Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. ve Its Subsidiary

Interim Condensed Consolidated Financial Statements As of March 31, 2022

CONVENIENCE TRANSLATION INTO ENGLISH OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

INDEX **PAGE**

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 31 MARCH 2022 AND 31 DECEMBER 2021
(Currency expressed in Turkish Lira unless otherwise indicated.)

	Notes	Unaudited Current Period 31 March 2022	Audited Prior Period 31 December 2021
ASSETS			
Current Assets		**2.840.478.409**	**2.102.108.159**
Cash and Cash Equivalents	4	714.986.445	639.748.715
Financial Investments	5	105.855.750	-
Trade Receivables		768.543.265	753.867.430
Trade Receivables from Related Parties	7-23	*148.963.431*	*298.393.667*
Trade Receivables from Third Parties	7	*619.579.834*	*455.473.763*
Other Receivables		3.425.689	72.559.442
Other Receivables from Third Parties		*3.425.689*	*72.559.442*
Inventories	9	786.342.154	469.735.947
Derivative Instruments	8	66.823.623	105.351.238
Prepaid Expenses	16	315.125.395	37.262.001
Current Tax Assets		445.015	356.665
Other Current Assets	16	78.931.073	23.226.721
Non-Current Assets		**1.523.286.170**	**1.505.138.953**
Other Receivables		3.642	3.642
Other Receivables from Third Parties		*3.642*	*3.642*
Property, Plant and Equipment	10	1.266.352.355	1.268.360.271
Right of Use Assets	12	7.280.545	5.829.849
Intangible Assets		246.858.731	227.585.132
Goodwill		*2.340.995*	*2.340.995*
Other Intangible Assets	*11*	*244.517.736*	*225.244.137*
Prepaid Expenses	16	2.790.897	3.360.059
TOTAL ASSETS		**4.363.764.579**	**3.607.247.112**

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

(Currency expressed in Turkish Lira unless otherwise indicated.)

	Notes	**Unaudited Current Period 31 March 2022**	**Audited Prior Period 31 December 2021**
LIABILITIES			
Current Liabilities		**2.236.803.141**	**1.565.401.869**
Current Borrowings		664.915.764	161.500.843
Current Borrowings from Third Parties	*6*	*664.915.764*	*161.500.843*
Bank Loans	*6*	*664.915.764*	*161.500.843*
Current Portions of Non-Current Borrowings		148.119.032	256.657.543
Current Portions of Non-Current Borrowings from Third Parties	*6*	*148.119.032*	*256.657.543*
Bank Loans	*6*	*143.084.560*	*252.098.062*
Lease Liabilities	*6*	*5.034.472*	*4.559.481*
Trade Payables		1.225.101.911	1.011.249.834
Trade Payables to Related Parties	*7-23*	*737.010.670*	*639.836.656*
Trade Payables to Third Parties	*7*	*488.091.241*	*371.413.178*
Other Payables		3.429.695	5.952.401
Other Payables to Related Parties		*9.109*	*9.109*
Other Payables to Third Parties		*3.420.586*	*5.943.292*
Derivative Instruments	8	17.788.356	2.675.660
Employee Benefits Obligations		12.188.510	14.666.030
Liabilities Arising from Contracts with Customers	16	9.862.115	10.863.604
Deferred Income	16	46.886.782	21.646.612
Current Provisions		108.510.976	80.189.342
Current Provisions for Employee Benefits	*15*	*11.096.295*	*15.495.235*
Other Current Provisions	*14*	*97.414.681*	*64.694.107*
Non-Current Liabilities		**629.433.313**	**649.574.373**
Non-Current Borrowings		537.606.881	515.289.683
Non-Current Borrowings from Third Parties		*537.606.881*	*515.289.683*
Bank Loans	*6*	*531.502.575*	*509.576.183*
Lease Liabilities	*6*	*6.104.306*	*5.713.500*
Liabilities Arising from Contracts with Customers	16	27.094.649	35.813.919
Deferred Income	16	5.198.313	5.386.275
Non-Current Provisions for Employee Benefits	15	48.369.580	47.235.042
Deferred Tax Liabilities	21	11.163.890	45.849.454
EQUITY		**1.497.528.125**	**1.392.270.870**
Equity Attributable to Equity Holders of the Parent		**1.497.528.125**	**1.392.270.870**
Issued Capital	17	84.000.000	84.000.000
Adjustments to Share Capital	17	30.149.426	30.149.426
Revaluation and Remeasurement Earnings/Losses that will not be Reclassified in Profit or Loss		1.009.946.440	1.009.877.215
Gain on Revaluation of Property, Plant and Equipment	*17*	*1.022.267.501*	*1.022.267.501*
Gain/Loss on Remeasurement of Defined Benefit Plans	*17*	*(12.321.061)*	*(12.390.286)*
Restricted Reserves Appropriated from Profits	17	23.784.678	23.784.678
Prior Years' Profit/Losses	17	244.459.551	33.032.805
Current Period Net Profit or Losses	17	105.188.030	211.426.746
TOTAL LIABILITIES		**4.363.764.579**	**3.607.247.112**

(Currency expressed in Turkish Lira unless otherwise indicated.)

	Notes	Unaudited 1 January- 31 March 2022	Unaudited 1 January- 31 March 2021
PROFIT OR LOSS			
Revenue	18	933.653.815	382.300.939
Cost of Sales (-)	18	(675.068.904)	(300.832.016)
GROSS PROFIT (LOSS)		**258.584.911**	**81.468.923**
General Administrative Expenses (-)		(33.082.448)	(18.546.479)
Marketing Expenses (-)		(88.829.229)	(29.038.578)
Research and Development Expenses (-)		(3.787.677)	(2.624.922)
Other Income from Operating Activities	19	23.302.290	21.812.959
Other Expenses from Operating Activities (-)	19	(58.492.336)	(28.294.932)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		**97.695.511**	**24.776.971**
Income from Investing Activities		2.277.577	778
Expense from Investing Activities		(1.282)	-
PROFIT/LOSS BEFORE FINANCE EXPENSE		**99.971.806**	**24.777.749**
Finance Income	20	104.452.870	50.204.616
Finance Expenses (-)	20	(132.976.710)	(66.762.856)
PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAX		**71.447.966**	**8.219.509**
Tax Income/(Expense) From Continuing Operations		**33.740.064**	**(617.840)**
Current Tax (Expense) Income		(962.806)	(235.067)
Deferred Tax (Expense) Income		34.702.870	(382.773)
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		**105.188.030**	**7.601.669**
PROFIT (LOSS) FOR THE YEAR	22	**105.188.030**	**7.601.669**
Profit (Loss) for the Year Attributable to:		**105.188.030**	**7.601.669**
Owners of The Parent		**105.188.030**	**7.601.669**
Earnings/(Losses) Per 100 Share from Continuing Operations		**1,2522**	**0,0905**
Items That Will Not Be Reclassified to Profit or Loss			
Gains (Losses) on Remeasurement of Defined Benefit Plans		86.531	1.337.984
Gains (Losses) on Remeasurement of Defined Benefit Plans, Tax Effect		(17.306)	(267.597)
OTHER COMPREHENSIVE INCOME (EXPENSE)		**69.225**	**1.070.387**
TOTAL COMPREHENSIVE INCOME (EXPENSE)		**105.257.255**	**8.672.056**
Owners of The Parent		105.257.255	8.672.056

(Currency expressed in Turkish Lira unless otherwise indicated.)

				Gain / Loss on Revaluation and Remeasurement That Will Not Be Reclassified to Profit or Loss			Retained Earnings		
Prior Period	**Notes**	**Issued Capital**	**Adjustments to Share Capital**	**Gain on Revaluation of Property, Plant and Equipment**	**Gain/Loss on Remeasurement of Defined Benefit Plans**	**Restricted Reserves Appropriated from Profits**	**Prior Years' Profits/ Losses**	**Current Period Net Profit or Losses**	**Total Equity**
Balances as of 1 January 2021 (Beginning of the Period))	**17**	**84.000.000**	**30.149.426**	**417.373.045**	**(13.193.425)**	**23.784.678**	**19.384.487**	**13.648.318**	**575.146.529**
Total Comprehensive Income (Expense)		**-**	**-**	**-**	**1.070.387**	**-**	**-**	**7.601.669**	**8.672.056**
Loss for the Period		-	-	-	-	-	-	*7.601.669*	*7.601.669*
Other Comprehensive Income / (loss)		-	-	-	*1.070.387*	-	-	-	*1.070.387*
Transfers		-	-	-	-	-	***13.648.318***	***(13.648.318)***	-
Balances as of 31 March 2021 (End of the Period)	**17**	**84.000.000**	**30.149.426**	**417.373.045**	**(12.123.038)**	**23.784.678**	**33.032.805**	**7.601.669**	**583.818.585**
Current Period									
Balances as of 1 January 2022 (Beginning of the Period)	**17**	**84.000.000**	**30.149.426**	**1.022.267.501**	**(12.390.286)**	**23.784.678**	**33.032.805**	**211.426.746**	**1.392.270.870**
Total Comprehensive Income (Expense)		**-**	**-**	**-**	**69.225**	**-**	**-**	**105.188.030**	**105.257.255**
Profit for the Period		-	-	-	-	-	-	*105.188.030*	*105.188.030*
Other Comprehensive Income / (loss)		-	-	-	*69.225*	-	-	-	*69.225*
Transfers		**-**	**-**	**-**	**-**	**-**	**211.426.746**	**(211.426.746)**	**-**
Balances as of 31 March 2022 (End of the Period)	**17**	**84.000.000**	**30.149.426**	**1.022.267.501**	**(12.321.061)**	**23.784.678**	**244.459.551**	**105.188.030**	**1.497.528.125**

(Currency expressed in Turkish Lira unless otherwise indicated.)

	Notes	Unaudited 1 January- 31 March 2022	Unaudited 1 January- 31 March 2021
Cash Flows from Operating Activities		**(130.156.892)**	**(98.302.952)**
Current Period Net Profit or Losses	**16**	**105.188.030**	**7.601.669**
Adjustments to Reconcile Profit (Loss) for The Year		**169.635.420**	**26.325.485**
Adjustments Related to Depreciation and Amortization Expenses	**10-11-12**	17.940.084	12.843.800
Adjustments Related to Provision for Employee Benefits (Released)	**15**	6.596.050	3.923.884
Adjustments Related to Tax (Income) Expense		(33.740.064)	617.840
Adjustments Related to Provisions for Litigations	**14-19**	3.428.101	497.440
Adjustments Related to Interest Income	**19-20**	(9.155.474)	(4.769.508)
Adjustments Related to Interest Expenses	**19-20**	32.632.404	12.716.241
Adjustments Related to Unrealized Currency Translation Differences		43.226.022	13.314.961
Adjustments Related to Fair Value Losses (Gains)		53.640.311	(28.175.007)
Other Adjustments to Profit/(Loss) Reconciliation		(12.808.669)	6.738.458
Adjustments Related to Other Provisions (Released)	**14**	67.875.373	8.618.154
Adjustments Related to Loss (Gain) on Disposal of Property, Plant and Equipment		1.282	(778)
Changes in Working Capital		**(361.726.514)**	**(121.377.594)**
Adjustments Related to Decrease (Increase) in Trade Receivables	**7**	(15.189.153)	76.752.402
Adjustments Related to Decrease (Increase) in Inventories	**9**	(316.606.207)	(84.357.458)
Adjustments Related to Decrease (Increase) in Other Receivables from Operations		(264.522.343)	(22.371.686)
Adjustments Related to Increase (Decrease) in Trade Payables	**7**	219.098.609	(22.360.029)
Adjustments Related to Increase (Decrease) in Other Payables from Operations		14.923.418	(72.332.470)
Adjustments Related to Increase (Decrease) in Other Working Capital from Operations		569.162	3.291.647
Cash Flows from Operating Activities		**(86.903.064)**	**(87.450.440)**
Income Tax Returns (Paid)		(1.407.821)	(1.071.673)
Payments Related to Other Provisions	**14**	(38.582.900)	(9.333.323)
Payments to Provision of Employee Benefits	**15**	(3.263.107)	(447.516)
Cash Flows from Investing Activities		**(139.472.375)**	**(17.710.190)**
Proceeds from Sale of Property, Plant and Equipment	**10**	1.915	4.438
Payments for Purchase of Property, Plant and Equipment	**10**	(3.715.520)	(3.409.202)
Payments for Purchase of İntangible Assets	**11**	(29.903.020)	(14.305.426)
Other Cashoutflows		(105.855.750)	-
Cash Flows from Financing Activities		**344.866.997**	**(31.274.690)**
Interest Received		9.155.474	4.557.612
Interest Paid	**6**	(23.110.947)	(10.463.979)
Proceeds from Loans	**6**	498.479.573	21.132.890
Cash Outflows from Repayment of Loans	**6**	(133.648.319)	(45.014.780)
Cash Outflows Related to Debt Payments Arising from Lease Agreements		(6.008.784)	(1.486.433)
Net Increase (Decrease) in Cash and Cash Equivalents		**75.237.730**	**(147.287.832)**
Cash and Cash Equivalents at The Beginning of The Year		**639.705.842**	**267.087.823**
Cash and Cash Equivalents at The End of The Year	**4-5**	**714.943.572**	**119.799.991**

NOTE 1 – ORGANIZATION AND OPERATIONS OF THE GROUP

Anadolu Isuzu Otomotiv Sanayi ve Ticaret Anonim Şirketi (the "Company") was established in 1980. Principal activities of the Company are comprised mainly of manufacturing, assembling, import and sales of commercial vehicles and also procure and sales of related spare parts regarding to after sales service. The Company is registered to Capital Markets Board of Turkey and the percentage of 15 of the Company's shares have been traded on Borsa Istanbul A.Ş. since 1997.

The Company carries out its operations as a partnership formed by Isuzu Motors Ltd. Itochu Corporation and Anadolu Group Companies. The Company runs its manufacturing operations in a factory which is established in Çayırova/Kocaeli. The average number of employees as of 31 March 2022 is 942 (31 December 2021: 828).

The Company has been registered in Turkey, and the address of the Company is Fatih Sultan Mehmet Mahallesi Balkan Caddesi No: 58 Buyaka E Blok Tepeüstü Ümraniye, İstanbul.

The main shareholder and the controlling party of the Company is Anadolu Group Holding Anonim Şirketi.

As of 31 March 2022 and 31 December 2021, details about the company's subsidiary, which is subject to consolidation, is below:

Company Name	**Principal Activity**	**Capital**	**31 March 2022 Participation Rate (%)**	**31 December 2021 Participation Rate (%)**
Ant Sınai ve Ticari Ürünleri Pazarlama A.Ş.	Trade of spare parts	716.000	100	100

Approval of Financial Statements

Condensed consolidated financial statements for the period 1 January – 31 March 2022 approved by the Board of Directors on 20 April 2022 and signed by Independent Member of the Board of Director Ahmet Murat SELEK (Audit Committee Chairman) and Orhan ÖZER (Audit Committee Member), General Manager Yusuf Tuğrul ARIKAN and Finance Director Neşet Fatih VURAL.

The Company and its subsidiary will be referred as (the "Group") in the condensed consolidated financial statements and notes to the consolidated financial statements.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Basis of Preparation and Presentation of Interim Condensed Consolidated Interim Financial Statements

The Group companies, that operate in Turkey, keep their accounting books and their statutory financial statements in Turkish Lira in accordance with the Generally Accepted Accounting Principles in Turkey accepted by the Capital Markets Board (CMB), Turkish Commercial Code, Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The foreign subsidiaries and joint ventures keep their accounting books and statutory financial statements in their local currencies and in accordance with the rules and regulations of the countries in which they operate

Consolidated financial statements are based on the statutory financial statements of the Group's subsidiaries and joint ventures and presented in TRL in accordance with CMB Financial Reporting Standards with certain adjustments and reclassifications for the purpose of fair presentation. Such adjustments are primarily related to application of consolidation accounting, accounting for business combinations, accounting for deferred taxes on temporary differences, accounting for employment termination benefits on an actuarial basis and accruals for various expenses. Except for the financial assets and liabilities, derivative instruments carried from their fair values and assets and liabilities included in business combinations application, financial statements are prepared on historical cost basis

In accordance with the CMB's "Communiqué on Financial Reporting in Capital Market" Numbered II-14.1 (Communiqué), promulgated in the Official Gazette numbered 28676 dated June 13, 2013, effective from interim periods beginning after September 30, 2013, listed companies are required to prepare their financial statements in conformity with Turkey Accounting/Financial Reporting Standards (TAS/TFRS) as prescribed in the CMB Communiqué. The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.

In accordance with the TAS, the entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with TAS 34, "Interim Financial Reporting". In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods and prepared the aforementioned interim condensed consolidated financial statements in compliance with CMB Financial Reporting Standards. Furthermore, in accordance with the Communiqué and announcements regarding the explanations of the Communiqué, guarantee pledge mortgage table, foreign currency position table, total export and total import amounts and hedging amount of total foreign currency liabilities are presented in the interim condensed consolidated financial statement disclosures

(Currency expressed in Turkish Lira unless otherwise indicated.)

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

2.1 Basis of Presentation (cont'd)

2.1.1 Basis of Preparation and Presentation of Interim Condensed Consolidated Financial Statements (cont'd)

The Group's condensed consolidated financial statements does not include all necessary disclosures and notes which are shown in the year-ended consolidated financial statements, the accompanying summary financial statements should be read together with the 31 December 2021 financial statements and attached notes.

Functional and Reporting Currency

The financial statements of the Group's each entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of the each entity are expressed in TL, which is the functional currency of the Company and the currency used for presenting consolidated financial statements.

2.1.2 Consolidation principles

Subsidiaries

Subsidiaries, including structured entities, are companies in the Group's control. The Group's control is provides for exposure to variable returns from these companies, being eligible for these benefits, and the power to direct them. Subsidiaries are consolidated using the full consolidation method starting from the date when the control is transferred to the Group. They are excluded from the scope of consolidation as of the date when the control is lost.

The purchasing method is used in accounting for group business combinations. The cost of acquisition includes the fair value of the assets transferred at the acquisition date, the liabilities incurred by the former owner of the company, and costs, consisting of equity instruments issued by the Group. The acquisition cost includes the fair value of the assets and liabilities transferred as a result of the contingent acquisition agreement.

The identifiable assets, liabilities, and contingent liabilities taken over during a business combination are measured at their fair value on the acquisition date. For each purchase, non-controlling shares of the acquired company are recognised either at their fair value or according to their proportional share in the net assets of the acquired company.

The table below sets out the subsidiaries and their ownership interests as of 31 March 2022 and 31 December 2021

	Voting power held by the Group (%)		Proportion of ownership interest (%)	
Subsidiary	**31 March 2022**	**31 December 2021**	**31 March 2022**	**31 December 2021**
Ant Sınai ve Ticari Ürünleri Pazarlama A.Ş.	100	100	100	100

2.1.3 Adjustment of Financial Statements during High Inflation Periods

In accordance with CMB's decision numbered 11/357 on 17 March 2005, inflation accounting application has been abolished as of 1 January 2005 for the companies operating in Turkey and preparing financial statements in accordance with Turkey Accounting Standards. Accordingly, as of 1 January 2005 "Financial Reporting in Hyperinflationary Economies" (TAS 29) has not been applied.

2.1.4 Offsetting

The financial assets and liabilities in the consolidated financial statements are shown at their net value when a legal system that allows clarification of relevant values and there is an intention to demonstrate the values clearly or the realization of the asset and the settlement of the debt are at the same time.

2.1.5 Comparatives and Adjustment of Prior Periods' Financial Statements

The Group's consolidated financial statements for the current period are prepared in comparison with the previous periods in order to be able to determine the financial position and performance trends. The comparative information is reclassified when necessary with the aim of ensuring consistency with the presentation of the current period's consolidated financial statements and significant differences are disclosed.

(Currency expressed in Turkish Lira unless otherwise indicated.)

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

2.1 Basis of Presentation (cont'd)

2.1.6 Amendments in Standards and Interpretations

a) New and revised IFRSs that are effective for the current year

Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 Interest Rate Benchmark Reform — Phase 2

The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

The amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 are all effective for annual periods beginning on or after 1 January 2021. Early application is permitted.

The Group assessed that the adoption of this amendment does not have any effect on the Group's consolidated financial statements.

b) New and revised IFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	*Insurance Contracts*
Amendments to TAS 1	*Classification of Liabilities as Current or Non-Current*
Amendments to TFRS 3	*Reference to the Conceptual Framework*
Amendments to TAS 16	*Property, Plant and Equipment – Proceeds before Intended Use*
Amendments to TAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*
Annual Improvements to TFRS Standards 2018-2020	*Amendments to TFRS 1, TFRS 9 and* TAS *41*
Amendments to TFRS 4	*Extension of the Temporary Exemption from Applying TFRS 9*
Amendments to TFRS 16	*COVID-19 Related Rent Concessions beyond 30 June 2021*
Amendments to TAS 1	*Disclosure of Accounting Policies*
Amendments to TAS 8	*Definition of Accounting Estimates*
Amendments to TAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

TFRS 17 *Insurance Contracts*

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023.

Amendments to TAS 1 *Classification of Liabilities as Current or Non-Current*

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendment defers the effective date by one year. Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TFRS 3 *Reference to the Conceptual Framework*

The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

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

2.1 Basis of Presentation (cont'd)

2.1.6 Amendments in Standards and Interpretations (cont'd)

b) New and revised TFRSs in issue but not yet effective (cont'd)

Amendments to TAS 16 *Proceeds before Intended Use*

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Amendments to TAS 37 *Cost of Fulfilling a Contract*

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Annual Improvements to TFRS Standards 2018-2020 Cycle

Amendments to TFRS 1 *First time adoption of International Financial Reporting Standards*

The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

Amendments to TFRS 9 *Financial Instruments*

The amendment clarifies which fees an entity includes in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

Amendments to TAS 41 *Agriculture*

The amendment removes the requirement in paragraph 22 of TAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13.

The amendments to IFRS 1, IFRS 9 and TAS 41 are all effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Amendments to TFRS 4 *Extension of the Temporary Exemption from Applying TFRS 9*

The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

Amendments to TFRS 16 *COVID-19 Related Rent Concessions beyond 30 June 2021*

The International Auditing and Assurance Standards Board ("IAASB") has published COVID-19 Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) that extends, by one year, the June 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification.

On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021. Since lessors continue to grant COVID-19 related rent concessions to lessees and since the effects of the COVID-19 pandemic are ongoing and significant, the POA decided to extend the time period over which the practical expedient is available for use.

The new amendment is effective for lessees for annual reporting periods beginning on or after 1 April 2021. Earlier application is permitted.

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

2.1 Basis of Presentation (cont'd)

2.1.6 Amendments in Standards and Interpretations (cont'd)

b) New and revised TFRSs in issue but not yet effective (cont'd)

Amendments to TAS 1 *Disclosure of Accounting Policies*

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 8 *Definition of Accounting Estimates*

With this amendment, the definition of "a change in accounting estimates" has been replaced with the definition of "an accounting estimate", sample and explanatory paragraphs regarding estimates have been added, and the differences between application of an estimate prospectively and correction of errors retrospectively have been clarified.

Amendments to TAS 8 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

2.2 Effects of Revised Accounting Policies

Accounting policy changes resulting from the first application of a new standard, if any, are applied retrospectively or prospectively in accordance with the transition terms. Changes without any transition requirement, optional significant changes in accounting policies or significant accounting errors are applied retrospectively and the previous period's consolidated financial statements are restated. Changes in accounting estimates are applied in the current period if the change is related to only one period, and if they are related to future periods, they are applied both in the period in which the change is made and prospectively.

2.3 Summary of Significant Accounting Policies

Interim condensed consolidated financial statements for the period ending on March 31, 2022 prepared in accordance with the TMS 34 standard for the preparation of the tables. The interim condensed consolidated financial statements for the period ending on 31 March 2022 have been prepared by applying accounting policies consistent with the accounting policies applied during the preparation of the consolidated financial statements for the year ended 31 December 2021. Therefore, these interim condensed consolidated financial statements should be evaluated together with the consolidated financial statements for the year ended 31 December 2021.

2.4 Changes in Accounting Estimates and Errors

Accounting estimates are made based on reliable information and using appropriate estimation methods. However, if new or additional information becomes available or the circumstances, which the initial estimates based on, change, then the estimates are reviewed and revised, if necessary. If the change in the accounting estimates is only related to a sole period, then only that period's financial statements are adjusted. If the amendments are related to the current as well as the forthcoming periods, then both current and forthcoming periods' financial statements are adjusted.

Significant accounting errors are applied retrospectively and the consolidated financial statements of the previous period are restated.

2.5 Other Accounting Estimates

In instances where the accounting estimates affect both current and forthcoming periods, then description and monetary value of the estimate is disclosed in the notes to the financial statements except instances where the estimation of the effect related to upcoming periods are not possible.

a) Deferred Tax:
There are previous year losses, research and development expenditures and investment incentive certificates that the Group can gain tax advantage in the future. Deferred tax assets can only be recognized if it is probable that sufficient taxable profit will be generated in future periods. In each reporting period, the Group management evaluates the taxable profit that may occur in the future periods, and during its evaluations, future profit projections and unused losses are taken into account within the scope of tax legislation. For the year ended March 31, 2022, the Group has recorded deferred tax assets up to the part that it finds sufficient indications of taxable profit in the foreseeable future, and has set aside provisions for the remaining amount (TL 13.945.954) (31 December 2021: TL 16.945.954).

b) Warranty Cost Provisions
The Group determined the warranty provision based on warranty costs for each vehicle model in previous years and the remaining warranty periods for each vehicle.

c) Useful lives of property, plant and equipment:

The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. The Company may shorten or prolong the useful lives and related depreciation of property, plant and equipment by taking into consideration the intended use of property, plant and equipment, technological progress according to their types and other factors.

d) Revaluation of land improvements and buildings:

Land improvements, evaluation of buildings and machinery have been made by taking into consideration the current market conditions. As a result of the revaluation, provision for impairment of the fixed assets with fair value lower than the cost value is made.

The Group's land improvements and buildings have been revalued at 5 February 2018 by independent appraisals accredited by the Capital Markets Board. The Group's land improvements and buildings have been revalued by independent appraisals accredited by the Capital Markets Board. The revaluation fund which is composed of the difference between the book value and the fair value is offset with deferred tax and shown under the equity as revaluation fund. Revaluation is performed periodically.

e) Estimated impairment of goodwill

The Group annually tests goodwill for impairment. The recoverable amounts of cash generating units are determined based on the calculations of value in use.

g) Provision for Employment Termination Benefits

Provision for employment termination benefits is calculated by taking into account the severance pay ceiling and actuarial informations recognized into the consolidated financial statements. Provision for employment termination benefits represents the estimated present value of the amount of retirement pay liability that the Group is liable to pay in the future.

NOTE 3 –SEGMENT REPORTING

The field of activity of the Group established in Turkey is the manufacture, assembly, import and sale of motor vehicles and spare parts. The field of activity of the Group, the nature and economic properties of products, production processes, classification according to customer risks and methods used in the distribution of products are similar. Moreover, the Group is structured on an activity basis rather than being managed under separate divisions including different activities. Thus, the operations of the Group are considered as a single activity division, and the outputs of the Group's activities, determination of the resources to be allocated to these activities, and review of the performance of these activities are evaluated accordingly.

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 4 - CASH AND CASH EQUIVALENTS

Cash and equivalent values as of the end of the period are presented below:

	31 March 2022	31 December 2021
Cash	1.634	1.471
Banks-Demand Deposits	405.574.256	19.562.954
Banks-Time Deposits (up to 3 months)	306.272.112	619.210.951
Other Liquid Assets (*)	3.138.443	973.339
Total	**714.986.445**	**639.748.715**

(*) As of 31 March 2022 and 31 December 2021, the balance in “Other Liquid Assets” is consist of directly debting system assets and credit card receivables in bank of group.

There are no restricted deposits as of 31 March 2022 and 31 December 2021.

Cash and cash equivalents presented in the consolidated cash flow statements as of 31 March 2022 and 31 December 2021 are as follows:

	31 March 2022	31 December 2021
Liquid Assets	714.986.445	639.748.715
Interest Accruals (-)	(115.440)	(42.873)
Total (Excluding interest accruals)	**714.871.005**	**639.705.842**

The details of time deposits are as follows:

	31 March 2022		31 December 2021	
	Amount (TL Equivalent)	Annual Average Interest Rate (%)	Amount (TL Equivalent)	Annual Average Interest Rate (%)
TL	165.841.440	16,60	75.952.873	18,73
Avro	64.418.970	0,40	451.984.437	0,33
Amerikan Doları	76.011.702	1,00	91.273.641	0,75
Total	**306.272.112**		**619.210.951**	

The Group does not have any time deposits with maturities longer than one month and the time deposits are composed of fixed interest rates.

NOTE 5- FINANCIAL INVESTMENTS

Financial investments as of the end of the period are presented below:

	31 March 2022	31 December 2021
Currency Protected Deposit Account (KKMH)	105.855.750	-
Total	**105.855.750**	**-**

As of 31 March 2022, the annual average interest rate of currency protected deposits is 17.62%.

The details of time deposits are as follows:

	31 March 2022			31 December 2021		
	Nominal Value	Interest Accruals	Fair Value	Nominal Value	Interest Accruals	Fair Value
KKMH	101.001.050	2.577.123	105.855.750	-	-	-
Total	**101.001.050**	**2.577.123**	**105.855.750**	**-**	**-**	**-**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTES 6- FINANCIAL LIABILITIES

The details of bank loans as of 31 March 2022 and 31 December 2021 are as follows:

a) Short-term Borrowings

Bank Loans

	Average Effective Interest Rate %		Original Currency		Amount in TL Including Interest	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021	31 March 2022	31 December 2021
TL	16,13	16,38	664.915.764	161.500.843	664.915.764	161.500.843
Total					**664.915.764**	**161.500.843**

b) Short-term Portions of Long-term Borrowings

Bank Loans

	Average Effective Interest Rate %		Original Currency		Amount in TL Including Interest	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Avro	1,45	1,08	3.777.352	8.652.339	61.516.059	130.379.500
TL	18,16	15,64	81.568.501	121.718.562	81.568.501	121.718.562
Total					**143.084.560**	**252.098.062**

Finance Lease Liabilities

	Average Effective Interest Rate %		Original Currency		Amount in TL Including Interest	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Avro	4,35	4,35	127.320	91.935	2.073.475	1.385.341
TL	20,00	20,00	2.960.997	3.174.140	2.960.997	3.174.140
Total					**5.034.472**	**4.559.481**

c) Long-term Borrowings

Bank Loans

	Average Effective Interest Rate %		Original Currency		Amount in TL Including Interest	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Avro	3,04	3,26	19.163.167	19.153.591	312.081.753	288.619.714
TL	19,01	18,82	219.420.822	220.956.468	219.420.822	220.956.469
Total					**531.502.575**	**509.576.183**

As of 31 March 2022 and 31 December 2021, the payment schedule of long-term loans is as follows:

	31 March 2022	31 December 2021
1 to 2 years	361.771.050	348.861.588
2 to 3 years	39.572.350	35.641.646
3 to 4 years	33.653.811	31.317.988
4 to 5 years	29.909.758	27.777.068
More than 5 years	66.595.606	65.977.893
Total	**531.502.575**	**509.576.183**

Finance Lease Liabilities

	Average Effective Interest Rate %		Original Currency		Amount in TL Including Interest	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Avro	4,35	4,35	278.384	344.980	4.533.628	5.198.400
TL	20,00	20,00	1.570.678	515.100	1.570.678	515.100
Total					**6.104.306**	**5.713.500**

(Currency expressed in Turkish Lira unless otherwise indicated.)

Financial net debt reconciliation as of 31 March 2022 and 31 December 2021 is as follows:

	31 March 2022	31 December 2021
Opening balance	**933.448.069**	**628.560.029**
Interest expense	30.796.545	12.373.623
Cash outflows from debt payments arising from lease agreements	(6.008.784)	(1.486.433)
TFRS 16 changes in lease liabilities	7.459.518	886.310
Interest paid	(23.110.947)	(10.463.979)
Newly obtained credits	498.479.573	21.132.890
Loans repaid	(133.648.319)	(45.014.780)
Exchange difference	43.226.022	13.314.961
Closing balance	**1.350.641.677**	**619.302.621**

NOTE 7- TRADE RECEIVABLES AND PAYABLES

Trade receivables at period ends are as follows:

a) Short-term Trade Receivables

	31 March 2022	31 December 2021
Trade Receivables from Third Parties	623.897.444	459.278.055
Trade Receivables from Related Parties	148.963.431	298.393.667
Rediscount Expenses (-)	(4.317.610)	(3.804.292)
Doubtful Receivables	522.097	522.097
Allowance for Doubtful Receivables (-)	(522.097)	(522.097)
Total	**768.543.265**	**753.867.430**

As of 31 March 2022, the average term for trade receivables is 86 days (31 December 2021: 102 days).

Movements of provision for doubtful receivables are as follows:

	31 March 2022	31 December 2021
Opening Balance	**522.097**	**762.710**
Collections in the Period	-	(240.613)
Closing Balance	**522.097**	**522.097**

Trade payables at period ends are as follows:

b) Short-term Trade Payables

	31 March 2022	31 December 2021
Trade Payables to Third Parties	494.060.264	375.224.599
Trade Payables to Related Parties	737.010.670	639.836.656
Rediscount Incomes(-)	(5.969.023)	(3.811.421)
Total	**1.225.101.911**	**1.011.249.834**

As of 31 March 2022, the average term for trade payables is 110 days (31 December 2021: 127 days).

NOTE 8- DERIVATIVE INSTRUMENTS

Foreign Currency Forward Transactions

As of 31 March 2022, the Group has 51 foreign currency options contracts with a nominal value of JPY 3.797.935.347 and 4 froeign currency forward contracts with a total value of € 17.000.000 , which are determined as cash flow hedging instruments for possible raw material purchases and operational expenses that are exposed to foreign exchange risk (31 December 2021: 40 foreign currency options contracts with a nominal value of JPY 2.490.066.347).

(Currency expressed in Turkish Lira unless otherwise indicated.)

	31 March 2022			31 December 2021		
		Fair Value			Fair Value	
	Nominal Value	**Assest**	**Liability**	**Nominal Value**	**Assest**	**Liability**
Interest Rate Swap	75.000.000	-	3.923.600	75.000.000	-	1.458.151
Forward Contracts	753.358.090	66.823.623	(21.711.956)	703.181.296	105.351.238	(4.133.811)
Total	**828.358.090**	**66.823.623**	**(17.788.356)**	**778.181.296**	**105.351.238**	**(2.675.660)**

NOTE 9- INVENTORIES

Inventory balances as of period ends are as follows:

	31 March 2022	31 December 2021
Raw Materials	398.856.196	233.713.070
Work in Process Goods	970.011	930.633
Finished Goods	209.946.479	116.972.621
Trade Goods	98.115.615	66.439.881
Other Inventory	7.254.787	7.712.306
Import and Domestic Purchase Advances	71.687.068	44.455.438
Impairment in Finished Goods and Trade Goods	(488.002)	(488.002)
Total Inventories	**786.342.154**	**469.735.947**

Movement of Provision for Inventory Impairment	31 March 2022	31 December 2021
Opening Balance	488.002	488.002
Current Period Provision (+)	-	-
Closing Balance	**488.002**	**488.002**

As of 31 March 2022, total cost of sales which recognized in statement of profit or loss is TL 117.449.414 (31 March 2021: TL 87.914.968).

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 10- PROPERTY, PLANT AND EQUIPMENT

31 March 2022

Cost Value	Land	Land Improvements	Buildings	Plant, Machinery and Equipment	Vehicles	Furniture and Fixtures	Other Tangible Fixed Assets	Construction in Progress	Total
Opening Balance as at 1 January 2022	**641.553.446**	**14.429.558**	**605.103.127**	**257.861.318**	**6.544.007**	**4.703.453**	**785.999**	**1.793.071**	**1.532.773.979**
Additions	-	-	-	3.674.560	-	40.960	-	-	**3.715.520**
Disposals	-	-	-	(9.515)	-	-	-	-	**(9.515)**
Closing Balance as at 31 March 2022	**641.553.446**	**14.429.558**	**605.103.127**	**261.526.363**	**6.544.007**	**4.744.413**	**785.999**	**1.793.071**	**1.536.479.984**
Accumulated Depreciation									
Opening Balance as at 1 January 2022	**-**	**(9.849.768)**	**(70.357.540)**	**(175.303.415)**	**(4.385.813)**	**(3.733.814)**	**(783.358)**	**-**	**(264.413.708)**
Charge for the year	-	(127.538)	(1.327.606)	(3.875.009)	(200.016)	(72.934)	(117.136)	-	**(5.720.239)**
Disposals	-	-	-	6.318	-	-	-	-	**6.318**
Closing Balance as at 31 March 2022	**-**	**(9.977.306)**	**(71.685.146)**	**(179.172.106)**	**(4.585.829)**	**(3.806.748)**	**(900.494)**	**-**	**(270.127.629)**
Net Book Value									
Opening Balance as at 1 January 2022	**641.553.446**	**4.579.790**	**534.745.587**	**82.557.903**	**2.158.194**	**969.639**	**2.641**	**1.793.071**	**1.268.360.271**
Closing Balance as at 31 March 2022	**641.553.446**	**4.452.252**	**533.417.981**	**82.354.257**	**1.958.178**	**937.665**	**(114.495)**	**1.793.071**	**1.266.352.355**

TL 3.757.143 of the depreciation expenses has been charged to cost of sales and TL 220.655 to research and development expenses and TL 288.911 to marketing expenses, TL 562.298 to general administrative expenses and TL 891.232 to development capitalization as of 31 March 2022.

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 10- PROPERTY, PLANT AND EQUIPMENT (cont'd)

31 March 2021

Cost Value	**Land**	**Land Improvements**	**Buildings**	**Plant, Machinery and Equipment**	**Vehicles**	**Furniture and Fixtures**	**Other Tangible Fixed Assets**	**Construction in Progress**	**Total**
Opening Balance as at 1 January 2021	**94.164.000**	**13.591.902**	**463.358.028**	**230.154.290**	**6.020.376**	**4.532.176**	**785.999**	**1.793.071**	**814.399.842**
Additions	-	2.065	385.000	2.857.267	-	117.150	-	47.720	**3.409.202**
Disposals	-	-	-	(14.051)	-	-	-	-	**(14.051)**
Closing Balance as at 31 March 2021	**94.164.000**	**13.593.967**	**463.743.028**	**232.997.506**	**6.020.376**	**4.649.326**	**785.999**	**1.840.791**	**817.794.993**
Accumulated Depreciation									
Opening Balance as at 1 January 2021	**-**	**(9.366.790)**	**(66.205.856)**	**(162.569.636)**	**(4.012.622)**	**(3.485.715)**	**(771.101)**	**-**	**(246.411.720)**
Charge for the year	-	(113.008)	(1.253.251)	(2.954.370)	(174.386)	(60.603)	(215)	-	**(4.555.833)**
Disposals	-	-	-	10.391	-	-	-	-	**10.391**
Closing Balance as at 31 March 2021	**-**	**(9.479.798)**	**(67.459.107)**	**(165.513.615)**	**(4.187.008)**	**(3.546.318)**	**(771.316)**	**-**	**(250.957.162)**
Net Book Value									
Opening Balance as at 1 January 2021	**94.164.000**	**4.225.112**	**397.152.172**	**67.584.654**	**2.007.754**	**1.046.461**	**14.898**	**1.793.071**	**567.988.122**
Closing Balance as at 31 March 2021	**94.164.000**	**4.114.169**	**396.283.921**	**67.483.891**	**1.833.368**	**1.103.008**	**14.683**	**1.840.791**	**566.837.831**

TL 2.866.069 of the depreciation expenses has been charged to cost of sales and TL 216.155 to research and development expenses and TL 225.035 to marketing expenses, TL 416.975 to general administrative expenses and TL 831.599 to development capitalization as of 31 March 2021.

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 11 – INTANGIBLE ASSETS

31 March 2022

Cost Value	Rights	Development Expenses	Other Intangible Assets	Construction in Progress and Advances (*)	Total
Opening Balance as at 1 January 2022	**963.008**	**239.932.131**	**42.941.246**	**83.976.818**	**367.813.203**
Additions	-	-	289.776	29.613.244	**29.903.020**
Transfer from Construction in Progress	-	-	-	-	-
Closing balance as at 31 March 2022	**963.008**	**239.932.131**	**43.231.022**	**113.590.062**	**397.716.223**
Accumulated Amortization					
Opening Balance as at 1 January 2022	**(312.081)**	**(112.519.289)**	**(29.737.696)**	**-**	**(142.569.066)**
Charge for the period	(18.252)	(8.929.077)	(1.682.092)	-	**(10.629.421)**
Closing balance as at 31 March 2022	**(330.333)**	**(121.448.366)**	**(31.419.788)**	**-**	**(153.198.487)**
Net Book Value					
Opening Balance as at 1 January 2022	**650.927**	**127.412.842**	**13.203.550**	**83.976.818**	**225.244.137**
Closing balance as at 31 March 2022	**632.675**	**118.483.765**	**11.811.234**	**113.590.062**	**244.517.736**

TL 9.149.046 of the depreciation expenses of intangible assets has been charged to cost of sales and TL 22.485 to research and development expenses and TL 104.394 to marketing expenses, TL 691.089 to general administrative expenses and TL 662.437 to development capitalization as of 31 March 2022.

31 March 2021

Cost Value	Rights	Development Expenses	Other Intangible Assets	Construction in Progress and Advances (*)	Total
Opening Balance as at 1 January 2021	**837.305**	**176.145.816**	**32.807.023**	**71.924.695**	**281.714.839**
Additions	-	-	540.544	13.764.882	**14.305.426**
Closing balance as at 31 March 2021	**837.305**	**176.145.816**	**33.347.567**	**85.689.577**	**296.020.265**
Accumulated Amortization					
Opening Balance as at 1 January 2021	**(244.620)**	**(86.845.598)**	**(23.564.902)**	**-**	**(110.655.120)**
Charge for the period	(15.255)	(6.190.181)	(1.257.007)	-	**(7.462.443)**
Closing balance as at 31 March 2021	**(259.875)**	**(93.035.779)**	**(24.821.909)**	**-**	**(118.117.563)**
Net Book Value					
Opening Balance as at 1 January 2021	**592.685**	**89.300.218**	**9.242.121**	**71.924.695**	**171.059.719**
Closing balance as at 31 March 2021	**577.430**	**83.110.037**	**8.525.658**	**85.689.577**	**177.902.702**

TL 6.445.528 of the depreciation expenses of intangible assets has been charged to cost of sales and TL 8.913 to research and development expenses and TL 64.411 to marketing expenses, TL 536.553 to general administrative expenses and TL 407.038 to development capitalization as of 31 March 2021.

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 12 – RIGHT OF USE ASSETS

As of 31 March 2022 and 31 March 2021, the right of use assets' balances of depreciation assets and depreciation expenses in the relevant period are as follows:

Cost Value	**Total**
Opening Balance as at 1 January 2022	**13.852.693**
Additions	3.041.120
Closing balance as at 31 March 2022	**16.893.813**
Accumulated Amortization	
Opening Balance as at 1 January 2022	**(8.022.844)**
Charge for the Period	(1.590.424)
Closing balance as at 31 March 2022	**(9.613.268)**
Net Book Value	
Opening Balance as at 1 January 2022	**5.829.849**
Closing balance as at 31 March 2022	**7.280.545**

TL 632.267 of depreciation expenses has been charged to cost of sales, and TL 958.157 to general administration expenses as of 31 March 2022.
.

Cost Value	**Total**
Opening Balance as at 1 January 2021	**9.123.022**
Additions	225.401
Closing balance as at 31 March 2021	**9.348.423**
Accumulated Amortization	
Opening Balance as at 1 January 2021	**(4.303.961)**
Charge for the Period	(825.524)
Closing balance as at 31 March 2021	**(5.129.485)**
Net Book Value	
Opening Balance as at 1 January 2021	**4.819.061**
Closing balance as at 31 March 2021	**4.218.938**

TL 165.134 of depreciation expenses has been charged to cost of sales, and TL 660.390 to general administration expenses as of 31 March 2021.

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTES 13- GOVERNMENT GRANTS AND INCENTIVES

In 2022, there is no cash support from TÜBİTAK for R&D activities (31 December 2021: TL 272.521).

The Group has R&D expenses which can be utilized for tax calculations with an amount of TL 560.504.656 as of 31 March 2022 As per amendment made in Article 35 of the Law on Supporting Research and Development No. 5746 which became effective on 1 April 2008. R&D deduction rate from which will be benefited for the expenses of R&D has been increased from 40% to 100% .(31 December 2021 : TL 390.303.320).

In order to benefit from the incentives and exemptions provided in line with the Law No. 5746, the Group applied to the Ministry of Industry and Commerce to become an R&D centre. On 3 June 2009, the Group was entitled to become an R&D centre.

The Group realizes fixed asset investments with incentives within the scope of the "Council of Ministers Decisions on State Aids in Investments" numbered 2009/15199 and 2012/3305, which regulates the investment legislation.

The investment projects in which the Group has completed the investment process and continue to benefit from the deserved investment contribution amounts are as follows;

Within the scope of the incentive certificate numbered 5487, TL 51.670.512 was spent. The contribution rate to the investment is 20%.

The investment projects that the Group continues to invest in and continue to benefit from the investment contribution amounts are as follows;

Within the scope of the incentive certificate numbered 129788, TL 13.666.518 was spent. The contribution rate to the investment is 45%.

NOTES 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Other Short-term Provisions

	31 March 2022	31 December 2021
Warranty Provisions	33.466.586	21.418.335
Provision for Lawsuits	11.971.392	8.543.291
Provision for Premium and Commission	51.976.703	34.732.481
Total	**97.414.681**	**64.694.107**

Movements of provisions during the period are as follows:

	Warranty Provisions	Provision for Lawsuits	Provision for Premium and Commission	Total
Opening Balance as at 1 January 2022	21.418.335	8.543.291	34.732.481	**64.694.107**
Additions During The Period	15.898.670	3.428.101	51.976.703	**71.303.474**
Paid During The Period (-)	(3.850.419)	-	(34.732.481)	**(38.582.900)**
Closing Balance as at 31 March 2022	**33.466.586**	**11.971.392**	**51.976.703**	**97.414.681**

	Warranty Provisions	Provision for Lawsuits	Provision for Premium and Commission	Total
Opening Balance as at 1 January 2021	13.412.222	6.249.729	4.453.147	**24.115.098**
Additions During The Period	5.593.942	497.440	3.024.212	**9.115.594**
Paid During The Period (-)	(4.714.736)	(165.440)	(4.453.147)	**(9.333.323)**
Closing Balance as at 31 March 2021	**14.291.428**	**6.581.729**	**3.024.212**	**23.897.369**

Lawsuit against the Group:

As of 31 March 2022, there are 41 ongoing lawsuits filed against the Group due to the cancellation of employment termination and other claims for employment and other compensation. Based on these lawsuits, TL 11.971.392, which is recognized based on assessments of the lawyers, was reserved as lawsuit provision (as of 31 December 2021, the lawsuit provisions amount is TL 8.543.291).

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 14 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

Mortgages and guarantees on assets:

There are not any mortgages and guarantees on assets.

Total insurance coverage on assets:

Total insurance coverage on assets is TL 2.251.569.976 as of 31 March 2022 (31 December 2021: TL 1.401.156.089).

Contingent liabilities which are not shown in liabilities listed are as follows:

Type	**31 March 2022**	**31 December 2021**
Given Letters of Guarantee	534.866.027	544.273.486
Total	**534.866.027**	**544.273.486**

	31 March 2022	**31 December 2021**
A. CPMs given in the name of its own legal personality	**534.866.027**	**544.273.486**
i. Letter of Guarantee	534.866.027	544.273.486
B. CPMs given on behalf of fully consolidated companies	-	-
C. CPMs given in the normal course of business activities on behalf of third parties	-	-
D. Total amount of other CPMs	-	-
i. Total amount of CPMs given on behalf of the parent	-	-
ii. Total amount of CPMs given to on behalf of other Group companies which are not in scope of B and C	-	-
iii. Total amount of CPMs given on behalf of third parties which are not in scope of C	-	-
Total	**534.866.027**	**544.273.486**

The ratio of other CPM is given by the Group to the Group's equity is 0% as of 31 March 2022 (0% as of 31 December 2021).

The Group is exposed to foreign currency risk since its foreign currency denominated assets and liabilities are formed of different currencies. In order to hedge its foreign currency position due to the fluctuations in the foreign exchange parities, the Group enters into forward contracts.

NOTE 15 – EMPLOYEE BENEFITS

a) Short-Term Provisions for Employee Benefits

	31 March 2022	**31 December 2021**
Provision for Employee Rights and Salaries	5.653.507	12.164.321
Provision for Unused Vacation	5.442.788	3.330.914
Total	**11.096.295**	**15.495.235**

Short-term provisions for employee benefits consist of provisions that were calculated and unpaid as of the end of period.

Movements of the provision for unused vacation during the period are as follows:

	31 March 2022	**31 December 2021**
Opening Balance	3.330.914	2.332.644
Recognized provision during the period	3.449.899	3.951.480
Paid During The Period	(1.338.025)	(2.953.210)
Total	**5.442.788**	**3.330.914**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 15 – EMPLOYEE BENEFITS (cont'd)

b) Long-Term Provisions for Employee Benefits

	31 March 2021	31 December 2021
Provision for Severance Payments to Employees	48.369.580	47.235.042
Total	**48.369.580**	**47.235.042**

Within the framework of current laws in Turkey, it is obligatory to make the severance pay of each employee who has completed one year service period, has been paid off regardless of any related reason, has been called-up for military service along with men who have completed 25-year service period, women who have completed 20-year service period or those who have completed age of retirement (58 for women, 60 for men). Because there is not any funding obligation for the severance pay provision in Turkey, any special fund is not allocated in the financial statements.

The severance payments are calculated over 30-days gross salary for each service year. Primary assumption is that ceiling liability set for each service year increases in proportion to inflation. In parallel with this, real discount rate which is cleared of the potential inflation impacts is considered at the implementation stage. The severance pay cap is revised in every six months, the ceiling amount of TL 10.848,59 (6 January 2022: TL 10.848,59) applicable as of 1 April 2022 has been regarded for the calculation of the Group's provision of severance pay.

Moreover, the severance payments are not made for those who leave the job with his/her wish; estimated rate related to these severance pay amounts that will remain in the Group's account is considered..

Considering the Liability of Severance Pay are related to the next periods as per TAS 19, current values of the severance payments which will be made as of the balance sheet date are calculated to determine an approximate inflation expectation whose net difference refers a real discount rate and find an appropriate discount rate.

The actuarial assumptions considered in the calculation of the provision for employment termination benefits are as follows:

	31 March 2021	31 December 2021
Annual Net Discount Rate (%)	4,35	4,15
Turnover Rate to Estimate the Probability of Retirement (%)	5,10	4,91

The provision calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees is recognised to the consolidated financial statements.

Movements of the provision for employee termination benefit during the period are as follows:

	31 March 2022	31 March 2021
Opening Balance	47.235.042	32.134.270
Interest Cost	506.391	328.625
Gain/(Loss) on Remeasurement of Defined Benefit Plans	(86.531)	(1.337.984)
Paid Within the Period	(1.925.082)	(345.039)
Service Cost	2.639.760	2.470.844
Closing Balance	**48.369.580**	**33.250.716**

NOTE 16- OTHER ASSETS AND LIABILITIES

a) Prepaid Expenses

	31 March 2022	31 December 2021
Advances Given For Inventory Purchase	281.123.530	32.816.898
Prepaid Extended Warranty Expenses	2.498.197	2.605.512
Prepaid Insurance Expenses	3.943.459	238.763
Prepaid Subscription Expenses	183.198	205.682
Prepaid Advertisement Expenses	472.065	-
Prepaid Maintenance Expenses	214.894	369.619
Prepaid Other Expenses	26.690.052	1.025.527
Total	**315.125.395**	**37.262.001**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 16- OTHER ASSETS AND LIABILITIES (cont'd)

b) Other Current Assets

	31 March 2022	31 December 2021
Deferred VAT	76.993.029	18.617.567
Other Current Assets	1.938.044	4.609.154
Total	**78.931.073**	**23.226.721**

c) Prepaid Expenses (Long-Term)

	31 March 2022	31 December 2021
Prepaid Extended Warranty Expenses	1.761.838	2.296.978
Prepaid Expenses	1.029.059	1.063.081
Total	**2.790.897**	**3.360.059**

d) Deferred Income (Short-Term)

	31 March 2022	31 December 2021
Alınan Sipariş Avansları	44.856.853	20.225.035
Gelecek Aylara Ait Gelirler	2.029.929	1.421.577
Total	**46.886.782**	**21.646.612**

e) Liabilities Arising from Contracts with Customers (Short-Term)

	31 March 2022	31 December 2021
Deferred Maintenance and Repair Income	9.862.115	10.863.604
Total	**9.862.115**	**10.863.604**

f) Deferred Income (Long-Term)

	31 March 2022	31 December 2021
Order Advances Received	3.368.213	3.368.213
Deferred Income	1.830.100	2.018.062
Total	**5.198.313**	**5.386.275**

g) Liabilities Arising from Contracts with Customers (Short-Term)

	31 March 2022	31 December 2021
Deferred Maintenance and Repair Income	27.094.649	35.813.919
Total	**27.094.649**	**35.813.919**

NOTE 17- SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Capital / Elimination Adjustments

As of 31 March 2022, the share capital of the Company is TL 84.000.000 (31 December 2021: TL 84.000.000).

This share capital is divided into 8.400.000.000 in total, including 4.515.314.511 A Group registered shares, 2.498.204.373 B Group registered shares, 1.386.481.116 C Group bearer's shares, each with nominal value of 1 (one) Kr. The distribution of this share capital on the basis of share group is as follows:

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 17- SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)

a) Capital / Elimination Adjustments (cont'd)

31 March 2022

Shareholders	Group A	Group B	Group C	Total Share Amount	Share (%)
AG Anadolu Grubu Holding A.Ş.	44.844.772	-	1.690.629	46.535.401	**55,40**
Isuzu Motors Ltd.	-	14.275.509	-	14.275.509	**16,99**
Itochu Corporation Tokyo	-	7.948.322	-	7.948.322	**9,46**
Itochu Corporation İstanbul	-	2.758.212	-	2.758.212	**3,28**
Other	308.373	-	12.174.183	12.482.556	**14,87**
Total	**45.153.145**	**24.982.043**	**13.864.812**	**84.000.000**	**100,00**

31 December 2021

Shareholders	Group A	Group B	Group C	Total Share Amount	Share (%)
AG Anadolu Grubu Holding A.Ş.	44.844.772	-	1.690.629	46.535.401	**55,40**
Isuzu Motors Ltd.	-	14.275.509	-	14.275.509	**16,99**
Itochu Corporation Tokyo	-	7.948.322	-	7.948.322	**9,46**
Itochu Corporation İstanbul	-	2.758.212	-	2.758.212	**3,28**
Other	308.373	-	12.174.183	12.482.556	**14,87**
Total	**45.153.145**	**24.982.043**	**13.864.812**	**84.000.000**	**100,00**

b) Privileges Granted to the Share Groups

The Company is directed by the fourteen members of the Board of Directors elected among shareholders by General Assembly in accordance with the regulations of Turkish Commercial Code.

Four members of the Board of Directors are elected from the candidates nominated by the shareholders of Group B, the eight members of the Board of Directors are elected from the candidates nominated by the shareholders of Group A and Two members are elected by the General Assembly from among the candidates to be nominated as independent board members.

Equity	31 March 2022	31 December 2021
Paid-in Capital	84.000.000	84.000.000
Capital Inflation Adjustment Difference	30.149.426	30.149.426
Restricted Reserves Appropriated from profit	23.784.678	23.784.678
Previous Year Profits	244.459.551	33.032.805
Gain / (Loss) on Revaluation and Measurement	1.022.267.501	1.022.267.501
(Losses) on Remeasurement of Defined Benefit Plans	(12.321.061)	(12.390.286)
Net Profit / (Loss) for The Period	105.188.030	211.426.746
Shareholders' Equity Attributable to Equity Holders of the Group	**1.497.528.125**	**1.392.270.870**
Total Shareholders' Equity	**1.497.528.125**	**1.392.270.870**

c) Restricted Reserves Appropriated from Profit

Restricted reserves appropriated from profit are comprised of legal reserves and other reserves

Restricted Reserves Appropriated from Profit	31 March 2022	31 December 2021
Legal Reserves	23.784.678	23.784.678
Total	**23.784.678**	**23.784.678**

According to the provisions of the Turkish Commercial Code, legal reserves consist of primary and secondary legal reserves. The first legal reserves are allocated at the rate of 5% of the legal period profit until it reaches 20% of the historical or registered Company capital. Secondary legal reserves are allocated at the rate of 10% of all dividend distributions exceeding 5% of the Company's capital. According to the Turkish Commercial Code, first and second legal reserves cannot be distributed unless they exceed 50% of the total capital. They can only be used to compensate the losses in case the voluntary reserves are exhausted.

Retained earnings is comprised of extraordinary reserves, miscellaneous inflation differences and other prior years' income.

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 17- SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)

d) Retained Earnings/Losses

The Group's prior years' income details as of period ends are as follows:

Retained Earnings/Losses	31 March 2022	31 December 2021
Extraordinary Reserves	153.577.593	153.577.593
Legal Reserves Inflation Difference	24.820.489	24.820.489
Retained Earnings / (Losses)	66.061.469	(145.365.277)
Total	**244.459.551**	**33.032.805**

Quoted companies make profit distributions as follows:

If the amount of profit distributions calculated in accordance with the net distributable profit requirements of the CMB does not exceed the statutory net distributable profit, the total amount of distributable profit should be distributed. However, no profit distribution would be made if any financial statements prepared in accordance with the CMB or any statutory accounts carrying net loss for the period. In accordance with the CMB's decision dated 27 January 2010, it is decided not to bring any obligation for any minimum profit distribution about dividend distribution which will be made for publicly owned companies.

Inflation adjustment on Equity; the carrying amount of extraordinary reserves could have been utilised in issuing bonus shares, cash dividend distribution and offsetting accumulated losses. However, equity inflation adjustment differences will be liable to corporate tax if it is used in cash profit distribution.

Group's retained earnings is TL 244.459.551 based on the financial statements prepared in according with TAS/TFRS Financial Reporting Standard for the period ended 31 March 2022 (31 December 2021: TL 33.082.805).

In accordance with the Communiqué No:XI-29 and related announcements of TAS/TFRS, effective from 1 January 2008, "Share Capital", "Restricted Reserves" and "Share Premiums" shall be carried at their statutory amount. The valuation differences (such as differences from inflation adjustment) shall be classified as follows:

- "the difference arising from the "Paid-in Capital" and not been transferred to capital yet, shall be classified under the "Capital Adjustment to Share Capital";

- the difference due to the inflation adjustment of "Restricted Reserves" and "Share Premium" and the amount has not been utilised in dividend distribution or capital increase yet, shall be classified under "Retained Earnings". Other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards.

NOTE 18- REVENUE AND COST OF SALES

	1 January- 31 March 2022	1 January- 31 March 2021
Domestic Sales	599.244.585	329.293.980
Foreign Sales	359.223.430	70.228.838
Other Income	4.510.884	2.696.128
Sales Total (Gross)	**962.978.899**	**402.218.946**
Sales Discounts (-)	(29.325.084)	(19.918.007)
Sales (Net)	**933.653.815**	**382.300.939**
Cost of Sales	**(675.068.904)**	**(300.832.016)**
Gross Operating Profit	**258.584.911**	**81.468.923**

Cost of sales are summarised as follows;

Cost of Sales	1 January- 31 March 2022	1 January- 31 March 2021
Raw Materials and Supplies Expenses	(595.556.922)	(210.260.851)
Direct Labor Expenses	(30.119.709)	(12.347.842)
Depreciation and Amortization Expenses	(13.538.426)	(9.476.731)
Other Production Costs	(11.408.519)	(5.260.551)
Total Cost of Production	**(650.623.576)**	**(237.345.975)**
Change in Goods Inventory	93.013.236	24.931.120
Cost of Trade Goods Sold	(117.449.414)	(87.914.968)
Cost of Other Sales	(9.150)	(502.193)
Cost of Sales	**(675.068.904)**	**(300.832.016)**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 19- OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other Income from Operating Activities:	**1 January-31 March 2022**	**1 January-31 March 2021**
Foreign Exchange Income on Trade Receivables and Payables	11.415.578	15.007.471
Sale Support Income	5.319.381	2.349.566
Service Income	83.324	11.856
Export D.F.I.F Support	543.002	406.095
Delay Interest Income	151.191	562.718
Discount Income on Trade Payables	2.157.602	503.840
Incentive Income	-	181.429
Rent Income	135.333	194.045
Tubitak R&D Incentive	54.260	-
Provisions no longer required	-	6.486
Other Income	3.442.619	2.589.453
Total	**23.302.290**	**21.812.959**

Other Expense from Operating Activities:	**1 January-31 March 2022**	**1 January-31 March 2021**
Foreign Exchange Expense on Trade Receivables and Payables	(53.884.403)	(27.520.377)
Lawsuit Provisions	(3.428.101)	(332.000)
Discount Income on Trade Receivables	(513.318)	(267.461)
Other Expenses	(666.514)	(175.094)
Total	**(58.492.336)**	**(28.294.932)**

NOTE 20- FINANCE INCOME AND EXPENSES

Finance Income:	**1 January-31 March 2022**	**1 January-31 March 2021**
Foreign Exchange Gain	97.726.164	17.822.819
Income from Derivative Transactions	-	28.175.007
Interest Income	6.726.706	4.206.790
Total	**104.452.870**	**50.204.616**

Finance Expenses:	**1 January-31 March 2022**	**1 January-31 March 2021**
Foreign Exchange Losses	(85.290.704)	(51.366.721)
Interest Expense	(31.393.512)	(12.716.241)
Expense from Derivative Transactions	(4.611.586)	(655.251)
Letter of Guarantee Expenses	(1.141.411)	-
Forward Purchase Expense	(589.770)	(189.005)
Other Finance Expenses	(9.949.727)	(1.835.638)
Total	**(132.976.710)**	**(66.762.856)**

NOTE 21- TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

i) Provision for Current Period Tax

The Group is subjected to Corporate Tax in Turkey. Necessary provisions in supplementary financial statements have been made for estimated tax liabilities regarding Group's operations in the current period.

The corporate tax to be accrued over the taxable profit is calculated by adding non-deductible expenses to the accounting profit; deducting investment and research and development allowances, income that is not subjected to taxation and the dividends received, from companies located in Turkey, from the accounting profit.

Consolidation principle is not utilized to prepare financial statements related to tax that is effective in Turkey.

The effective tax rate in 2022 is 23% (2021: 22%).

Tax losses can be carried forward to offset against future taxable income for up to five years. However, tax losses cannot be carried back to offset profits from previous periods.

According to Corporate Tax Law's 24th article, the corporate tax is imposed by the taxpayer's tax returns. There is not an exact mutual agreement procedure with Tax Authorities in Turkey. Annual corporate tax returns are submitted to the relating tax offices until the 25th of April in the following year. Tax authorities have the right to audit tax declarations and accounting records for 5 years and may issue re-assessment based on their findings.

Income Withholding Tax:

In addition to corporate tax, companies should also calculate income withholding tax on any dividends and income distributed. The rate of income tax withholding is 15%.

ii) Deferred Tax

The deferred tax asset and tax liability are based on the temporary differences, which arise between the financial statements prepared according to TAS/TFRS's accounting standards and statutory tax financial statements. These differences are usually due to the recognition of revenue and expenses in different reporting periods for the TAS/TFRS standards and tax purposes.

Timing differences are result of recognizing certain income and expense items differently for accounting and tax purposes. Timing differences are calculated off of the tangible fixed assets (except land and buildings), intangible fixed assets, stocks, the revaluation of prepaid expenses, discount of receivables, provision for termination indemnities, and previous years' loss. Every accounting year, the Group reviews the deferred tax asset and liabilities, where the deferred tax assets cannot be used against the future taxable income, the Group writes-off the recorded deferred tax asset.

The Group realizes fixed asset investments with incentives within the scope of the "Council of Ministers Decisions on State Aids in Investments" numbered 2009/15199 and 2012/3305, which regulates the investment legislation.

The Group realizes fixed asset investments with incentives within the scope of the "Council of Ministers Decisions on State Aids in Investments" numbered 2009/15199 and 2012/3305, which regulates the investment legislation.

The investment projects in which the Group has completed the investment process and continue to benefit from the deserved investment contribution amounts are as follows;

Within the scope of the incentive certificate numbered 5487, TL 51.670.512 was spent. The contribution rate to the investment is 20%.

The investment projects that the Group continues to invest in and continue to benefit from the investment contribution amounts are as follows;

Within the scope of the incentive certificate numbered 129788, TL 13.666.518 was spent. The contribution rate to the investment is 45%.

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 21- TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

ii) Deferred Tax (cont'd)

	31 March 2022		31 December 2021	
	Cumulative Temporary Differences	Deferred Tax Assetes/(Liabilities)	Cumulative Temporary Differences	Deferred Tax Assetes/(Liabilities)
Inventories	709.963	141.993	1.115.794	223.159
Fixed Assets (Net)	(1.223.331.956)	(151.274.891)	(1.224.500.986)	(151.508.697)
Provision for Employment Termination Benefits	48.369.580	9.673.916	47.235.042	9.447.008
Guarantee Provisions	33.466.586	6.693.317	21.418.335	4.283.667
R&D Discount and Investment Incentive	880.034.931	144.053.959	709.834.782	116.328.010
Derivative Instruments	(49.035.267)	(11.278.111)	(102.675.578)	(23.615.383)
Rediscount Expenses/Income (Net)	(1.651.413)	(379.825)	(7.129)	(1.640)
TFRS 15 Revenue from Contracts with Customers	(43.671.567)	(10.044.460)	(11.979.340)	(2.755.248)
Employee Benefits	11.096.295	2.552.148	3.205.155	737.186
Extended Warranty Income	36.956.764	7.391.353	46.677.523	9.335.505
Dealer Premium Provisions	30.209.298	6.948.139	29.299.728	6.738.937
Lawsuit Provisions	11.971.392	2.394.278	8.543.291	1.708.658
Other (Net)	(17.071.593)	(4.089.752)	1.196.807	175.338
Total		**2.782.064**		**(28.903.500)**
Provision for Deferred Tax		(13.945.954)		(16.945.954)
Total		**(11.163.890)**		**(45.849.454)**

NOTE 22 - EARNINGS / (LOSS) PER SHARE

	1 January-31 March 2022	1 January-31 March 2021
Net Profit / (Loss) for The Period	105.188.030	7.601.669
Weighted Average Number of Shares with Nominal Value of 1 Piaster	8.400.000.000	8.400.000.000
Income Per 100 Share with Nominal Value of TL 1 Each	**1,2522**	**0,0905**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 23- RELATED PARTY DISCLOSURES

a) Related Party Payable and Receivable Balances:

Group's receivables from related parties are mainly due to trade goods, service sales and rent income. Group's payables to related parties are mainly due to raw material, service purchases and rent expenses.

The Group does not charge interest on its trade receivables from related parties.

31 March 2022	**Receivables**		**Payables**	
Related Parties	**Trade**	**Non-Trade**	**Trade**	**Non-Trade**
Itochu Corporation Tokyo	32.275	-	733.741.167	-
Isuzu Motors Ltd. Tokyo	1.006.167	-	383.761	-
Çelik Motor Ticaret A.Ş.	281.174	-	-	-
Anadolu Motor Üretim ve Paz. A.Ş.	679.513	-	-	-
Isuzu Motors Europe NV	204.146	-	-	-
AEH Sigorta Acenteliği A.Ş.	-	-	1.954.224	-
Oyex-Handels Gmbh	146.721.582	-	-	-
Isuzu Motors Co. Thailand Ltd.	-	-	28.936	-
AG Anadolu Grubu Holding A.Ş.	-	-	14.682	-
Migros Ticaret A.Ş.	-	-	884.482	-
Adel Kalemcilik Tic. ve San. A.Ş.	-	-	1.537	-
Anadolu Efes Spor Kulübü	-	-	1.881	-
Payables to Shareholders (*)	-	-	-	9.109
Isuzu Motors International Operation Thailand	38.574	-	-	-
Total	**148.963.431**	**-**	**737.010.670**	**9.109**

(*) Non-Trade Payables to Shareholders balance is classified under other payables in balance sheet.

31 December 2021	**Receivables**		**Payables**	
Related Parties	**Trade**	**Non-Trade**	**Trade**	**Non-Trade**
Itochu Corporation Tokyo	29.390	-	632.126.548	-
Isuzu Motors Ltd. Tokyo	1.464.103	-	6.187.633	-
Çelik Motor Ticaret A.Ş.	616.018	-	-	-
Anadolu Motor Üretim ve Paz. A.Ş.	870.795	-	-	-
Isuzu Motors Europe NV	98.421	-	-	-
Türkiye'nin Otomobil Girişimi Grubu	168.740	-	-	-
AEH Sigorta Acenteliği A.Ş.	-	-	345.049	-
Oyex-Handels Gmbh	295.146.200	-	-	-
AG Anadolu Grubu Holding A.Ş.	-	-	458.729	-
Migros Ticaret A.Ş.	-	-	699.303	-
Adel Kalemcilik Tic. ve San. A.Ş.	-	-	19.394	-
Payables to Shareholders (*)	-	-	-	9.109
Total	**298.393.667**	**-**	**639.836.656**	**9.109**

(*) Non-Trade Payables to Shareholders balance is classified under other payables in balance sheet.

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 23- RELATED PARTY DISCLOSURES (cont'd)

b) Related Party Transactions:

1 January-31 March 2022

Sales to Related Parties	Goods and Services Sales	Fixed Assets Sales	Other Income	Total Income/ Sales
Isuzu Motors Ltd. Tokyo	11.143.059	-	-	**11.143.059**
Itochu Corporation Tokyo	1.613.226	-	-	**1.613.226**
Çelik Motor Ticaret A.Ş.	913.982	-	-	**913.982**
Anadolu Motor Üretim ve Paz. A.Ş.	854.471	-	-	**854.471**
Isuzu Motors International Operation Thailand	682.015	-	-	**682.015**
Isuzu Motors Europe NV	252.635	-	-	**252.635**
Oyex-Handels Gmbh	19.747.109	-	-	**19.747.109**
Total	**35.206.497**	**-**	**-**	**35.206.497**

1 January-31 March 2021

Sales to Related Parties	Goods and Services Sales	Fixed Assets Sales	Other Income	Total Income/ Sales
Isuzu Motors Ltd. Tokyo	7.616.377	-	-	**7.616.377**
Itochu Corporation Tokyo	2.832.481	-	-	**2.832.481**
Çelik Motor Ticaret A.Ş.	1.326.151	-	-	**1.326.151**
Anadolu Motor Üretim ve Paz. A.Ş.	1.243.801	-	-	**1.243.801**
Isuzu Motors International Operation Thailand	263.340	-	-	**263.340**
AEH Sigorta Acenteligi A.S.	90.000	-	-	**90.000**
Isuzu Motors Europe NV	59.791	-	-	**59.791**
AG Anadolu Grubu Holding A.Ş.	-	212	-	**212**
Total	**13.431.941**	**212**	**-**	**13.432.153**

1 January-31 March 2022

Purchases from Related Parties	Goods and Services Purchases	Fixed Assets Purchases	Other Income	Total Expense/ Purchases
Itochu Corporation Tokyo	307.275.290	-	-	**307.275.290**
Isuzu Motors International Operation Thailand	66.651.858	-	-	**66.651.858**
AG Anadolu Grubu Holding A.Ş.	3.648.477	-	-	**3.648.477**
Isuzu Motors Ltd. Tokyo	-	-	10.380.614	**10.380.614**
Çelik Motor Ticaret A.Ş.	75.509	-	-	**75.509**
Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	4.008.729	-	-	**4.008.729**
Adel Kalemcilik Tic. ve San. A.Ş.	1.851	-	-	**1.851**
Anadolu Bilişim Hizmetleri A.Ş.	1.593	-	-	**1.593**
Migros Ticaret A.Ş.	605.788	-	-	**605.788**
Anadolu Motor Üretim ve Paz. A.Ş.	17.845	-	-	**17.845**
Total	**382.286.940**	**-**	**10.380.614**	**392.667.554**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 23- RELATED PARTY DISCLOSURES (cont'd)
b) Related Party Transactions: (cont'd)

1 January-31 March 2021

Purchases from Related Parties	Goods and Services Purchases	Fixed Assets Purchases	Other Income	Total Expense/ Purchases
Itochu Corporation Tokyo	128.424.214	-	-	**128.424.214**
Isuzu Motors International Operation Thailand	57.304.392	-	-	**57.304.392**
AG Anadolu Grubu Holding A.Ş.	2.514.428	-	-	**2.514.428**
Isuzu Motors Ltd. Tokyo	417.019	-	-	**417.019**
Efestur Turizm İşletmeleri A.Ş.	156.482	-	-	**156.482**
Çelik Motor Ticaret A.Ş.	64.614	-	-	**64.614**
Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	5.161	-	-	**5.161**
Adel Kalemcilik Tic. ve San. A.Ş.	4.481	-	-	**4.481**
Anadolu Bilişim Hizmetleri A.Ş.	743	-	-	**743**
Migros Ticaret A.Ş.	315	-	-	**315**
Total	**188.891.849**	**-**	**-**	**188.891.849**

c) Donations to Anadolu Eğitim ve Sosyal Yardım Vakfı:

As per the Main Articles of Association of the Group, at least 2% - 5% of the Group's profit before tax following the distribution of 1st dividend shall be donated to Anadolu Eğitim ve Sosyal Yardım Vakfı as long as it is subject to tax exemption. Donation was not made to Anadolu Eğitim ve Sosyal Yardım Vakfı by the Group in 2021 (Donation was not made in 2021).

d) Benefits to Top Management:

	1 January-31 March 2022	1 Jnuary-31 March 2021
Salaries and Other Short-Term Liabilities	4.565.563	4.001.690
Total	**4.565.563**	**4.001.690**

The benefits provided to top management (General managers and Directors) include salaries, bonuses, premiums, and the employer's share of social security..

NOTE 24- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

(a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing its profit and market value through the optimization of the debt and equity balance.

The Group's equity comprised of cash and cash equivalents in Note 4 and equity items in Note 18.

Risks, associated with each capital class, and the capital cost are evaluated by the top management. It is aimed that the capital structure will be set in balance by means of new borrowings or repaying the existing debts as well as dividend payments and new share issuances based on the top management evaluations.

The Group monitors capital by using debt to total capital ratio. This ratio is calculated by dividing the net debt by total capital. The net debt is calculated by excluding the cash and cash equivalent amounts from the total debt amount (including credits, leasing and commercial debts as indicated in the balance sheet).
.

	31 March 2022	31 December 2021
Net Debt	1.754.901.393	1.304.949.188
Total Equity	1.497.528.125	1.392.270.870
Net Debt/Total Equity	**1,17**	**0,94**

General strategy of the Group based on shareholders' equity is not different from previous periods.

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 24- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

(a) Capital risk management (cont'd)

The Group conducts hedging contracts (including derivative financial instruments) for the purpose of diversifying foreign currency fluctuation risks.

(b) Price risk

The Group has no financial assets that will expose it to price risk.

(c) Market risk

The Group is subject to the financial risks related to the changes in the exchange rate (Please see (d) below) and interest rate (Please see (e) below) due to its operations and other (Please see (f) below). Also due to having financial instruments, the Group also bears the risk of other parties not meeting the requirements of agreements (Please see (g) below).

Market risks seen at the level of the Group are measured in accordance with sensitivity analyses.

The market risk of the Group incurred during the current year or the method of handling the encountered risks or the method of measuring those risks are not different from the previous year.

(d) Foreign exchange risk management

Foreign currency transactions may result in foreign currency risk.

The Group maintains foreign currency time deposit accounts in banks as the Group has receivables and payables in foreign currencies. As a consequence, the Group is exposed to foreign currency exchange risk due to the changes in exchange rates used for converting assets and liabilities into TL. Foreign exchange risk arises from future trade operations and the differences between assets and liabilities.

Foreign Currency Position Sensitivity Analysis

31 March 2022

	Profit / Loss	
	Appreciation of Foreign Currency	**Appreciation of Foreign Currency**
In case of US Dollar increases / decreases in 10% against TL;		
1 - USD denominated net asset / (liability)	2.967.523	(2.967.523)
2- USD denominated hedging instruments (-)	-	-
3- Net Effect of US Dollar (1 +2)	**2.967.523**	**(2.967.523)**
In case of Euro increases / decreases in 10% against TL;		
4- EURO denominated net asset / (liability)	34.688.654	(34.688.654)
5- EURO denominated hedging instruments (-)	-	-
6- Net Effect of Euro (4+5)	**34.688.654**	**(34.688.654)**
Increase / decrease in other foreign currencies by 10%:		
7- Other foreign currency denominated net asset / (liability	(40.373.062)	40.373.062
8- Other foreign currency hedging instruments (-)	-	-
9- Net Effect of Other Exchange Rates (4+5)	**(40.373.062)**	**40.373.062**
TOTAL (3+6+9)	**(2.716.885)**	**2.716.885**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 24- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

(d) Foreign exchange risk management (cont'd)

Foreign Currency Position Sensitivity Analysis

31 December 2021

	Profit / Loss	
	Appreciation of Foreign Currency	**Appreciation of Foreign Currency**
In case of US Dollar increases / decreases in 10% against TL;		
1 - USD denominated net asset / (liability)	11.580.398	(11.580.398)
2- USD denominated hedging instruments (-)	-	-
3- Net Effect of US Dollar (1 +2)	**11.580.398**	**(11.580.398)**
In case of Euro increases / decreases in 10% against TL;		
4- EURO denominated net asset / (liability)	29.921.799	(29.921.799)
5- EURO denominated hedging instruments (-)	-	-
6- Net Effect of Euro (4+5)	**29.921.799**	**(29.921.799)**
Increase / decrease in other foreign currencies by 10%:		
7- Other foreign currency denominated net asset / (liability	(21.320.018)	21.320.018
8- Other foreign currency hedging instruments (-)	-	-
9- Net Effect of Other Exchange Rates (4+5)	**(21.320.018)**	**21.320.018**
TOTAL (3+6+9)	**20.182.179**	**(20.182.179)**

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 24- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

(d) Foreign exchange risk management (cont'd)

Statement of Foreign Currency Position

	31 March 2022					**31 December 2021**				
	TL Amount	**US Dollars**	**Euro**	**Yen**	**Other**	**TL Amount**	**US Dollars**	**Euro**	**Yen**	**Other**
1. Trade Receivables	413.973.892	107.106	25.201.295	-	608.059	143.550.178	778.569	15.280.747	-	187.651
2a. Monetary Financial Assets	551.967.933	5.496.439	28.500.610	61.112.685	2.150	95.127.190	46.866	9.790.905	90.643.367	158.343
2b. Non-monetary Financial Assets	-	-	-	-	-	-	-	-	-	-
3. Other	-	-	-	-	-	-	-	-	-	-
4. Current Assets (1+2+3)	**965.941.825**	**5.603.545**	**53.701.905**	**61.112.685**	**610.209**	**238.677.368**	**825.435**	**25.071.652**	**90.643.367**	**345.994**
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)	**965.941.825**	**5.603.545**	**53.701.905**	**61.112.685**	**610.209**	**238.677.368**	**825.435**	**25.071.652**	**90.643.367**	**345.994**
10. Trade Payables	866.100.475	3.576.147	24.695.557	3.432.143.182	1.295	343.852.238	1.293.214	24.346.634	1.621.984.444	-
11. Financial Liabilities	61.516.066	-	3.777.352	-	-	2.465.417	-	273.695	-	-
12a. Monetary Other Liabilities	115.888	-	-	966.449	-	4.433.699	8.326	80.057	51.479.439	-
12b. Non-Monetary Other Liabilities	28.752.018	-	1.765.498	-	-	5.099.075	-	566.067	-	-
13. Current Liabilities (10+11+12)	**956.484.447**	**3.576.147**	**30.238.407**	**3.433.109.631**	**1.295**	**355.850.429**	**1.301.540**	**25.266.453**	**1.673.463.883**	**-**
14. Trade Payable	-	-	-	-	-	-	-	-	-	-
15. Financial Liabilities	312.081.756	-	19.163.167	-	-	158.393.788	-	17.583.875	-	-
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-	-	-
17. Non-current Liabilities (14+15+16)	**312.081.756**	**-**	**19.163.167**	**-**	**-**	**158.393.788**	**-**	**17.583.875**	**-**	**-**
18. Total Liabilities (13+17)	**1.268.566.203**	**3.576.147**	**49.401.574**	**3.433.109.631**	**1.295**	**514.244.217**	**1.301.540**	**42.850.328**	**1.673.463.883**	**-**
19. Off-balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b)	**276.853.500**	**-**	**17.000.000**	**-**	**-**	**341.841.706**	**3.005.416**	**35.500.000**	**-**	**-**
19.a. Total Amount of Hedged Assets	-	-	-	-	-	-	-	-	-	-
19.b. Total Amount of Hedged Liabilities	(276.853.500)	-	(17.000.000)	-	-	(341.841.706)	(3.005.416)	(35.500.000)	-	-
20.Net Foreign Currency Assets/(Liabilities) Position (9-18+19)	**(25.770.878)**	**2.027.398**	**21.300.331**	**(3.371.996.946)**	**608.914**	**66.274.857**	**2.529.311**	**17.721.324**	**(1.582.820.516)**	**345.994**
21.Monetary Items Net Foreign Currency Assets / (Liabilities) (1+2a+5+6a-10-11-12a-14-15-16a)	**(273.872.360)**	**2.027.398**	**6.065.829**	**(3.371.996.946)**	**608.914**	**(270.467.774)**	**(476.105)**	**(17.212.609)**	**(1.582.820.516)**	**345.994**
22. Fair Value of Financial Instruments Used for Currency Hedge	**-**	**-**	**-**	**-**	**-**	**10.758**	**-**	**1.194**	**-**	**-**
23. Hedged Foreign Currency Assets	**(276.853.500)**	**-**	**(17.000.000)**	**-**	**-**	**(341.841.706)**	**-**	**(35.500.000)**	**-**	**-**
24. Hedged Foreign Currency Liabilities	**-**	**-**	**-**	**-**	**-**	**22.061.256**	**-**	**-**	**-**	**-**
25. Export	**359.223.430**	**-**	**-**	**-**	**-**	**425.926.312**	**-**	**-**	**-**	**-**
26. Import	**375.480.680**	**-**	**-**	**-**	**-**	**583.653.526**	**-**	**-**	**-**	**-**

Derivative contracts that explained in Note 7 and with nominal amount of JPY 3.797.935.347 are done for Euro risks and they aren't included into the foreign exchange risk.

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 24- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

(e) Interest rate risk management

The Group is exposed to interest rate risk due to variable and fixed interest rates. Group's financial liabilities and assets with fixed and variable interest rates (guarantee etc.) are respectively shown at Note 5.

As of 31 March 2022, if the market interest rate had increased/decreased by 100 basis point with all other variables held constant, period income before tax and consolidated equity of participations of the Group would have been higher/lower by TL 2.131.113 (31 December 2021: higher/lower by TL 3.013.353).

(f) Funding risk 2

The ability to fund the existing and prospective debt requirements is managed as necessary by obtaining adequate committed funding lines from high quality lenders.

(g) Credit risk management

Holding financial instruments also carries the risk of the other party's not meeting the requirements of the agreement. The Group's collection risk is mainly derived from trade receivables.

Trade receivables are evaluated by the management of the Group depending on their past experiences and current economic conditions and are presented in financial statements when necessary allowances for doubtful receivables are provided.

Impairment analysis on trade receivables is made over the ageing table and though assessing the management's best estimates.

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

Derivative Financial Instruments

In order to hedge these risks, the Group enters into forward foreign currency transaction agreements as a financial instrument where necessary.

As of 31 March 2022, the Group's foreign currency transaction agreement, which is a derivative financial instrument, is as follows

Financial assets carried at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative assets (Note 7)	-	66.823.623	-	66.823.623
Total	**-**	**66.823.623**	**-**	**66.823.623**

Financial liabilities carried at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative liabilities (Note 7)	-	17.788.356	-	17.788.356
Total	**-**	**17.788.356**	**-**	**17.788.356**

As of 31 December 2022, the Group's foreign currency transaction agreement, which is a derivative financial instrument, is as follows

Financial assets carried at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative assets (Note 7)	-	105.351.238	-	105.351.238
Total	**-**	**105.351.238**	**-**	**105.351.238**

Financial liabilities carried at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative liabilities (Note 7)	-	2.675.660	-	2.675.660
Total	**-**	**2.675.660**	**-**	**2.675.660**

NOTE 25- EVENTS AFTER REPORTING PERIOD

None.