşıt Muayene İstasyonları İşletim A.Ş.	75,48	95,16
Reymar Tütün Mamülleri Dağıtım ve Pazarlama Ltd. Şti.	99,00	99,00
Reysaş Demiryolu Taşımacılığı A.Ş.	100,00	100,00
Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş.	61,47	61,47
Reysaş Turizm Yatırımları ve Ticaret Ltd. Şti. (Effective rate)	61,47	61,47
Rey Otel Turizm İşletmeciliği ve Ticaret A.Ş. (Effective rate)	61,47	61,47

The 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.

REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.

Notes to the consolidated financial statements as of and for the years ended 31 December 2021 and 2020

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

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

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

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.

REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.

Notes to the consolidated financial statements as of and for the years ended 31 December 2021 and 2020
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

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

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

Accounts payables

Trade 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).

Trade payables are debts incurred by purchasing products and services directly from vendors. Trade payables and other liabilities are presented net of unaccrued financial expenses. Trade payables and other liabilities after unaccrued financial expenses are calculated by discounting the amounts to be paid in the following periods of the debts recorded from the original invoice value using the effective interest method. Short-term liabilities with no specified interest rate are shown at cost, unless the effect of the original effective interest rate is significant (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 2021, and 31 December 2020, the share ratios of the Group's subsidiaries and associates are shown in the table below:

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

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NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

Investment Properties

Investment properties are properties held for the purpose of earning rent and/or capital appreciation and are initially measured at cost and 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 derecognized 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.

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 land, buildings and vehicles held for use and measured at fair values pursuant to TAS 16 revaluation model, are accounted for at cost less accumulated depreciation and permanent impairment. Cost includes the purchase price, non-refundable taxes, and costs incurred to bring the asset ready for its 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 straight line depreciation method as per expected useful lives. Expected useful lives, residual values and depreciation methods 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.

REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.

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(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

Effective as of 31 December 2020, the 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 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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NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

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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NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

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.

REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.

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NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

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:

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

Provisions, contingent liabilities and contingent assets

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

REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.

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NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

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).

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NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont’d)

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
- 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.

REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.

Notes to the consolidated financial statements as of and for the years ended 31 December 2021 and 2020

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NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont'd)

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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 recognize such sales proceeds and related cost in profit or loss.

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

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

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

Amendment to TAS 12 – Deferred tax related to assets and liabilities arising from a single transaction; from annual periods beginning on or after 1 January 2023. These amendments require companies to 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 560,167 on the basis of the valuation report prepared by Bizim Menkul Değerler A.Ş. Rey Hotel is carrying out the operations of Erzincan hotel included in the portfolio of Reysaş Gayrimenkul, and Erzincan hotels included in Reysaş 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)

REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.

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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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REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.

Notes to the consolidated financial statements as of and for the years ended 31 December 2021 and 2020
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NOTE 4 – SEGMENT REPORTING(Cont'd)

	Real Estate Rental	Transport Storage Logistics	Vehicle Inspection Services	Tobacco Products Distribution and Marketing	Hotel management	Elimination	31.12.2021 Income Statement
01.01-31.12.2021							
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	(257,168)	--	--	--	--	--	(257,168)
- Tax Expense / Income for the Period	2,298,012	3,447,241	7,470,048	1,174,411	24,281	--	14,413,993
- Deferred Tax Expense(-)/Income	--	--	--	--	--	--	--
NOTE 4 – SEGMENT REPORTING(Cont'd)							
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 4 – SEGMENT REPORTING(Cont'd)

	Real Estate Rental	Transport Storage Logistics	Vehicle Inspection Services	Tobacco Products Distribution and Marketing	Hotel management	Total	Elimination	31.12.2020 Income Statement
01.01-31.12.2020								
Revenues	263,680,649	358,074,000	115,652,520	132,898,873	8,669,689	878,975,731	(56,703,166)	822,272,565
Cost of Sales (-)	(59,839,060)	(308,828,035)	(103,173,943)	(131,231,013)	(5,360,466)	(608,432,517)	49,637,194	(558,795,323)
Gross Profit (Loss)	203,841,589	49,245,965	12,478,577	1,667,860	3,309,223	270,543,214	(7,065,972)	263,477,242
Marketing Expenses (-)	-	-	-	(4,558,793)	(137,524)	(4,696,317)	2,232,093	(2,464,224)
General Administrative Expenses (-)	(4,304,547)	(6,247,275)	(159,970)	(253,605)	(8,599,113)	(19,564,510)	9,407,231	(10,157,279)
Other Operating Incomes	15,188,210	11,082,127	2,101,315	1,624,688	1,360,060	31,356,400	(4,051,834)	27,304,566
Other Operating Expenses (-)	(5,567,503)	(10,538,390)	(10,703,079)	(329,877)	(473,840)	(27,612,689)	12,367	(27,600,322)
OPERATING PROFIT/LOSS	209,157,749	43,542,427	3,716,843	(1,849,727)	(4,541,194)	250,026,098	533,885	250,559,983
Income from Investing Activities	-	2,029,813	-	-	-	2,029,813	4,398,038	6,427,851
Shares of Profits/Losses of Investments accounted by using Equity Method	4,870,026	-	-	-	-	4,870,026	(1,634,614)	3,235,412
OPERATING PROFIT / LOSS BEFORE FINANCING EXPENSES	214,027,775	45,572,240	3,716,843	(1,849,727)	(4,541,194)	256,925,937	3,297,309	260,223,246
Financial Income	33,267,196	21,433,249	2,569,871	161,887	13,645	57,445,848	(10,238,737)	47,187,111
Financial Expenses (-)	(305,165,969)	(45,854,098)	(2,920,067)	(425,890)	(86,476)	(354,452,500)	10,260,499	(344,192,001)
PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS	(57,870,998)	21,151,391	3,366,647	(2,113,730)	(4,614,025)	(40,080,715)	3,299,071	(36,781,644)
Tax expense/ income from continued operations	-	(4,607,380)	-	-	-	(4,607,380)	-	(4,607,380)
- Tax Expense / Income for the Period	131,335	(1,076,346)	(3,375,365)	(15,865)	43,367	(4,292,874)	-	(4,292,874)
- Deferred Tax Expense(-)/Income								
NET PROFIT/LOSS FOR THE YEAR	(57,739,663)	15,467,665	(8,718)	(2,129,595)	(4,570,658)	(48,980,969)	3,299,071	(45,681,898)
- Total Assets	1,938,747,900	847,198,338	83,134,504	32,593,017	3,291,844	2,904,965,603	(557,235,837)	2,347,729,766
- Total Liabilities	(1,386,009,313)	(405,231,380)	(34,317,626)	(14,022,076)	(8,572,341)	(1,848,152,736)	102,433,987	(1,745,718,749)
TOTAL EQUITY	552,738,587	441,966,958	48,816,878	18,570,941	(5,280,497)	1,056,812,867	(454,801,850)	602,011,017

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NOTE 5 – RELATED PARTY TRANSACTIONS

Trade Receivables from Related Parties	31.12.2021	31.12.2020
Arı Lojistik İnşaat San. ve Ticaret A.Ş.	--	435,758
Reyline Uluslararası Taşımacılık A.Ş.	--	203,272
Reysaş Antrepo İşletmesi A.Ş.	285,347	5,726,841
Other	871,288	199,855
Discount on related party trade receivables (-)	--	(44,060)
	1,156,635	6,521,666

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	31.12.2021	31.12.2020
Egemen Oto Kiralama A.Ş.	9,525,323	5,859,136
Other	--	25,828
	9,525,323	5,884,964

Other Current Assets Related Parties	31.12.2021	31.12.2020
Advances given to personnel	--	152,629
	--	152,629

Trade Payables to Related Parties	31.12.2021	31.12.2020
Reyline Uluslararası Taşımacılık A.Ş.	--	23,982,172
Persco Personel Tedarik Yönetimi	6,150,464	5,885,014
Other	1,523,168	325,785
Discount on related party trade payables (-)	--	(434,249)
	7,673,632	29,758,722

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NOTE 5 – RELATED PARTY TRANSACTIONS (Cont'd)

Other Payables to Related Parties (short-term)	31.12.2021	31.12.2020
Egemen Döven	1,279,395	20,638,678
Arı Lojistik İnşaat San. ve Ticaret A.Ş. (*)	11,636,562	6,342,777
Reysaş Yatırım Holding A.Ş.	--	2,842,624
Egemen Oto Kiralama A.Ş.	--	44,534
Egemence İnşaat A.Ş.	1,523,621	--
Kolay Depo Depolama A.Ş.	--	1,212,507
Other	1,302,743	85,686
	15,742,321	31,166,806

(*) The Group's as of 31.12.2021 other payables from Arı Lojistik İnşaat Sanayi ve Ticaret AŞ consist of nature of the commercial relationship.

Other Payables to Related Parties (long-term)	31.12.2021	31.12.2020
Persco Personel Tedarik Yönetim Ve Danışmanlık Ltd Şti	1,558,219	--
Other	159,897	--
	1,718,116	--

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

	Fixed assets	Other	Goods/ Service	Late interest	Investment	Total
Egemence İnşaat Anonim Şirketi	--	--	205,615	--	83,148,917	83,354,532
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 during 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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NOTE 5 – RELATED PARTY TRANSACTIONS (Cont'd)

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

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

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

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

Remuneration of board of directions and executive management:

The total benefits provided by the Group to the board of directors and executive management during the periods ended 31 December 2021 amounted to TL 949,337 (31 December 2020: TL 754,907).

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NOTE 6 – CASH AND CASH EQUIVALENTS

	31.12.2021	31.12.2020
Cash		
- Turkish Lira	393,112	440,696
- Foreign currency	1,101	--
Banks - Demand deposits		
- Turkish Lira	6,493,343	3,094,200
- Foreign currency	73,233,046	21,107,069
Banks – Time deposits (*)		
- Turkish Lira	133,887,522	101,229,891
- Foreign currency	222,838,102	157,151,204
Deferred finance expense (-)	--	(17,394)
Other liquid assets		
- Turkish Lira	3,214,667	2,284,532
	440,060,893	285,290,198

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

31 December 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 Aralık 2020	Average Maturity	Interest Rate	Amount in Foreign currency	TL Equivalent
TL	4-24 days	16.92%-18.25%	101,229,891	101,229,891
USD	4-35 days	3.56%	3,609,659	26,496,704
EURO	4-14 days	0.25%-2.53%	14,504,439	130,654,500
Total				258,381,095

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NOTE 7 – FINANCIAL INVESTMENT

As of 31 December 2021 and 2020, 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 2021	31 Aralık 2020
BRL Liquid Fund	--	251,761
Total	--	251,761

NOTE 8 – FINANCIAL LIABILITIES

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

Short Term Financial Liabilities	31.12.2021	31.12.2020
Bank loans	287,497,601	78,072,437
Short-term portion of long-term bank loans	651,842,468	553,810,021
Financial lease liabilities, net	27,513,995	53,887,538
	966,854,064	685,769,996

Long Term Financial Liabilities	31.12.2021	31.12.2020
Bank loans	934,760,411	821,640,017
Financial lease liabilities, net	29,495,451	34,557,923
	964,255,862	856,197,940

The breakdown of financial liabilities by currency is as follows:

Short Term Financial Liabilities	31.12.2021		31.12.2020	
TL Bank loans		598,448,950		397,176,886
USD Bank loans	8,329,576	111,224,831	4,541,026	33,333,406
EURO Bank loans	15,195,700	229,666,288	22,355,062	201,372,166
		939,340,069		631,882,458

Long Term Financial Liabilities	31.12.2021		31.12.2020	
TL Bank loans		668,002,810		567,234,443
USD Bank loans	4,783,156	63,869,484	12,409,091	91,088,932
EURO Bank loans	13,423,942	202,888,117	18,130,379	163,316,642
		934,760,411		821,640,017

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NOTE 8 – FINANCIAL LIABILITIES (Cont'd)

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

	31.12.2021	31.12.2020
Payable in 0-3 months	327,545,315	175,763,154
Payable in 4-12 months	611,794,754	456,119,304
Payable in 1-5 years	910,420,614	816,864,456
Payable in a period longer than 5 years	24,339,797	4,775,561
	1,874,100,480	1,453,522,475

Short Term Financial Lease Payables	31.12.2021	31.12.2020
TL financial lease	2,892,127	26,300,480
EURO financial lease	1,629,088	24,621,867
	27,513,994	53,887,538

Long Term Financial Lease Payables	31.12.2021	31.12.2020
TL financial lease	5,696,371	4,898,660
EURO financial lease	1,574,649	23,799,080
	29,495,451	34,557,923

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

	31.12.2021	31.12.2020
Payable in 0-3 months	7,294,721	14,374,445
Payable in 4-12 months	20,219,273	39,513,093
Payable in 1-5 years	29,495,452	34,557,923
	57,009,446	88,445,461

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

	31.12.2021	31.12.2020
TL Bank loans	7.84% - 24.73%	9.90% - 37.88%
USD Bank loans	8.10% -10.94%	4.23% - 10.0%
EURO Bank loans	4.38% -5.48%	2.23% - 8.98%

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NOTE 8 – FINANCIAL LIABILITIES (Cont'd)

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

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

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

	31.12.2021	31.12.2020
Current rate	58%	50%
Current ratio	46%	42%
Financial Leverage Ratio	67%	75%
Financing Rate	205%	299%

NOTE 9 – TRADE RECEIVABLES AND PAYABLES

	31.12.2021	31.12.2020
Trade receivables		
-Non-Group trade receivables	108,164,110	73,298,436
-Trade receivables from related parties (Note 5)	1,156,635	6,565,726
Notes receivables	4,534,195	3,013,805
Discount on trade receivables (-)	(2,737,338)	(589,091)
Doubtful trade receivables	21,965,254	20,204,741
Provision for doubtful trade receivables (-)	(21,965,254)	(20,204,741)
	111,117,602	82,288,876

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

	01.01.- 31.12.2021	01.01.- 31.12.2020
1 January	20,204,741	19,206,663
Provisions for the period (Notes 22)	2,816,824	1,595,194
Receivables collected during the period (-) (Note 22)	(1,055,868)	(597,116)
Waived receivables which are uncollectible	(443)	--
End of the period	21,965,254	20,204,741

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REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.

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NOTE 9 – TRADE RECEIVABLES AND PAYABLES (Cont'd)

Short Term Trade Payables	31.12.2021	31.12.2020
Trade payables		
-Non-Group trade receivables	45,691,454	37,739,625
-Trade receivables to related parties (Note 5)	7,673,632	29,758,722
Note payables	7,234,193	2,808,301
Discount on trade payables (-)	(858,655)	(258,262)
Other	138	
	59,740,762	70,048,386

NOTE 10 – OTHER RECEIVABLES AND PAYABLES

Short Term Other Receivables	31.12.2021	31.12.2020
Deposits and guarantees given	2,500,178	519,427
Other receivables to related parties (Note 5)	9,525,323	5,884,964
Doubtful Other receivables	2,273,167	1,953,740
Provision for doubtful other receivables (-)	(2,273,167)	(1,953,740)
Other (*)	6,633,298	503,658
	18,658,799	6,908,049

(*) As of 31.12.2021, TL 3,856,295 of the Group's other short-term receivables consists of insurance claims.

Long Term Other Receivables	31.12.2021	31.12.2020
Deposits and guarantees given	1,537,422	1,240,117
	1,537,422	1,240,117

Short Term Other Payables	31.12.2021	31.12.2020
Deposits and guarantees received	3,980,336	3,710,043
Taxes and funds payable	12,822,916	8,625,359
Other receivables to related parties (note 5)	15,742,321	31,166,806
Deferred payable to public sector in installments (*)	2,216,227	5,767,512
Other	160,779	384,356
	34,922,579	49,654,076

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REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.

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NOTE 10 – OTHER RECEIVABLES AND PAYABLES (Cont'd)

Long Term Other Payables	31.12.2021	31.12.2020
Other receivables to related parties (note 5)	1,718,116	--
Deferred payable to public sector in installments (*)	13,670,441	3,952,708
	15,388,557	3,952,708

(*) As of 31.12.2021, installment debts consist of property tax debts belonging to the previous 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 2021 and 2020, the book values of the Group's subsidiaries/affiliates in the balance sheet are as follows:

	31.12.2021		31.12.2020	
	Amount	%	Amount	%
Arı Lojistik (*)	77,159,566	50.00	29,678,583	50.00
	77,159,566		29,678,583	

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

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

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

	31 December 2021				
	Total Assets	Total Payables	Equity	Net Sales	Profit / (Loss)
Arı Lojistik	194,432,027	(40,112,895)	154,319,131	10,179,684	9,531,529

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

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REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.

Notes to the consolidated financial statements as of and for the years ended 31 December 2021 and 2020
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NOTE 11 – INVESTMENTS ACCOUNTED BY USING EQUITY METHOD (Cont'd)

	31.12.2021	31.12.2020
	Amount	Amount
Arı Lojistik		
Total Assets	194,432,027	71,358,225
Total Liabilities	(40,112,895)	(12,001,060)
Net Assets	154,319,132	59,357,165
Carrying Amount of Subsidiary in GYO by Equity Method (50%)	77,159,566	29,678,583

As of 31 December 2021 and 31 December 2020, the movements of Arı Lojistik are as follows:

	01.01.- 31.12.2021	01.01.- 31.12.2020
Balances as of 1 January	29,678,583	26,443,171
Share of Subsidiary in Period Profit / (Loss)	4,947,183	3,235,412
Share of the Subsidiary's property, plant and equipment valuation	42,533,800	--
Total	77,159,566	29,678,583

NOTE 12 – INVESTMENT PROPERTIES

The movements in investment properties for the periods ending on 31 December 2021 and 31 December 2020 are as follows:

Cost	31.12.2020	Additions	31.12.2021
Land	443,203,150	4,859,683	448,062,833
Buildings	573,516,933	318,597,006	892,113,939
Total	1,016,720,083	323,456,689	1,340,176,772
Accumulated depreciation	31.12.2020	Additions	31.12.2021
Buildings	90,167,653	32,984,063	122,783,684
Total	90,167,653	32,984,063	122,783,684
Net Book Value	926,552,430		1,217,393,088

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REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.

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NOTE 12 – INVESTMENT PROPERTIES (Cont'd)

Cost	31.12.2019	Restated	Additions	Disposals (-)	Classification /Additions	Impairment /Cancellations	31.12.2020
Land	217,650,372	(40,918,863)	73,966,229	(2,796,386)	195,301,798	-	443,203,150
Buildings	639,440,522	25,028,905	4,509,084	(100,000)	(100,535,115)	5,173,537	573,516,933
Total	857,090,894	(15,889,958)	78,475,313	(2,896,386)	94,766,683	5,173,537	1,016,720,083

Accumulated depreciation	31.12.2019	Restated	Additions	Disposals (-)	Classification /Additions	Impairment /Cancellations	31.12.2020
Buildings	103,339,480	(15,889,958)	19,257,754	(23,834)	(16,515,789)	-	90,167,653
Total	103,339,480	(15,889,958)	19,257,754	(23,834)	(16,515,789)	-	90,167,653

Net Book Value	753,751,414						926,552,430
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NOTE 13 – PROPERTY, PLANT AND EQUIPMENT

Tangible fixed assets and accumulated depreciation movements for the periods ended 31 December 2021 and 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

Insurance coverage on investment properties amounted to TL 1,295,417,653 (31 December 2020: TL 1,090,376,294).

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NOTE 13 – PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	31.12.2019	Additions	Disposals (-)	Fair Value	Transfers	Addition of subsidiary	31.12.2020
Land	245,543,751	2,851,000	--	173,267,676	(185,392,762)	--	236,269,665
Infrastructure and land improvements	10,111,942	--	--	--	--	--	10,111,942
Buildings	34,241,993	--	--	167,842,409	108,793,842	--	310,878,244
Property, plant and equipment	77,787,836	43,598,613	(490,781)	--	(320,864)	--	120,574,804
Motor vehicles	100,992,353	36,018,674	(5,278,318)	198,661,000	320,864	--	330,714,573
Furniture and fittings	11,131,290	2,662,885	(70,615)	--	--	945,076	14,668,636
Construction in progress	72,514,010	12,955,716	(13,284,763)	--	(16,137,920)	--	56,047,043
Leasehold improvements	2,710,095	80,361	--	--	(2,071,206)	243,800	963,050
Cost	555,033,270	98,167,249	(19,124,477)	539,771,085	(94,808,046)	1,188,876	1,080,227,957
Infrastructure and land improvements	2,360,780	202,175	--	--	--	--	2,562,955
Buildings	4,636,362	6,041,681	--	--	17,254,535	--	27,932,578
Property, plant and equipment	24,949,504	8,522,293	(459,054)	--	1	--	33,012,744
Motor vehicles	53,790,122	11,628,539	(2,821,939)	--	--	--	62,596,722
Furniture and fittings	8,835,464	1,133,671	(5,537)	--	(41,811)	623,548	10,545,335
Leasehold improvements	1,429,414	26,834	--	--	(738,303)	158,255	876,200
Accumulated depreciations (-)	96,001,646	27,555,193	(3,286,530)	--	16,474,422	781,803	137,526,534
Net Book Value	459,031,624						942,701,423

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NOTE 13 – PROPERTY, PLANT AND EQUIPMENT (Cont'd)

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.- 31.12.2021	01.01.- 31.12.2020
Cost of sales (Note 23)	32,616,031	19,257,754
Marketing and selling expenses	25,196,833	27,555,193
General and administrative expenses	1,116	3,140
	57,813,980	46,816,087

Effect of Fair Value

a) Motor Vehicles Fair Value Effect

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.

31.12.2020:

Trucks, tow trucks, trailers, containers and semi-trailers in the portfolio of Reysaş Lojistik were revalued on 30 November 2020 by an authorized valuation company from the Capital Markets Board. The revaluation amount of the vehicles in the Reysaş Lojistik portfolio is TL 171,819,000, and the total net book value is TL 33,350,440. The valuation differences resulting from the revaluation amounting to TL 138,468,560 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 68,309,000 and the total net book value is TL 8,116,560. The valuation differences resulting from the revaluation amounting to TL 60,192,440 are accounted for in the Revaluation Increases (Decreases) of Property, Plant and Equipment under Equity.

REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.

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NOTE 13 – PROPERTY, PLANT AND EQUIPMENT (Cont'd)

b) Hotels Fair Value Effect

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.

31.12.2020:

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 41,315,000, TL 101,000,000, and TL 4,250,000, respectively. The valuation differences of TL 14,075,595, TL 66,642,301 and TL 1,145,000, which arose respectively, were accounted for in the Revaluation Increases (Decreases) of Tangible Fixed Assets under Equity.

c) Vehicle Inspection Stations Fair Value Effect

31.12.2021:

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.

31.12.2020:

The field of activity of the Company's subsidiary Reysaş Taşıt Muayene is to operate the privatized vehicle inspection stations.

The revalued amount of vehicle inspection stations in the Group's portfolio has been determined as TL 18,170,000. The valuation differences resulting from the revaluation amounting to TL 14,637.091 are accounted for in the Revaluation Increases (Decreases) of Property, Plant and Equipment under Equity.

d) Group Head Office Fair Value Effect

31.12.2021:

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.

REYSAŞ TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.**Notes to the consolidated financial statements as of and for the years ended 31 December 2021 and 2020**

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NOTE 13 – PROPERTY, PLANT AND EQUIPMENT (Cont'd)**31.12.2020:**

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 42,000,000, and TL 38,124,967 of them are classified as property, plant and equipment and subject to valuation. The valuation differences of TL 24,027,579 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**31.12.2021:**

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

31.12.2020:

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 90,423,268, were realized as TL 311,005,787. The valuation differences resulting from the revaluation amounting to TL 220,582,519 have been 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	25,100,000	100%	25,100,000	4,305,668	20,794,332
Çayırova 2 Warehouse, Parcel 1, Map Section 2079	77,075,000	61%	46,757,422	2,764,830	43,992,592
Çayırova 10 Warehouse, Parcel 5, Map Section 2086	213,000,000	10%	20,562,123	4,254,240	16,307,883
Çayırova 3 Warehouse, Parcel 3, Map Section 2085	90,320,000	42%	38,376,665	4,822,481	33,554,184
Sakarya Arifiye, Parcel 47, Map Section 2587	15,000,000	100%	15,000,000	9,565,000	5,435,000
Sakarya Arifiye Adp. Warehouse, Parcel 46, Map Section 2587	19,000,000	22%	4,086,325	1,950,641	2,135,683
Çayırova 6 Warehouse, Parcel 3, Map Section 2087	32,880,000	13%	4,145,757	1,185,696	2,960,061
Çayırova 9 Warehouse, Parcel 1, Map Section 2080	201,300,000	21%	42,794,710	9,284,964	33,509,746
Ankara-Kazan-Saray Mh. Log Parcel 1, Map Section 693	25,000,000	17%	4,229,018	1,461,257	2,767,761
Orhanlı 5 Warehouse Tuzla Parcel 1990	170,000,000	9%	14,953,767	3,504,116	11,449,652
Çayırova 12, Parcel 4, Map Section 2085	95,000,000	100%	95,000,000	47,324,375	47,675,625
TOTAL	963,675,000		311,005,787	90,423,268	220,582,519

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 ended 31 December 2021 and 2020 are as follows:

	31.12.2019	Additions	31.12.2020	Additions	31.12.2021
Rights	157,750	--	157,750	--	157,750
Computer programs	698,839	73,295	772,134	--	772,134
Cost	856,589	73,295	929,884	--	929,884
Rights	157,750	--	157,750	--	157,750
Computer programs	698,839	3,140	701,979	1,116	703,095
Accumulated Amortization (-)	856,589	3,140	859,729	1,116	860,845
Net Book Value	--	--	70,155	--	69,039

NOTE 15 – INVENTORIES

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

Short Term Inventories	31.12.2021	31.12.2020
Raw materials	235,703	--
Work in process	1,219,526	472,998
Finished goods	192,702	120,102
Merchandises	1,593,382	1,471,355
Other inventories	1,036,338	615,532
	4,277,651	2,679,987
Long Term Inventories	31.12.2021	31.12.2020
Land inventories	29,773,907	29,773,907
	29,773,907	29,773,907

With the Board Decision dated 04/05/2016 and numbered 298, the Company signed a "preliminary contract for real estate sale" with Sur Yapı Endüstri San. ve Tic. A.Ş. for the housing project to be built on 10,783,80 m2 residential land located in Sancaktepe, Istanbul and 18.316,57 m2 residential land located in Sancaktepe, Istanbul. The construction to start in 2016 is to be completed within 30 months, on the basis of "Revenue Sharing Arrangement". As of 31 December 2019, 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 completion percentage of the Muhit project is 52% and works related to construction and sales are in continuing.

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

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NOTE 15 – INVENTORIES (Cont'd)

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 2021 are TL 29,773,907 (31 December 2020: 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 2021 is TL 150,760,000 (31 December 2020: TL 135,000,000).

NOTE 16 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Provisions:

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

	31.12.2021	31.12.2020
Provisions for accumulated personnel leave	1,129,092	963,395
Other	--	82,957
	1,129,092	1,046,352

b) Contingent liabilities:

	31.12.2021	31.12.2020
Provisions for litigation expenses	23,807,087	18,289,162
Other	336,892	--
	24,143,979	18,289,162

As of 31.12.2021, 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 favor of the Group	152	234,000
2- Various lawsuits filed and ongoing against the Group	201	23,318,030

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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	31.12.2021	31.12.2020
A. Total amount of Guarantees provided by the Company on behalf of itself	3,762,075,150	2,562,732,310
B. Total amount of Guarantees provided on behalf of the associates accounted under full consolidation method	2,783,029,278	2,538,658,190
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	6,545,104,428	5,101,390,500

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

Type	Type of FX	FX amount	31.12.2020 TL equivalent
Mortgage	TL		1,682,070,000
Mortgage	USD	74,416,000	546,250,648
Mortgage	EURO	26,200,000	236,006,980
Guarantee letter	TL		40,138,511
Guarantee letter	USD	325,000	2,385,663
Guarantee letter	EURO	6,203,500	55,880,508
Suretyship	TL		1,008,882,000
Suretyship	USD	202,880,000	1,489,240,640
Suretyship	EURO	4,500,000	40,535,550
Total			5,101,390,500

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NOTE 17 – COMMITMENTS (Cont'd)

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

Type	Type of FX	FX amount	31.12.2021 TL equivalent
Guarantee letter	TL		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

Type	Type of FX	FX amount	31.12.2020 TL equivalent
Guarantee letter	TL		7,303,000
Guarantee letter	USD	219,220	1,609,184
Guarantee bond	TL		14,535,218
Guarantee bond	USD	617,340	4,531,584
Guarantee bond	EURO	452,416	4,075,318
Guarantee check	TL		3,479,179
Guarantee check	EURO	440,000	3,963,476
Total			39,496,959

NOTE 18 – EMPLOYEE BENEFITS

a) Payables within the scope of employee benefits:

	31.12.2021	31.12.2020
Due to personnel	1,809,367	455,908
Social security premiums payables	828,618	610,654
Personnel tax deductions	36,890	1,180,298
	2,674,875	2,246,860

b) Provision for Employee Termination Benefits

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

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NOTE 18 – EMPLOYEE BENEFITS (Cont'd)

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

According to this calculation following actuarial assumptions are used.

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

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

Movement table of Employee Termination Benefits is as follows:

	01.01.- 31.12.2021	01.01.- 31.12.2020
Beginning balance	4,725,853	3,924,069
Current service cost	574,342	958,759
Payments made in the current period (-)	(440,312)	(747,342)
Interest cost	158,043	158,205
Actuarial gain / (loss)	2,507,204	247,897
Acquisition of subsidiary	--	184,265
Balance, end of the period	7,525,130	4,725,853

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

	01.01.- 31.12.2021	01.01.- 31.12.2020
Cost of sales	1,242,585	369,622
	1,242,585	369,622

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NOTE 19 – PREPAID EXPENSES AND DEFERRED INCOME

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

Short Term	31.12.2021	31.12.2020
Advances given for purchasing inventory	1,262,969	4,711,780
Advances given to related parties (note 5)	--	152,629
Expenses for the next months	3,298,662	4,352,741
License fee (*)	2,128,333	2,128,333
Advances given to personnel	147,832	4,890,333
	6,837,796	16,235,816
Long Term	31.12.2021	31.12.2020
Advances given for purchasing fixed assets	24,315,128	524,849
Expenses for the next years	184,496	--
License fee (*)	9,754,894	11,883,227
	34,254,518	12,408,076

(*) 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 2021, and 31 December 2020, the details of deferred income are as follows:

Short term deferred income	31.12.2021	31.12.2020
Order advances received	758,727	433,892
Sales to be delivered in the next period	--	7,028,206
	758,727	7,462,098
Long term deferred income	31.12.2021	31.12.2020
Sales to be delivered in the next period	58,212	623,891
	58,212	623,891

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NOTE 20 – OTHER ASSETS AND LIABILITIES

Other current assets	31.12.2021	31.12.2020
VAT carried forward	20,805,793	10,474,454
Advances given to personnel	235,516	--
	21,041,309	10,474,454

NOTE 21 – GOVERNMENT GRANTS AND INCENTIVES

The Group has one Investment Incentive Certificate as of 2021, 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	Railroad Transportation	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. The Company 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 investment contribution amount of the Company, which is calculated within the scope of the incentive certificate and earned due to the actual investment expenditure, is TL 3,532,366. As of 31.12.2021, the total amount of transferred contribution is TL 3,415,761 (31.12.2020: TL 3,415,761).

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NOTE 22 – CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS

Paid-in capital

As of 31 December 2021 and 31 December 2020 the shareholders and share ratios of Reysaş Taşımacılık ve Lojistik Ticaret Anonim Şirketi are as follows:

	31.12.2021		31.12.2020	
	Share amount	Share %	Share amount	Share %
Public	159,271,030	63.71	76,456,399	64.06
Durmuş Döven	45,011,320	18.00	21,388,404	17.92
Rıfat Vardar	30,480,766	12.19	14,551,518	12.19
Other	15,236,884	6.09	6,953,679	5.83
Total	250,000,000	100.00	119,350,000	100.00

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 share capital is divided into 3 groups, composed of 6,683,600 registered Group A shares, 1,670,900 registered Group B shares and 248,329,100 bearer C Group shares.

The breakdown of the privileged Group A and Group P shares of the Company is as follows:

Shareholders	Group A		Group B	
	Share Amount	Share (%)	Share Amount	Share (%)
Döven Family	3,341,800	50	1,148,744	69
Rıfat Vardar	3,341,800	50	522,156	31
Total	6,683,600	100	1,670,900	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.

	31.12.2021	31.12.2020
Capital Adjustment Differences	40,859	40,859
	40,859	40,859

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NOTE 22 – CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS (Cont'd)

Elimination Of Share Capital and Equity Investments (-)

	31.12.2021	31.12.2020
Elimination of share capital and equity investments (*)	(1,201,938)	--
	(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

	31.12.2021	31.12.2020
Premiums	614,260	--
	614,260	--

The net difference of TL 614,260, which occurred due to the sale of newly issued and publicly offered shares at a price higher than their nominal value, was accounted for as share premiums.

Reacquired Shares

	31.12.2021	31.12.2020
Reacquired shares	(5,964,030)	(2,177,230)
	(5,964,030)	(2,177,230)

With the Capital Markets Board's decision dated 10.08.2011 and numbered 26/767, the principles and rules that must be followed by companies whose shares are traded on 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 share 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, provided it does not exceed 3 years. Repurchased shares are followed as a contra -deduction account in the balance sheet under equity in accordance with the provisions of the 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 reflected to 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 764,349,787 (31.12.2020: TL 349,715,506) is shown in the "Revaluation measurement gains/losses" account in the liabilities.

	31.12.2021	31.12.2020
Opening balance	349,715,506	8,898,510
Tangible Asset Revaluation Increases	497,600,149	539,771,085
Deferred Tax Asset	(119,538,700)	(32,968,829)
Parts of non-controlling interests	36,572,832	(165,985,260)
Revaluation Increases (Decreases) of Tangible Fixed Assets	764,349,787	349,715,506

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NOTE 22 – CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS (Cont'd)

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.

	31.12.2021	31.12.2020
Actuarial gain/(loss)	(345,291)	1,482,574
	(345,291)	1,482,574
Retained Earnings / (Loss)	31.12.2021	31.12.2020
Opening balance	(68,469,903)	(134,275,678)
Transfer from net profit for the period	(21,593,416)	6,402,359
Increase/Decrease in Subsidiaries Due to Changes in the Share Ratio Not Resulting in Loss of Control	3,355,457	(1,732,517)
Adjustments of accounting mistakes (*)	--	61,670,530
Transfer to legal reserves	(3,786,800)	(534,597)
Other	(3,167,261)	=
End of the period	(93,661,923)	(68,469,903)

(*) 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.

	31.12.2021	31.12.2020
Legal Reserves	8,966,289	8,996,896
Reserves of Reacquired Shares (*)	5,964,030	2,177,230
Real Estate or Subsidiary Sales Earnings to be Added to the Capital	39,517,812	39,517,812
	54,448,131	50,691,938

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NOTE 22 – CAPITAL, RESERVES AND OTHER EQUITY COMPONENTS (Cont'd)

Non-Controlling Interests

	31.12.2021	31.12.2020
Opening balance	174,027,495	87,703,639
Actuarial gain/(loss)	(127,203)	46,721
Increase / Decrease Due to Revaluation Differences of Tangible Fixed Assets	(36,572,832)	165,985,260
Increase/Decrease Due to Share Ratio Changes in Subsidiaries Not Resulting in Loss of Control	99,202,359	9,732,517
Increase / Decrease Due to Share Premiums	127,627	--
Effects of business combinations under common control	(2,632)	(213,200)
Shares of Other Comprehensive Income of Investments Valued by the Equity Method Not to be Classified in Profit/Loss	16,388,154	--
Net profit/(loss) for the Period	(17,613,476)	(24,088,482)
Retained earnings/ (losses)	(3,355,457)	(87,520,919)
Increase / (decrease) in legal reserves	30,608	2,656,048
Adjustments of accounting mistakes	--	19,725,911
	232,104,643	174,027,495

NOTE 23 – REVENUE AND COST OF SALES

	01.01.- 31.12.2021	01.01.- 31.12.2020
Sales		
Domestic	856,982,933	688,488,974
Overseas	119,407,483	88,054,420
Other sales	50,489,661	52,570,577
Sales returns (-)	(4,595,353)	(6,841,406)
Net Sales	1,022,284,724	822,272,565
Cost of Sales		
Cost of merchandise sold (-)	(143,480,590)	(134,804,314)
Cost of service sold (-)	(492,713,274)	(377,746,631)
Depreciation and amortization expenses (-)	(57,576,118)	(46,244,378)
Gross Profit	328,514,742	263,477,242

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NOTE 24 – GENERAL AND ADMINISTRATIVE AND MARKETING AND SELLING EXPENSES

General And Administrative Expenses	01.01.- 31.12.2021	01.01.- 31.12.2020
Personnel expenses	7,924,836	1,367,317
Consulting and audit expenses	5,771,332	571,062
IT Expenses	275,442	166,424
Travelling expenses	708,117	9,823
Electricity and water expenses	617,369	591,789
Entertainment and representation expenses	--	507,570
Insurance expenses	1,260,643	1,240,761
Motor vehicle expenses	1,398,440	503,842
Taxes and funds	1,411,216	1,384,334
Lawsuits and enforcement expenses	1,202,290	1,975,030
Announcement and advertising expenses	1,242,885	520,525
Communication expenses	160,146	194,994
Depreciation and amortization expenses	2,021	459,484
Other	2,786,164	664,324
	24,760,901	10,157,279

Marketing and Selling Expenses	01.01.- 31.12.2021	01.01.- 31.12.2020
Personnel expenses	810,174	934,253
Motor vehicle expenses	113,933	87,089
Taxes and funds	17,591	6,300
Rent expenses	527,886	727,013
Announcement and advertising expenses	193,436	10,122
Insurance expenses	98,638	272,976
Repair and maintenance expenses	33,676	21,599
Commission expenses	326,966	135,913
Outsourced benefits and services	--	7,991
Depreciation and amortization expenses	235,841	112,225
Other	300,115	148,743
	2,658,256	2,464,224

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

	01.01.- 31.12.2021	01.01.- 31.12.2020
Audit and assurance fees (*)	275,000	110,000
Tax consultancy fees (*)	148,000	100,000
	423,000	220,000

(*) Related services are shown exclusive of VAT.

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

Other income from operating activities	01.01.- 31.12.2021	01.01.- 31.12.2020
Provisions for doubtful trade receivable collected	1,055,868	719,968
Severance expenses paid	950,512	--
Discount on notes payable	1,465,243	1,244,083
Foreign exchange income (**)	77,045,876	6,121,082
sell-lease-back income	--	6,741,178
Insurance damage income	2,220,054	--
Other	5,491,042	12,478,255
	88,228,606	27,304,566

(**) The amount of unrealized foreign exchange profits in the period of 01.01.-31.12.2021 is TL 21,388,405.

Other expenses from operating activities	01.01.- 31.12.2021	01.01.- 31.12.2020
Current term provisions for doubtful trade receivables	(2,816,824)	(1,595,194)
Provisions for court case expenses	(6,017,925)	(7,778,934)
Disallowable expenses	--	(4,469,780)
Discount on notes receivable	(3,698,170)	(1,138,747)
Foreign exchange losses (*)	(60,283,697)	(2,626,531)
Donations and grants	(175,000)	--
Sell-lease-back expenses	(1,413,715)	--
Other	(3,180,704)	(9,991,136)
	(77,586,035)	(27,600,322)

(*) The amount of unrealized foreign exchange losses during the period of 01.01.-31.12.2021 amounted to TL 8,781,179.

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NOTE 27 – GAIN / (LOSSES) FROM INVESTING ACTIVITIES

Gain from investing activities	01.01.- 31.12.2021	01.01.- 31.12.2020
Profit on sales of fixed assets	780,061	2,029,813
Reversal of fixed asset impairment	--	4,398,038
	780,061	6,427,851

Loss from investing activities (-)	01.01.- 31.12.2021	01.01.- 31.12.2020
Loss on sales of fixed assets	(1,009,576)	--
	(1,009,576)	--

NOTE 28 – FINANCIAL INCOME / (EXPENSES)

Financial expenses	01.01.- 31.12.2021	01.01.- 31.12.2020
Bank commission expenses	(3,681)	(1,530)
Interest expenses	(212,394,738)	(146,772,610)
Foreign exchange expenses (**)	(306,996,010)	(197,417,861)
Other	(1,143,825)	--
	(520,538,254)	(344,192,001)

(**) During the period 01.01.-31.12.2021, the total of unrealized foreign exchange losses amounted to TL 306,063,082.

Financial income	01.01.- 31.12.2021	01.01.- 31.12.2020
Interest income	34,193,197	12,079,951
Foreign exchange income (***)	80,439,975	35,107,160
	114,633,172	47,187,111

(***) The amount of unrealized foreign exchange profits during the period of 01.01.-31.12.2021 amounted to TL 77,508.417.

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

Period profit tax liabilities for the accounting periods ending on 31.12.2021 and 31.12.2020 are as follows:

	31.12.2021	31.12.2020
Corporate tax provision – Current period	257,168	4,607,380
Prepaid taxes and funds (-)	(197,858)	(1,098,064)
	59,310	3,509,316

In Turkey 2021, statutory income is subject to corporate tax at 25% (2020: 22%). 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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NOTE 29 – INCOME TAXES (DEFERRED TAX ASSETS AND LIABILITIES INCLUDED) (Cont'd)

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.

For the periods 01.01.-31.12.2021 and 01.01.-31.12.2020, the income tax charges are as follows:

	01.01.- 31.12.2021	01.01.- 31.12.2020
Provision for corporate tax	(257,168)	(4,607,380)
Deferred tax income / (expenses)	14,413,993	(4,292,874)
Tax expenses reflected to income statement	14,156,825	(8,900,254)

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

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 31.12.2021 and 31.12.2020, the breakdown of deferred tax bases and deferred tax liability computed using the current effective tax rates are as follows:

	31.12.2021		31.12.2020	
	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	(30,668,144)	(7,040,924)	(25,105,090)	(5,082,872)
Provisions for employee termination benefits	7,212,543	1,609,710	4,489,952	869,873
Cut-off adjustment for license fees	(8,029,710)	(1,846,833)	(42,448,886)	(8,489,777)
Deferred financial income	(763,890)	(175,695)	(387,254)	(77,500)
Deferred financial expenses	2,450,212	563,549	420,609	83,091
provision for doubtful receivables	10,670,779	2,454,279	10,817,365	2,162,742
Staff leave allowance	1,072,648	235,677	944,508	188,605
Provisions for court expenses	15,131,916	3,480,341	13,933,937	2,786,787
expense accruals	10,540,882	2,424,404	1,619,647	324,997
Fair value reserves	(710,336,744)	(147,364,566)	(223,617,861)	(35,040,482)
carried forward from accumulated losses	5,228,672	1,202,595	--	--
Other	(151,443)	(37,776)	(75,771)	82,425
Deferred tax assets / (liabilities), net		(144,495,239)		(42,192,111)

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

	01.01.- 31.12.2021	01.01.- 31.12.2020
Beginning of the period	(42,192,111)	(5,024,406)
Actuarial gain / (losses)	(116,717,121)	(32,901,277)
Current tax income / (expenses) for the period	14,413,993	(4,292,874)
Effect of subsidiary	--	26,446
End of the period	(144,495,239)	(42,192,111)

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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.- 31.12.2021	01.01.- 31.12.2020
Net profit / (loss) attributable to shareholders (TL)	(75,292,433)	(45,681,898)
Weighted average number of issued shares	250,000,000	119,350,000
Earnings / (loss) per share (TL)	(0.3012)	(0.3828)

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:

	31.12.2021	31.12.2020
Total Liabilities	1,931,109,927	1,541,967,936
Cash and Cash Equivalents (-)	(440,060,893)	(285,290,198)
Net Liability	1,491,049,034	1,256,677,738
Total Equity	1,166,453,247	602,011,017
Rate of Net Liabilities to Equity	128%	209%

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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NOTE 31 – NATURE OF LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont'd)

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 31.12.2021 and 31.12.2020.

	Receivables				Deposits in banks	Other
	Trade receivables		Other receivables			
	Related party	Third party	Related party	Third party		
31.12.2021						
Maximum net credit risk as of balance sheet date (A+B+C+D+E)	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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NOTE 31 – NATURE OF LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont'd)

	Receivables				Deposits in banks	Other
	Trade receivables		Other receivables			
	Related party	Third party	Related party	Third party		
31.12.2020						
Maximum net credit risk as of balance sheet date (A+B+C+D+E)	6,521,666	75,767,210	5,884,964	2,263,202	282,582,364	2,284,532
- The part of maximum risk under guarantee with collateral etc.	--	--	--	--	--	--
A. Net book value of financial assets that are neither past due nor impaired	6,521,666	75,767,210	5,884,964	2,263,202	282,582,364	2,284,532
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.	--	39,496,959	--	--	--	--
D. Net book value of assets impaired	--	--	--	--	--	--
- Past due (gross book value)	--	20,204,741	-	2,273,167	--	--
- Impairment amount (-)	--	(20,204,741)	-	(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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NOTE 31 – NATURE OF LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont'd)

Liquidity Risk Management

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

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

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

Contractual maturity analysis	Carrying value	Total cash outflow according to contract (=I+II+III+IV+V)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)	Demand (V)
Non-derivative financial liabilities							
Financial liabilities	1,874,100,480	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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NOTE 31 – NATURE OF LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont'd)

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

Contractual maturity analysis	Carrying value	Total cash outflow according to contract (=I+II+III+IV+V)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)	Demand (V)
Non-derivative financial liabilities							
Financial liabilities	1,453,522,475	1,453,522,475	175,763,154	456,119,304	816,864,456	4,775,561	--
Financial lease liabilities	88,445,461	88,445,461	14,374,445	39,513,092	34,557,924	-	--
Expected maturities		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	76,391,163	77,083,674	77,083,674	-	-	--	--
Other payables	50,773,323	50,773,323	22,471,894	24,348,721	3,952,708	--	--

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NOTE 31 – NATURE OF LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont'd)

Market Risk

Market risk refers to the change in market prices such as interest rate, exchange rate and share prices. The 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 31.12.2021 and 31.12.2020. Foreign currency denominated assets and liabilities of the Group and related foreign currency position are as follows:

	31.12.2021	31.12.2020
Foreign currency asset	322,656,104	195,437,653
Foreign currency liabilities (-)	(659,847,885)	(565,384,764)
Net short position	(337,191,781)	(369,947,111)

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NOTE 31 – NATURE OF LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont'd)

FOREIGN CURRENCY POSITION			
CONSOLIDATED	31.12.2021		
	TL Equivalent	USD	EUR
1. Trade Receivables	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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NOTE 31 – NATURE OF LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont'd)

CONSOLIDATED	FOREIGN CURRENCY POSITION		
	31.12.2020		
	TL Equivalent	USD	EUR
1. Trade Receivables	17,179,380	231,136	1,718,794
2a. Monetary Financial Assets (Cash, Bank accounts included)	178,258,273	3,723,884	16,754,527
2b. Non-Monetary Financial Assets	--	--	--
3. Other	--	--	--
4. Current Assets (1+2+3)	195,437,653	3,955,020	18,473,321
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)	195,437,653	3,955,020	18,473,321
10. Trade Payables	19,027,297	391,051	1,793,624
11. Financial Liabilities	286,895,402	7,892,674	25,417,603
12a. Monetary Other Liabilities	--	--	--
12b. Non-Monetary Other Liabilities	--	--	--
13. Short Term Liabilities (10+11+12)	305,922,699	8,283,726	27,211,227
14. Trade Payables	--	--	--
15. Financial Liabilities	259,462,065	9,057,443	21,422,963
16a. Monetary Other Liabilities	--	--	--
16b. Non-Monetary Other Liabilities	--	--	--
17. Long Term Liabilities (14+15+16)	259,462,065	9,057,443	21,422,963
18. Total Liabilities (13+17)	565,384,764	17,341,169	48,634,189
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)	(369,947,111)	(13,386,149)	(30,160,868)
21. Net Foreign Currency Asset / (Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	(369,947,111)	(13,386,149)	(30,160,868)
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	--	--	--
23. Hedged foreign currency asset	--	--	--
24. Hedged foreign currency liabilities	--	--	--
25. Export	--	--	--
26. Import	--	--	--

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NOTE 31 – NATURE OF LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont'd)

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

Table of Sensitivity Analysis for Foreign Currency Risk				
31.12.2021				
	Profit / Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:				
1- Asset / Liability denominated in USD	(1,794,905)	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

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NOTE 31 – NATURE OF LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (Cont'd)

Table of Sensitivity Analysis for Foreign Currency Risk				
31.12.2020				
	Profit / Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:				
1- Asset / Liability denominated in USD	(9,826,103)	9,826,103	(9,826,103)	9,826,103
2- The part of USD risk hedged (-)	--	--	--	--
3- USD Effect - net (1+2)	(9,826,103)	9,826,103	(9,826,103)	9,826,103
Change of EUR by 10% against TL:				
4- Asset / Liability denominated in EUR	(27,168,608)	27,168,608	(27,168,608)	27,168,608
5- The part of EUR risk hedged (-)	--	--	--	--
6- EUR Effect (4+5)	(27,168,608)	27,168,608	(27,168,608)	27,168,608
TOTAL (3+6)	(36,994,711)	36,994,711	(36,994,711)	36,994,711

b) Interest Rate Position Schedule and Sensitivity Analysis

Interest rate risk

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

The interest position table is as follows:

Interest Position Table

		31.12.2021	31.12.2020
Financial instruments with fixed interest rate			
Financial assets	Time deposits	356,725,624	258,381,095
	Available-for-sale financial assets	--	--
Financial liabilities		1,632,996,641	1,438,488,013
Financial instruments with floating interest rate			
Financial assets	Assets held to maturity	--	--
Financial liabilities		298,113,285	103,479,923

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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.