

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

**Interim Condensed Consolidated Financial Statements
As of June 30, 2024**

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



**CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT
AUDITOR'S REVIEW REPORT ORIGINALLY ISSUED IN TURKISH**

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

To the General Assembly of Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. (the “Company”) and its subsidiaries (collectively referred as the “Group”) as at 30 June 2024 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended. The management of the Group is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with Turkish Accounting Standard 34 (“TAS 34”) “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements (“SRE”) 2410, “Review of interim financial information performed by the independent auditor of the entity”. A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the consolidated financial statements. Consequently, a review on the interim condensed consolidated financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit.

Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to conclude that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with TAS 34.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Salim Alyanak, SMMM
Independent Auditor

Istanbul, 19 August 2024

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**ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 30 JUNE 2024 AND 31 DECEMBER 2023**

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(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of June 30, 2024, unless otherwise stated)

	Notes	Reviewed Current Period	Audited Prior Period
		30 June 2024	31 December 2023
ASSETS			
Current Assets		11.359.653.112	13.883.455.012
Cash and Cash Equivalents	4	637.989.288	4.571.398.152
Financial Investments	5	483.946.173	-
Trade Receivables		3.681.724.897	3.673.135.020
<i>Trade Receivables from Related Parties</i>	7-23	179.011.190	128.880.738
<i>Trade Receivables from Third Parties</i>	7	3.502.713.707	3.544.254.282
Other Receivables		40.920.117	127.098.115
<i>Other Receivables from Third Parties</i>		40.920.117	127.098.115
Inventories	9	5.309.167.920	4.581.055.143
Derivative Instruments	8	2.554.765	108.279.182
Prepaid Expenses	16	931.656.596	748.705.515
Other Current Assets	16	271.693.356	73.783.885
Non-Current Assets		10.058.813.078	9.905.601.461
Financial Investments	5	16.196.091	18.303.539
Other Receivables		3.642	4.545
<i>Other Receivables from Third Parties</i>		3.642	4.545
Property, Plant and Equipment	10	7.961.265.030	7.977.090.138
Right of Use Assets	12	86.296.279	103.143.127
Intangible Assets		1.992.025.049	1.805.825.795
<i>Goodwill</i>		132.528.256	132.528.256
<i>Other Intangible Assets</i>	11	1.859.496.793	1.673.297.539
Prepaid Expenses	16	3.026.987	1.234.317
TOTAL ASSETS		21.418.466.190	23.789.056.473

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

**ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 30 JUNE 2024 AND 31 DECEMBER 2023**

Page No: 2

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of June 30, 2024, unless otherwise stated)

	Notes	Reviewed Current Period 30 June 2024	Audited Prior Period 31 December 2023
LIABILITIES			
Current Liabilities		9.553.969.670	11.532.218.832
Current Borrowings		2.693.839.432	4.715.592.313
<i>Current Borrowings from Third Parties</i>	6	2.693.839.432	4.715.592.313
<i>Bank Loans</i>	6	2.693.839.432	4.715.592.313
Current Portions of Non-Current Borrowings		1.147.994.955	873.152.124
<i>Current Portions of Non-Current Borrowings from</i>			
<i>Third Parties</i>	6	1.147.994.955	873.152.124
<i>Bank Loans</i>	6	1.111.239.848	814.754.458
<i>Lease Liabilities</i>	6	36.755.107	58.397.666
Trade Payables		4.742.790.492	4.649.749.225
<i>Trade Payables to Related Parties</i>	7-23	1.467.913.076	2.599.347.966
<i>Trade Payables to Third Parties</i>	7	3.274.877.416	2.050.401.259
Other Payables		9.345.294	50.915.453
<i>Other Payables to Related Parties</i>	23	9.109	11.362
<i>Other Payables to Third Parties</i>		9.336.185	50.904.091
Derivative Instruments		96.029.726	41.386.682
Employee Benefits Obligations		104.892.429	120.711.952
Liabilities Arising from Contracts with Customers	16	22.690.957	22.504.063
Deferred Income	16	246.232.991	621.787.609
Provisions for Income Taxes and Other Legal Liabilities		30.198.694	329.723
Current Provisions		459.954.700	436.089.688
<i>Current Provisions for Employee Benefits</i>	15	101.611.311	147.702.429
<i>Other Current Provisions</i>	14	358.343.389	288.387.259
Non-Current Liabilities		1.682.957.067	1.961.087.383
Non-Current Borrowings		611.583.599	950.049.033
<i>Non-Current Borrowings from Third Parties</i>		611.583.599	950.049.033
<i>Bank Loans</i>	6	313.392.535	625.829.975
<i>Lease Liabilities</i>	6	298.191.064	324.219.058
Provisions for employee benefits		27.986.302	31.785.368
Liabilities Arising from Contracts with Customers	16	227.644.368	241.346.842
Deferred Income	16	84.108.937	89.276.602
Non-Current Provisions for Employee Benefits	15	72.780.841	59.635.003
Deferred Tax Liabilities	21	658.853.020	588.994.535
EQUITY		10.181.539.453	10.295.750.258
Equity Attributable to Equity Holders of the Parent	17	10.181.539.453	10.295.750.258
Issued Capital		252.000.000	252.000.000
Adjustments to Share Capital		2.259.156.560	2.259.156.560
Revaluation and Remeasurement Earnings/Losses that will not be Reclassified in Profit or Loss		2.377.542.050	2.377.542.050
<i>Gain on Revaluation of Property, Plant and Equipment</i>		2.450.890.796	2.450.890.796
<i>Gain/Loss on Remeasurement of Defined Benefit Plans</i>		(73.348.746)	(73.348.746)
Restricted Reserves Appropriated from Profits		483.475.522	396.965.745
Prior Years' Profit/Losses		4.398.255.628	2.996.598.497
Current Period Net Profit or Losses		411.109.693	2.013.487.406
TOTAL LIABILITIES		21.418.466.190	23.789.056.473

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

**ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 JUNE 2024 AND 30 JUNE 2023**

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(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of June 30, 2024, unless otherwise stated)

Notes	Reviewed	Reviewed	Not Reviewed	Not Reviewed
	1 January-	1 January-	1 April-	1 April-
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
PROFIT OR LOSS				
Revenue	18	8.664.189.845	9.055.931.361	3.786.288.032
Cost of Sales (-)	18	(7.383.311.405)	(7.269.413.577)	(3.226.569.579)
GROSS PROFIT (LOSS)		1.280.878.440	1.786.517.784	559.718.453
General Administrative Expenses (-)		(352.956.939)	(276.613.989)	(193.095.575)
Marketing Expenses (-)		(570.965.058)	(575.341.707)	(263.328.409)
Research and Development Expenses (-)		(78.309.640)	(64.960.137)	(39.440.033)
Other Income from Operating Activities	19	241.109.164	1.175.074.864	103.601.529
Other Expenses from Operating Activities (-)	19	(274.184.227)	(1.245.625.030)	9.394.927
PROFIT (LOSS) FROM OPERATING ACTIVITIES		245.571.740	799.051.785	176.850.892
Income from Investing Activities		28.638.779	11.920.170	20.221.029
Expense from Investing Activities		-	-	32.438.665
PROFIT/LOSS BEFORE FINANCE EXPENSE		274.210.519	810.971.955	197.071.921
Finance Income	20	516.960.756	805.676.326	100.554.670
Finance Expenses (-)	20	(1.126.428.389)	(1.257.284.132)	(642.839.234)
Monetary Gain/(Loss)		861.032.352	825.926.209	383.137.916
PROFIT FROM CONTINUING OPERATIONS		525.775.238	1.185.290.358	37.925.273
Tax Income/(Expense) From Continuing Operations		(114.665.545)	(133.260.633)	(57.618.584)
Current Tax (Expense) Income		(44.807.060)	(98.674.516)	(15.841.592)
Deferred Tax (Expense) Income		(69.858.485)	(34.586.117)	(41.776.992)
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		411.109.693	1.052.029.725	(19.693.311)
PROFIT (LOSS) FOR THE YEAR	22	411.109.693	1.052.029.725	(19.693.311)
Profit (Loss) for the Year Attributable to:		411.109.693	1.052.029.725	(19.693.311)
Owners of The Parent		411.109.693	1.052.029.725	(19.693.311)
Earnings/(Losses) Per 100 Share from Continuing Operations	22	1,6314	12,5242	(0,0781)
OTHER COMPREHENSIVE INCOME (EXPENSE)		411.109.693	1.052.029.725	(19.693.311)
TOTAL COMPREHENSIVE INCOME (EXPENSE)		411.109.693	1.052.029.725	(19.693.311)
Owners of The Parent		411.109.693	1.052.029.725	(19.693.311)
				531.561.979

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

**ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED 30 JUNE 2024 AND 30 JUNE 2023**

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of June 30,2024, unless otherwise stated)

Prior Period	Notes	Issued Capital	Adjustments to Share Capital	Gain / Loss on Revaluation and Remeasurement That Will Not Be Reclassified to Profit or Loss			Retained Earnings		
				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 2023 (Beginning of the Period)	17	84.000.000	2.217.601.305	1.609.307.340	(87.989.383)	342.448.947	2.639.167.459	978.302.857	7.782.838.525
Total Comprehensive Income (Expense)	-	-	-	-	-	-	-	1.052.029.725	1.052.029.725
Profit for the Period	-	-	-	-	-	-	-	1.052.029.725	1.052.029.725
Dividends	-	-	-	-	-	-	(356.802.867)	-	(356.802.867)
Transfers	-	-	-	-	-	55.466.047	922.836.810	(978.302.857)	-
Balances as of 30 June 2023 (End of the Period)	17	84.000.000	2.217.601.305	1.609.307.340	(87.989.383)	397.914.994	3.205.201.402	1.052.029.725	8.478.065.383
Current Period									
Balances as of 1 January 2024 (Beginning of the Period)	17	252.000.000	2.259.156.560	2.450.890.796	(73.348.746)	396.965.745	2.996.598.497	2.013.487.406	10.295.750.258
Total Comprehensive Income	-	-	-	-	-	-	-	411.109.693	411.109.693
Profit for the Period	-	-	-	-	-	-	-	411.109.693	411.109.693
<i>Other Comprehensive Expense</i>	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	(525.320.498)	-	(525.320.498)
Transfers	-	-	-	-	-	86.509.777	1.926.977.629	(2.013.487.406)	-
Balances as of 30 June 2024 (End of the Period)	17	252.000.000	2.259.156.560	2.450.890.796	(73.348.746)	483.475.522	4.398.255.628	411.109.693	10.181.539.453

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

**ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED 30 JUNE 2024 AND 30 JUNE 2023**

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(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of June 30, 2024, unless otherwise stated)

	Notes	Reviewed 1 January- 30 June 2024	Reviewed 1 January- 30 June 2023
Cash Flows from Operating Activities		(505.132.110)	440.134.035
Current Period Net Profit or Losses	22	411.109.693	1.052.029.725
Adjustments to Reconcile Profit (Loss) for The Year		453.009.714	1.448.236.341
Adjustments Related to Depreciation and Amortization Expenses	10-11-12	330.439.940	254.439.810
Adjustments Related to Provision for Employee Benefits (Released)	15	79.181.678	(15.487.877)
Adjustments Related to Tax (Income) Expense		114.665.545	133.260.633
Adjustments Related to Provisions for Litigations	14	4.271.646	7.190.528
Adjustments Related to Doubtful Receivables	7	-	1.531.779
Adjustments Related to Interest Income	19-20	(393.731.613)	(194.618.303)
Adjustments Related to Interest Expenses	20	916.706.181	366.415.039
Adjustments Related to Unrealized Currency Translation Differences		45.040.843	39.721.902
Adjustments Related to Fair Value Losses (Gains)		147.535.048	(469.287.778)
Provision for Impairment of Inventory	9	-	837.398
Other Adjustments to Profit/(Loss) Reconciliation		(53.543.044)	(73.040.846)
Adjustments Related to Other Provisions (Released)	14	246.930.368	208.668.719
Adjustments Related to Loss (Gain) on Disposal of Property, Plant and Equipment		(15.806.366)	(4.866.418)
Monetary Gain/(Loss)		(968.680.512)	1.193.471.755
Changes in Working Capital		(1.196.472.124)	(1.826.548.494)
Adjustments Related to Decrease (Increase) in Trade Receivables	7	110.884	(1.283.609.548)
Adjustments Related to Decrease (Increase) in Inventories	9	(728.112.777)	(724.071.333)
Adjustments Related to Decrease (Increase) in Other Receivables from Operations		(294.682.554)	(720.608.639)
Adjustments Related to Increase (Decrease) in Trade Payables	7	93.501.124	(1.904.097)
Adjustments Related to Increase (Decrease) in Other Payables from Operations		(258.217.118)	909.051.961
Adjustments Related to Increase (Decrease) in Other Working Capital from Operations		(9.071.683)	(5.406.838)
Cash Flows from Operating Activities		(332.352.717)	673.717.572
Income Tax Returns (Paid)		(14.608.366)	(48.614.938)
Payments Related to Other Provisions	14	(124.059.338)	(68.963.166)
Payments to Provision of Employee Benefits	15	(34.111.689)	(116.005.433)
Cash Flows from Investing Activities		(943.884.566)	(402.601.620)
Proceeds from Sale of Property, Plant and Equipment	10	16.275.357	7.163.419
Payments for Purchase of Property, Plant and Equipment	10	(121.413.168)	(459.498.193)
Payments for Purchase of Intangible Assets	11	(353.277.087)	(263.445.160)
Payments for Goodwill		-	(124.503.295)
Other Cash Outflows		(485.469.668)	437.681.609
Cash Flows from Financing Activities		(1.771.346.264)	951.442.920
Dividends Paid		(525.320.498)	(356.802.867)
Interest Received		483.456.951	199.640.639
Interest Paid	6	(911.233.668)	(503.430.048)
Proceeds from Loans	6	2.411.767.899	5.403.104.503
Cash Outflows from Repayment of Loans	6	(3.228.868.723)	(3.778.858.851)
Cash Outflows Related to Debt Payments Arising from Lease Agreements	6	(1.148.225)	(12.210.456)
Effect of Monetary Loss/Gain on Cash and Cash Equivalents		(622.537.378)	(1.464.018.175)
Net Increase (Decrease) in Cash and Cash Equivalents		(3.842.900.318)	(475.042.840)
Cash and Cash Equivalents at The Beginning of The Year		4.479.184.218	3.022.062.240
Cash and Cash Equivalents at The End of The Year	4	636.283.900	2.547.019.400

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

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 30 June 2024 is 1.265 (31 December 2023: 1.083).

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 company is controlled by AG Anadolu Grubu Holding A.Ş., the parent company. AG Anadolu Grubu Holding A.Ş. is controlled by AG Sinai Yatırım ve Yönetim A.Ş. and AG Sinai Yatırım ve Yönetim A.Ş. is a management company, which is ultimately managed by the Özilhan Family and Süleyman Kamil Yazıcı Family in accordance with equal representation and equal management principle and manages AG Anadolu Grubu Holding A.Ş.'s companies.

As of 30 June 2024 and 31 December 2023, details about the company's subsidiary, which is subject to consolidation, is below:

Company Name	Principal Activity	Capital	30 June 2024	31 December 2023
			Participation Rate (%)	Participation Rate (%)
Ant Sinai 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 – 30 June 2024 approved by the Board of Directors on 19 August 2024 and signed by Independent Member of the Board of Director Barış TAN (Audit Committee Chairman) and Münür Yavuz (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 TRY 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

The condensed consolidated interim financial statements have been prepared in accordance with the Communiqué Serial II, No: 14.1 "Communiqué on the Principles of Financial Reporting in Capital Markets" (the Communiqué) published in the Official Gazette No: 28676 dated June 13, 2013 and based on the Turkish Accounting Standards (TAS) / Turkish Financial Reporting Standards (TFRS) promulgated by the Public Oversight Accounting and Auditing Standards Authority in accordance with Article 5 of the Communiqué.

Entities are free to prepare their interim financial statements as a full set or summarized in accordance with TAS 34 "Interim Financial Reporting".

**ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY
NOTES TO THE CONDENSED INTERIM CONSOLIDATED STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024**

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(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of June 30, 2024, unless otherwise stated)

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)

In accordance with the IAS, the entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with IAS 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.

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 2023 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 30 June 2024 and 31 December 2023

Subsidiary	Voting power held by the Group (%)		Proportion of ownership interest (%)	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Ant Sinai ve Ticari Ürünleri Pazarlama A.Ş.	100	100	100	100

**ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY
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NOTE 2 -BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

2.1.3 Financial Reporting in Hyperinflationary Economy

With the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on November 23, 2023, entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after December 31, 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of December 31, 2022, on the purchasing power basis as of December 31, 2023.

Pursuant to the decision of the Capital Markets Board (SPK) dated December 28, 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of IAS 29 starting from their annual financial reports for the periods ending on December 31, 2023.

The adjustments made in accordance with IAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index (CPI) of Turkey published by the Turkish Statistical Institute (TÜİK). As of December 31, 2023, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

Year End	Index	Conversion	Three-year
		Factor	Inflation Rate
30 June 2024	2.319,29	1.00000	324%
31 December 2023	1.859,38	1,24735	268%
30 June 2023	1.351,59	1,71597	190%

The main elements of the Group's adjustment process for financial reporting in hyperinflationary economies are as follows:

- Current period consolidated financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of IAS 36 "Impairment of Assets" and IAS 2 "Inventories" are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.
- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.
- The impact of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary gain/(loss) account in the consolidated income statement.

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.

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

2.1 Basis of Presentation (cont'd)

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.

2.1.6 Amendments in Standards and Interpretations

a) Standards, amendments, and interpretations applicable as of 30 June 2024

Amendment to IAS 1 – Non-current liabilities with covenants; effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

Amendment to IFRS 16 – Leases on sale and leaseback; effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements; effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

IFRS S1, 'General requirements for disclosure of sustainability-related financial information'; effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.

IFRS S2, 'Climate-related disclosures'; effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

b) Standards, amendments, and interpretations that are issued but not effective as of 30 June 2024:

Amendments to IAS 21 - Lack of Exchangeability; effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments; effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available) These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

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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)

IFRS 18 Presentation and Disclosure in Financial Statements; effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, managementdefined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 19 Subsidiaries without Public Accountability: Disclosures; effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

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 June 30, 2024 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 30 June 2024 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 2023. Therefore, these interim condensed consolidated financial statements should be evaluated together with the consolidated financial statements for the year ended 31 December 2023.

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.

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

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.

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 31 December 2023 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) 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.

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NOTE 4 - CASH AND CASH EQUIVALENTS

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

	30 June 2024	31 December 2023
Banks-Demand Deposits	178.351.123	164.869.515
Banks-Time Deposits (up to 3 months)	444.970.886	4.402.407.244
Other Liquid Assets (*)	14.667.279	4.121.393
Total	637.989.288	4.571.398.152

(*) As of 30 June 2024 and 31 December 2023, the balance in "Other Liquid Assets" is consist of credit card receivables in bank of group.

There are no restricted deposits as of 30 June 2024 and 31 December 2023.

Cash and cash equivalents presented in the consolidated cash flow statements as of 30 June 2024 and 30 June 2023 are as follows:

	30 June 2024	30 June 2023
Liquid Assets	637.989.288	2.554.162.420
Interest Accruals (-)	(1.705.388)	(7.143.020)
Total (Excluding interest accruals)	636.283.900	2.547.019.400

The details of time deposits are as follows:

	30 June 2024		31 December 2023	
	<u>Amount</u> <u>(TL Equivalent)</u>	<u>Annual Average</u> <u>Interest Rate (%)</u>	<u>Amount</u> <u>(TL Equivalent)</u>	<u>Annual Average</u> <u>Interest Rate (%)</u>
TL	444.970.886	49,87	4.215.294.434	38,50
EUR	-	-	187.112.810	2,70
Total	444.970.886		4.402.407.244	

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

NOTE 5- FINANCIAL INVESTMENTS

The breakdown of short-term financial investments is as follows;

	30 June 2024	31 December 2023
Investment Funds (*)	483.946.173	-
Total	483.946.173	-

(*) During the reporting period, the Group purchased listed mutual funds. As of June 30, 2024, the fair value changes of the related funds classified as short-term financial investments in the statement of financial position are recognized in the condensed consolidated statement of profit or loss.

The breakdown of long-term financial investments is as follows;

	30 June 2024	31 December 2023
Investment Funds	16.196.091	18.303.539
Total	16.196.091	18.303.539

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NOTES 6- FINANCIAL LIABILITIES

The details of bank loans as of 30 June 2024 and 31 December 2023 are as follows:

a) Short-term Borrowings

Bank Loans

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TL Including Interest</u>	
	<u>30 June 2024</u>	<u>31 December 2023</u>	<u>30 June 2024</u>	<u>31 December 2023</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
EUR	7,50	-	4.992.110	-	175.680.837	-
TL	38,15	16,58	2.518.158.595	4.715.592.313	2.518.158.595	4.715.592.313
Total					2.693.839.432	4.715.592.313

b) Short-term Portions of Long-term Borrowings

Bank Loans

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TL Including Interest</u>	
	<u>30 June 2024</u>	<u>31 December 2023</u>	<u>30 June 2024</u>	<u>31 December 2023</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
EUR	7,50	4,38	1.839.046	4.782.233	64.719.146	194.306.536
USD	-	4,25	-	5.583.593	-	205.027.401
TL	39,20	17,52	1.046.520.702	415.420.521	1.046.520.702	415.420.521
Total					1.111.239.848	814.754.458

Finance Lease Liabilities

Short-term Finance Lease Payables

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TL Including Interest</u>	
	<u>30 June 2024</u>	<u>31 December 2023</u>	<u>30 June 2024</u>	<u>31 December 2023</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
TL	34,00	34,00	13.166.231	29.975.880	13.166.231	29.975.880
Total					13.166.231	29.975.880

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NOTES 6- FINANCIAL LIABILITIES (cont'd)

Short-term Lease Payables Arising from Operating Leases

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TL Including Interest</u>	
	<u>30 June 2024</u>	<u>31 December 2023</u>	<u>30 June 2024</u>	<u>31 December 2023</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
EUR	3,20	3,20	218.841	215.526	7.687.546	8.757.034
TL	28,05	28,05	15.901.330	19.664.752	15.901.330	19.664.752
Total					23.588.876	28.421.786

c) Long-term Borrowings

Bank Loans

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TL Including Interest</u>	
	<u>30 June 2024</u>	<u>31 December 2023</u>	<u>30 June 2024</u>	<u>31 December 2023</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Avro	7,50	5,45	6.896.810	7.729.431	242.710.452	314.053.905
TL	36,25	15,34	70.682.083	311.776.070	70.682.083	311.776.070
Total					313.392.535	625.829.975

As of 30 June 2024 and 31 December 2023, the payment schedule of long-term loans is as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
1 to 2 years	116.007.370	361.552.070
2 to 3 years	63.580.647	77.300.080
3 to 4 years	51.653.391	65.115.219
4 to 5 years	65.685.415	89.182.855
More than 5 years	16.465.712	32.679.751
Total	313.392.535	625.829.975

Finance Lease Liabilities

Long Term Finance Lease Payables

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TL Including Interest</u>	
	<u>30 June</u>	<u>31 December</u>	<u>30 June</u>	<u>31 December</u>	<u>30 June</u>	<u>31 December</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
TL	35,46	35,46	265.376.502	310.247.678	265.376.502	310.247.678
Total					265.376.502	310.247.678

Long-term Lease Payables Arising from Operating Leases

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TL Including Interest</u>	
	<u>30 June</u>	<u>31 December</u>	<u>30 June</u>	<u>31 December</u>	<u>30 June</u>	<u>31 December</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
EUR	3,20	3,20	7.658	96.272	269.030	3.911.603
TL	28,05	28,05	32.545.532	10.059.777	32.545.532	10.059.777
Total					32.814.562	13.971.380

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NOTES 6- FINANCIAL LIABILITIES (cont'd)

Financial net debt reconciliation as of 30 June 2024 and 30 June 2023 is as follows:

	<u>30 June 2024</u>	<u>30 June 2023</u>
Opening balance	6.538.793.470	4.146.731.407
Interest expense	978.729.761	371.456.290
Cash outflows from debt payments arising from lease agreements	(1.148.225)	(12.210.456)
TFRS 16 changes in lease liabilities	(46.317.644)	358.922.883
Interest paid	(911.233.668)	(503.430.048)
Newly obtained credits	2.411.767.899	5.403.104.503
Loans repaid	(3.228.868.723)	(3.778.858.851)
Exchange difference	61.429.819	308.925.003
Inflation effect	(1.349.734.703)	(693.939.869)
Closing balance	4.453.417.986	5.600.700.862

NOTE 7- TRADE RECEIVABLES AND PAYABLES

Trade receivables at period ends are as follows:

a) Short-term Trade Receivables

	<u>30 June 2024</u>	<u>31 December 2023</u>
Trade Receivables from Third Parties	3.536.692.374	3.586.933.710
Trade Receivables from Related Parties	179.011.190	128.880.738
Rediscount Expenses (-)	(33.978.667)	(42.679.428)
Doubtful Receivables	189.907	236.880
Allowance for Doubtful Receivables (-)	(189.907)	(236.880)
Total	3.681.724.897	3.673.135.020

As of 30 June 2024, the average term for trade receivables is 74 days (31 December 2023: 82 days).

Movements of provision for doubtful receivables are as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Opening Balance	236.880	986.621
Provisions for Uncollectible Provisions	-	(143.611)
Collections in the Period	-	(218.286)
Inflation Effect	(46.973)	(387.844)
Closing Balance	189.907	236.880

Trade payables at period ends are as follows:

b) Short-term Trade Payables

	<u>30 June 2024</u>	<u>31 December 2023</u>
Trade Payables to Third Parties	3.319.852.251	2.105.926.834
Trade Payables to Related Parties	1.467.913.076	2.599.347.966
Rediscount Incomes(-)	(44.974.835)	(55.525.575)
Total	4.742.790.492	4.649.749.225

As of 30 June 2024, the average term for trade payables is 106 days (31 December 2023: 115 days).

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NOTE 8- DERIVATIVE INSTRUMENTS

Foreign Currency Forward Transactions

The details of derivative instruments as of 30 June 2024 and 31 December 2023 are as follows:

	<u>30 June 2024</u>			<u>31 December 2023</u>		
	<u>Nominal Value</u>	<u>Fair Value</u>		<u>Nominal Value</u>	<u>Fair Value</u>	
		<u>Assest</u>	<u>Liability</u>		<u>Assest</u>	<u>Liability</u>
Forward Contracts	835.704.636	2.554.765	(96.029.726)	2.786.874.821	108.279.182	(41.386.682)
Total	835.704.636	2.554.765	(96.029.726)	2.786.874.821	108.279.182	(41.386.682)

NOTE 9- INVENTORIES

Inventory balances as of period ends are as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Raw Materials	2.952.528.042	2.835.181.861
Work in Process Goods	143.838.160	133.741.010
Finished Goods	1.031.341.835	472.152.794
Trade Goods	705.028.965	363.907.855
Other Inventory	25.037.505	78.002.401
Goods in Transit	451.393.413	698.069.222
Total Inventories	5.309.167.920	4.581.055.143

As of 30 June 2024, total cost of sales which recognized in statement of profit or loss is TL 6.445.850.233 TL (30 June 2023: TL 6.614.818.598).

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NOTE 10- PROPERTY, PLANT AND EQUIPMENT

30 June 2024

<u>Cost Value</u>	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 2024	5.582.258.138	199.468.955	1.547.236.675	3.657.920.788	71.805.044	62.000.775	13.340.624	157.146.380	11.291.177.379
Additions	-	-	3.973.057	43.989.677	7.313.884	3.650.167	-	62.486.383	121.413.168
Disposals	-	-	-	(4.266.535)	-	-	-	-	(4.266.535)
Closing Balance as at 30 June 2024	5.582.258.138	199.468.955	1.551.209.732	3.697.643.930	79.118.928	65.650.942	13.340.624	219.632.763	11.408.324.012

Accumulated Depreciation

Opening Balance as at 1 January 2024	-	(161.927.674)	(272.775.474)	(2.777.948.884)	(40.994.160)	(47.115.245)	(13.325.804)	-	(3.314.087.241)
Charge for the year	-	(3.062.029)	(12.556.349)	(109.848.526)	(8.802.954)	(2.495.418)	(4.009)	-	(136.769.285)
Disposals	-	-	-	3.797.544	-	-	-	-	3.797.544
Closing Balance as at 30 June 2024	-	(164.989.703)	(285.331.823)	(2.883.999.866)	(49.797.114)	(49.610.663)	(13.329.813)	-	(3.447.058.982)

Net Book Value

Opening Balance as at 1 January 2024	5.582.258.138	37.541.281	1.274.461.201	879.971.904	30.810.884	14.885.530	14.820	157.146.380	7.977.090.138
Closing Balance as at 30 June 2024	5.582.258.138	34.479.252	1.265.877.909	813.644.064	29.321.814	16.040.279	10.811	219.632.763	7.961.265.030

As of 30 June 2024 , 101.274.355 of the depreciation expenses has been charged to cost of sales and TL 2.736.695 to research and development expenses and TL 5.024.426 to marketing expenses, TL 16.386.786 to general administrative expenses and TL 11.347.023 to development capitalization.

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of June 30,2024, unless otherwise stated)

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

30 June 2023

<u>Cost Value</u>	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Plant, Machinery and Equipment</u>	<u>Vehicles</u>	<u>Furniture and Fixtures</u>	<u>Other Tangible Fixed Assets</u>	<u>Construction in Progress</u>	<u>Total</u>
Opening Balance as at 1 January 2023	4.752.355.619	196.710.818	1.284.545.077	3.364.377.864	56.865.168	52.810.188	13.340.617	36.666.940	9.757.672.291
Additions	-	426.929	7.657.750	166.964.026	1.549.711	2.698.266	-	280.201.511	459.498.193
Disposals	-	-	-	(2.487.328)	(4.689.977)	-	-	-	(7.177.305)
Closing Balance as at 30 June 2023	4.752.355.619	197.137.747	1.292.202.827	3.528.854.562	53.724.902	55.508.454	13.340.617	316.868.451	10.209.993.179

Accumulated Depreciation

Opening Balance as at 1 January 2023	-	(156.809.014)	(259.271.001)	(2.748.278.883)	(42.707.438)	(43.883.104)	(13.319.092)	-	(3.264.268.532)
Charge for the year	-	(2.889.221)	(9.970.570)	(67.341.892)	(3.985.585)	(1.654.493)	(4.245)	-	(85.846.006)
Disposals	-	-	-	1.776.010	3.104.294	-	-	-	4.880.304
Closing Balance as at 30 June 2023	-	(159.698.235)	(269.241.571)	(2.813.844.765)	(43.588.729)	(45.537.597)	(13.323.337)	-	(3.345.234.234)

Net Book Value

Opening Balance as at 1 January 2023	4.752.355.619	39.901.804	1.025.274.076	616.098.981	14.157.730	8.927.084	21.525	36.666.940	6.493.403.759
Closing Balance as at 30 June 2023	4.752.355.619	37.439.512	1.022.961.256	715.009.797	10.136.173	9.970.857	17.280	316.868.451	6.864.758.945

As of 30 June 2023 TL 65.895.798 of the depreciation expenses has been charged to cost of sales and TL 343.227 to research and development expenses and TL , 5.840.682 to marketing expenses, TL 9.038.178 to general administrative expenses and TL 4.728.121 to development capitalization.

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of June 30, 2024, unless otherwise stated)

NOTE 11 – INTANGIBLE ASSETS

30 June 2024

Cost Value	Rights	Development Expenses	Other Intangible Assets	Construction in Progress and Advances (*)	Total
Opening Balance as at 1 January 2024	8.783.313	2.078.033.935	379.758.008	887.969.827	3.354.545.083
Additions	-	-	5.062.799	348.214.288	353.277.087
Closing balance as at 30 June 2024	8.783.313	2.078.033.935	384.820.807	1.236.184.115	3.707.822.170

Accumulated Amortization

Opening Balance as at 1 January 2024	(4.286.996)	(1.375.237.476)	(301.723.072)	-	(1.681.247.544)
Charge for the period	(326.375)	(141.308.606)	(25.442.852)	-	(167.077.833)
Closing balance as at 30 June 2024	(4.613.371)	(1.516.546.082)	(327.165.924)	-	(1.848.325.377)

Net Book Value

Opening Balance as at 1 January 2024	4.496.317	702.796.459	78.034.936	887.969.827	1.673.297.539
Closing balance as at 30 June 2024	4.169.942	561.487.853	57.654.883	1.236.184.115	1.859.496.793

As of 30 June 2024, TL 126.145.297 of the depreciation expenses of intangible assets has been charged to cost of sales and TL 3.343.156 to research and development expenses and TL 6.038.312 to marketing expenses, TL 20.018.157 to general administrative expenses and 11.532.911 to development capitalization.

30 June 2023

Cost Value	Rights	Development Expenses	Other Intangible Assets	Construction in Progress and Advances (*)	Total
Opening Balance as at 1 January 2023	8.561.128	1.984.812.820	332.029.163	382.201.712	2.707.604.823
Additions	-	-	17.407.124	246.038.036	263.445.160
Closing balance as at 30 June 2023	8.561.128	1.984.812.820	349.436.287	628.239.748	2.971.049.983

Accumulated Amortization

Opening Balance as at 1 January 2023	(3.681.679)	(1.121.777.200)	(259.757.244)	-	(1.385.216.123)
Charge for the period	(331.110)	(127.406.979)	(20.807.250)	-	(148.545.339)
Closing balance as at 30 June 2023	(4.012.789)	(1.249.184.180)	(280.564.494)	-	(1.533.761.463)

Net Book Value

Opening Balance as at 1 January 2023	4.879.449	863.035.620	72.271.919	382.201.712	1.322.388.700
Closing balance as at 30 June 2023	4.548.339	735.628.640	68.871.794	628.239.748	1.437.288.521

As of 30 June 2023 TL 128.787.388 of the depreciation expenses of intangible assets has been charged to cost of sales and TL 98.432 to research and development expenses and TL 813.569 to marketing expenses, TL 12.426.153 to general administrative expenses and TL 6.419.797 to development capitalization.

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of June 30, 2024, unless otherwise stated)

NOTE 12 – RIGHT OF USE ASSETS

As of 30 June 2024 and 30 June 2023, the right of use assets' balances of depreciation assets and depreciation expenses in the relevant period are as follows:

<u>Cost</u>	<u>Value</u>	<u>Total</u>
Opening Balance as at 1 January 2024		166.447.847
Additions		9.745.974
Disposals		-
Closing balance as at 30 June 2024		176.193.821

Accumulated Amortization

Opening Balance as at 1 January 2024	(63.304.720)
Charge for the Period	(26.592.822)
Disposals	-
Closing balance as at 30 June 2024	(89.897.542)

Net Book Value

Opening Balance as at 1 January 2024	103.143.127
Closing balance as at 30 June 2024	86.296.279

TL 10.792.558 of depreciation expenses has been charged to cost of sales, and TL 15.800.264 to general administration expenses as of 30 June 2024.

<u>Cost</u>	<u>Value</u>	<u>Total</u>
Opening Balance as at 1 January 2023		66.315.039
Additions		57.564.813
Disposals		(5.627.561)
Closing balance as at 30 June 2023		118.252.291

Accumulated Amortization

Opening Balance as at 1 January 2023	(26.273.349)
Charge for the Period	(20.048.465)
Disposals	5.627.561
Closing balance as at 30 June 2023	(40.694.253)

Net Book Value

Opening Balance as at 1 January 2023	40.041.690
Closing balance as at 30 June 2023	77.558.038

TL 9.549.601 of depreciation expenses has been charged to cost of sales, and TL 10.498.864 to general administration expenses as of 30 June 2023.

NOTES 13- GOVERNMENT GRANTS AND INCENTIVES

As of June 30, 2024, the Group does not have any R&D deduction amount that can be used in tax calculation due to the expenditures related to R&D activities (31 December 2023 :None) 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% .

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.(31 December 2023: TL 51.670.512) 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, 87.538.897 was spent (31 December 2023: 87.538.897 TL). The contribution rate to the investment is 45%.

Within the scope of the incentive certificate numbered 535509, TL 56.662.570 TL was spent (31 December 2023: 56.662.570 TL). The contribution rate to the investment is 30%.

Within the scope of the incentive certificate numbered 541650, TL 177.385.142 was spent (31 December 2023: TL 177.385.142). The contribution rate to the investment is 55%.

Within the scope of the incentive certificate numbered 541650, TL 108.967.501 was spent (31 December 2023: TL 106.759.837). The contribution rate to the investment is 40%.

Within the scope of the incentive certificate numbered 55760, TL 19.160.475 was spent (31 December 2023: TL 19.160.475). The contribution rate to the investment is 30%.

The annual tax advantage of 189.738.079 TL TL (31 December 2023: 366.056.923 TL), which the Group will benefit from in the future on 30 June 2024 from the investment contribution amounts that the investment process has completed and deserved, has been reflected in the consolidated financial statements as a deferred tax asset. The said tax will be paid as of 30 June 2024. As a result of accounting as of the date of 189.738.079 TL deferred tax income was created in the consolidated profit or loss statement between 1 January and 30 June 2024.

Deferred tax assets are recorded if it is determined that taxable income is likely to occur in future years. In cases where it is probable that taxable income will be generated, deferred tax assets are calculated on the basis of tax advantages earned due to deductible temporary differences, financial losses and investment allowances with an indefinite life that allow the payment of reduced corporate tax. In this context, the Group bases the reflection of deferred tax assets arising from investment incentives on the consolidated financial statements on long-term plans, and evaluates the recoverability of deferred tax assets related to such investment incentives as of each balance sheet date, based on business models containing taxable profit estimates.

It is anticipated that these deferred tax assets will be recovered within 2 years from the balance sheet date. In the sensitivity analysis carried out as of June 30, 2024, when the inputs in the basic macroeconomic and sectoral assumptions that make up the business plans were increased/decreased by 10%, there was no change in the recovery period of deferred tax assets related to investment incentives, which is estimated to be 2 years.

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of June 30, 2024, unless otherwise stated)

NOTES 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Other Short-term Provisions

	<u>30 June 2024</u>	<u>31 December 2023</u>
Warranty Provisions	110.844.969	114.691.838
Provision for Lawsuits	68.160.707	79.691.758
Provision for Premium and Commission	179.337.713	94.003.663
Total	358.343.389	288.387.259

Movements of provisions during the period are as follows:

	<u>Warranty Provisions</u>	<u>Provision for Lawsuits</u>	<u>Provision for Premium and Commission</u>	<u>Total</u>
Opening Balance as at				
1 January 2024	114.691.838	79.691.758	94.003.663	288.387.259
Additions During The Period	72.171.746	4.271.646	174.758.622	251.202.014
Paid During The Period (-)	(56.458.880)	-	(75.856.135)	(132.315.015)
Inflation Effect	(19.559.735)	(15.802.697)	(13.568.437)	(48.930.869)
Closing Balance as at	110.844.969	68.160.707	179.337.713	358.343.389
30 June 2024	110.844.969	68.160.707	179.337.713	358.343.389

	<u>Warranty Provisions</u>	<u>Provision for Lawsuits</u>	<u>Provision for Premium and Commission</u>	<u>Total</u>
Opening Balance as at				
1 January 2023	92.446.310	75.502.536	120.297.658	288.246.504
Additions During The Period	96.264.208	7.190.528	112.404.511	215.859.247
Paid During The Period (-)	(52.703.357)	-	(16.259.809)	(68.963.166)
Inflation Effect	(15.262.373)	(12.465.049)	(19.860.475)	(47.587.897)
Closing Balance as at	120.744.788	70.228.015	196.581.885	387.554.689
30 June 2023	120.744.788	70.228.015	196.581.885	387.554.689

Mortgages and guarantees on assets:

There are not any mortgages and guarantees on assets.

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

	<u>30 June 2024</u>			
	<u>Total TRY Provisions</u>	<u>Original Currency TRY</u>	<u>Original Currency EUR</u>	<u>Original Currency USD</u>
A. CPMs given in the name of its own legal personality	3.455.542.222	2.694.285.521	19.648.884	2.163.603
i. Letter of Guarantee	3.455.542.222	2.694.285.521	19.648.884	2.163.603
B. CPMs given on behalf of fully consolidated companies	-	-	-	-
total amount of given CPMs	-	-	-	-
C. CPMs given in the normal course of business activities	-	-	-	-
on behalf of third parties	-	-	-	-
D. Total amount of other CPMs	-	-	-	-
Total	3.455.542.222	2.694.285.521	19.648.884	2.163.603

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of June 30, 2024, unless otherwise stated)

NOTES 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

	<u>31 December 2023</u>			
	<u>Total TRY Provisions</u>	<u>Original Currency TRY</u>	<u>Original Currency EUR</u>	<u>Original Currency USD</u>
A. CPMs given in the name of its own legal personality	2.824.327.314	1.830.675.020	11.485.100	1.994.007
i. Letter of Guarantee	2.824.327.314	1.830.675.020	11.485.100	1.994.007
B. CPMs given on behalf of fully consolidated companies				
total amount of given CPMs	-	-	-	-
C. CPMs given in the normal course of business activities				
on behalf of third parties	-	-	-	-
D. Total amount of other CPMs				
Total	2.824.327.314	1.830.675.020	11.485.100	1.994.007

The ratio of other CPM is given by the Group to the Group's equity is 0% as of 30 June 2024 (0% as of 31 December 2023).

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

	<u>30 June 2024</u>	<u>31 December 2023</u>
Provision for Employee Rights and Salaries	57.450.099	133.682.799
Provision for Unused Vacation	44.161.212	14.019.630
Total	101.611.311	147.702.429

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:

	<u>30 June 2024</u>	<u>30 June 2023</u>
Opening Balance	14.019.630	10.603.764
Recognized provision during the period	33.911.734	36.594.097
Paid During The Period	(16.463.893)	(11.269.134)
Inflation Effect	12.693.741	(17.893.875)
Total	44.161.212	18.034.852

b) Long-Term Provisions for Employee Benefits

	<u>30 June 2024</u>	<u>31 December 2023</u>
Provision for Severance Payments to Employees	72.780.841	59.635.003
Total	72.780.841	59.635.003

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of June 30, 2024, unless otherwise stated)

NOTE 15 – EMPLOYEE BENEFITS (cont'd)

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 41.82,42 (1 January 2024: TL 35.058,58) applicable as of 1 July 2024 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:

	30 June 2024	31 December 2023
Annual Net Discount Rate (%)	1,72	1,72
Turnover Rate to Estimate the Probability of Retirement (%)	15,73	11,92

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:

	30 June 2024	30 June 2023
Opening Balance	59.635.003	258.492.434
Interest Cost	596.163	246.999
Gain/(Loss) on Remeasurement of Defined Benefit Plans	-	-
Paid Within the Period	(17.647.796)	(104.736.299)
Service Cost	44.673.781	(52.328.973)
Inflation Effect	(14.476.310)	(31.028.035)
Closing Balance	72.780.841	70.646.126

NOTE 16- OTHER ASSETS AND LIABILITIES

a) Prepaid Expenses

	30 June 2024	31 December 2023
Advances Given For Inventory Purchase	877.162.884	740.210.993
Prepaid Extended Warranty Expenses	12.778.233	90.950
Prepaid Insurance Expenses	26.522.498	1.179.027
Prepaid Advertisement Expenses	809.629	728.105
Prepaid Maintenance Expenses	398.498	2.356.855
Prepaid Other Expenses	13.984.854	4.139.585
Total	931.656.596	748.705.515

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of June 30, 2024, unless otherwise stated)

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

b) Other Current Assets

	30 June 2024	31 December 2023
Deferred VAT	240.482.425	31.787.660
Other Current Assets	31.210.931	41.996.225
Total	271.693.356	73.783.885

c) Prepaid Expenses (Long-Term)

	30 June 2024	31 December 2023
Prepaid Expenses	3.026.987	1.234.317
Total	3.026.987	1.234.317

d) Deferred Income (Short-Term)

	30 June 2024	31 December 2023
Order Advances Received	202.323.033	577.145.172
Deferred Income	43.909.958	44.642.437
Total	246.232.991	621.787.609

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

	30 June 2024	31 December 2023
Deferred Maintenance and Repair Income	22.690.957	22.504.063
Total	22.690.957	22.504.063

f) Deferred Income (Long-Term)

	30 June 2024	31 December 2023
Order Advances Received	84.108.937	89.276.602
Total	84.108.937	89.276.602

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

	30 June 2024	31 December 2023
Deferred Maintenance and Repair Income	227.644.368	241.346.842
Total	227.644.368	241.346.842

NOTE 17- SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Capital / Elimination Adjustments

As of 30 June 2024, the share capital of the Company is TRY 252.000.000 (31 December 2023: TRY 84.000.000).

This share capital is divided into 25.200.000.000 in total, including 13.545.943.533 A Group registered shares, 7.494.613.119 B Group registered shares, 4.159.443.348 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 based on the purchasing power of Turkish Lira ("TRY") as of June 30, 2024, unless otherwise stated)

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

a) Capital / Elimination Adjustments (cont'd)

30 June 2024

Shareholders	Group A	Group B	Group C	Total Share Amount	Share (%)
AG ANADOLU GRUBU HOLDİNG A.Ş.	134.534.317	-	5.071.886	139.606.203	55,40
ISUZU MOTORS LTD.	-	42.826.526	-	42.826.526	16,99
ITOCHU CORPORATION TOKYO	-	23.844.967	-	23.844.967	9,46
ITOCHU CORPORATION İSTANBUL	-	8.274.638	-	8.274.638	3,28
OTHER	925.118	-	36.522.548	37.447.666	14,87
Total	135.459.435	74.946.131	41.594.434	252.000.000	100

31 December 2023

Shareholders	Group A	Group B	Group C	Total Share Amount	Share (%)
AG ANADOLU GRUBU HOLDİNG A.Ş.	134.534.317	-	5.071.886	139.606.203	55,40
ISUZU MOTORS LTD.	-	42.826.526	-	42.826.526	16,99
ITOCHU CORPORATION TOKYO	-	23.844.967	-	23.844.967	9,46
ITOCHU CORPORATION İSTANBUL	-	8.274.638	-	8.274.638	3,28
OTHER	925.118	-	36.522.548	37.447.666	14,87
Total	135.459.435	74.946.131	41.594.434	252.000.000	100

b) Privileges Granted to the Share Groups

The Company is directed by the 15 members of the Board of Directors elected among shareholders by General Assembly in accordance with the regulations of Turkish Commercial Code.

2 members of the Board of Directors are elected from the candidates nominated by the shareholders of Group B, 8 members of the Board of Directors are elected from the candidates nominated by the shareholders of Group A and 5 members are elected by the General Assembly from among the candidates to be nominated as independent board members.

Equity	30 June 2024	31 December 2023
Paid-in Capital	252.000.000	252.000.000
Capital Inflation Adjustment Difference	2.259.156.560	2.259.156.560
Restricted Reserves Appropriated from profit	483.475.522	396.965.745
Previous Year Profits	4.398.255.628	2.996.598.497
Gain / (Loss) on Revaluation and Measurement	2.450.890.796	2.450.890.796
(Losses) on Remeasurement of Defined Benefit Plans	(73.348.746)	(73.348.746)
Net Profit / (Loss) for The Period	411.109.693	2.013.487.406
Shareholders' Equity Attributable to Equity Holders of the Group	10.181.539.453	10.295.750.258
Total Shareholders' Equity	10.181.539.453	10.295.750.258

c) Restricted Reserves Appropriated from Profit

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

Restricted Reserves Appropriated from Profit	30 June 2024	31 December 2023
Legal Reserves	483.475.522	396.965.745
Total	483.475.522	396.965.745

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 based on the purchasing power of Turkish Lira ("TRY") as of June 30, 2024, unless otherwise stated)

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	30 June 2024	31 December 2023
Extraordinary Reserves	129.400.414	161.249.683
Legal Reserves Inflation Difference	83.799.315	83.799.315
Retained Earnings / (Losses)	4.185.055.899	2.751.549.499
Total	4.398.255.628	2.996.598.497

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 4.398.255.628 based on the financial statements prepared in accordance with TAS/TFRS Financial Reporting Standard for the period ended 30 June 2024 (31 December 2023: TL 2.996.598.497).

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- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Domestic Sales	6.279.534.260	6.917.030.246	2.487.242.101	3.422.615.487
Foreign Sales	3.251.435.871	2.769.614.717	1.672.366.890	1.767.389.982
Other Income	30.115.360	30.047.354	13.157.544	17.214.702
Sales Total (Gross)	9.561.085.491	9.716.692.317	4.172.766.535	5.207.220.171
Sales Discounts (-)	(896.895.646)	(660.760.956)	(386.478.503)	(413.063.171)
Sales (Net)	8.664.189.845	9.055.931.361	3.786.288.032	4.794.157.000
Cost of Sales	(7.383.311.405)	(7.269.413.577)	(3.226.569.579)	(3.699.162.773)
Gross Operating Profit	1.280.878.440	1.786.517.784	559.718.453	1.094.994.227

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of June 30, 2024, unless otherwise stated)

NOTE 18- REVENUE AND COST OF SALES (cont'd)

Cost of sales are summarised as follows;

Cost of Sales	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Raw Materials and Supplies Expenses	(5.767.515.267)	(5.274.486.286)	(2.550.765.853)	(2.794.286.015)
Direct Labor Expenses	(574.016.739)	(355.040.312)	(341.476.264)	(258.445.323)
Depreciation and Amortization Expenses	(238.212.210)	(204.232.787)	(131.925.173)	(103.402.941)
Other Production Costs	(125.232.223)	(95.321.880)	(54.299.280)	16.347.633
Total Cost of Production	(6.704.976.439)	(5.929.081.265)	(3.078.466.570)	(3.139.786.646)
Change in Goods Inventory	569.286.191	30.591.267	413.005.240	179.053.149
Cost of Trade Goods Sold	(1.240.809.680)	(1.367.842.541)	(558.360.027)	(735.641.361)
Cost of Other Sales	(6.811.477)	(3.081.038)	(2.748.222)	(2.787.915)
Cost of Sales	(7.383.311.405)	(7.269.413.577)	(3.226.569.579)	(3.699.162.773)

NOTE 19- OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other Income from Operating Activities:	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Foreign Exchange Income on Trade Receivables and Payables	145.810.567	1.112.104.615	50.076.121	1.063.191.126
Sale Support Income	13.950.041	3.765.650	12.652.809	3.052.087
Delay Interest Income	9.947.238	5.219.392	9.765.519	(1.120.994)
Teşvik Gelirleri	6.760.337	9.850.409	3.220.400	3.972.768
Tubitak R&D Incentive	6.327.219	1.358.663	1.288.518	466.386
Service Income	3.056.538	1.585.688	2.819.892	1.157.598
Rent Income	1.973.154	391.506	984.246	198.293
Export D.F.I.F Support	859.808	4.589.498	859.808	387.960
Rediscount Income on Trade Payables	697.383	-	697.383	-
Other Income	51.726.879	36.209.443	21.236.833	2.677.854
Toplam	241.109.164	1.175.074.864	103.601.529	1.073.983.078

Other Expense from Operating Activities:	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Foreign Exchange Expense on Trade Receivables and Payables	(251.893.696)	(1.186.093.621)	146.647	(1.042.538.610)
Donations and Contributions	(11.892.306)	(34.558.015)	(680.235)	(9.296.215)
Lawsuit Provisions	(4.271.646)	(7.581.962)	8.618.963	(7.581.962)
Discount Income on Trade Receivables	-	(5.181.203)	3.840.357	149.863
Provisions for Doubtful Trade Receivables	-	(1.531.779)	-	(218.779)
Other Expenses	(6.126.579)	(10.678.450)	(2.530.805)	(8.915.345)
Total	(274.184.227)	(1.245.625.030)	9.394.927	(1.068.401.048)

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of June 30, 2024, unless otherwise stated)

NOTE 20- FINANCE INCOME AND EXPENSES

Finance Income:	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Interest Income	383.784.375	189.398.911	67.076.913	41.084.512
Foreign Exchange Gain	133.176.381	616.277.415	33.477.757	484.321.636
Total	516.960.756	805.676.326	100.554.670	525.406.148

Finansman Giderleri:	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Interest Expense	(916.706.181)	(366.415.039)	(548.084.153)	(212.626.014)
Foreign Exchange Losses	(146.663.029)	(792.235.259)	(70.914.236)	(634.573.383)
Forward Purchase Expense	(15.129.467)	(15.361.143)	(5.779.766)	(8.677.303)
Letter of Guarantee Expenses	(9.789.813)	(4.207.021)	(3.777.171)	(1.902.915)
Expense from Derivative Transactions	(5.880.162)	(6.146.591)	(1.031.688)	(4.066.228)
Other Finance Expenses	(32.259.737)	(72.919.079)	(13.252.220)	1.089.236
Toplam	(1.126.428.389)	(1.257.284.132)	(642.839.234)	(860.756.607)

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 2024 is 25% (2023: 25%).

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.

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of June 30, 2024, unless otherwise stated)

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

ii) Deferred Tax (cont'd)

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 applied for an R&D center in order to benefit from the incentives and exemptions provided within the framework of Law No. 5746 and as a result of the examination made by the Ministry of Industry and Trade, the Group was granted an R&D center certificate effective from June 3, 2009.

	30 June 2024	31 December 2023		
	Cumulative Temporary Differences	Deferred Tax Assets/(Liabilities)	Cumulative Temporary Differences	Deferred Tax Assets/(Liabilities)
Inventories	(261.961.324)	(65.490.331)	(320.495.071)	(80.123.768)
Fixed Assets (Net)	(5.687.026.361)	(938.052.692)	(6.969.346.956)	(905.240.151)
Provision for Employment				
Termination Benefits	92.267.143	23.066.786	80.817.931	20.204.483
Guarantee Provisions	110.844.969	27.711.242	114.691.838	28.672.959
R&D Discount and Investment				
Incentive	418.734.278	189.738.079	622.646.920	366.056.923
Derivative Instruments	93.474.961	23.368.740	(66.892.499)	(16.723.125)
Rediscount Expenses/Income (Net)	(10.996.168)	(2.749.042)	(12.846.147)	(3.211.536)
TFRS 15 Revenue from Contracts with Customers	(132.918.546)	(33.229.637)	(272.709.748)	(68.177.437)
Employee Benefits	83.611.311	20.902.828	57.676.710	14.419.178
Extended Warranty Income	92.885.085	23.221.271	117.644.524	29.411.131
Dealer Premium Provisions	149.882.026	37.470.507	57.075.523	14.268.881
Lawsuit Provisions	68.160.707	17.040.177	79.691.758	19.922.939
Adjustments Related to Borrowings	(413.699.000)	(103.424.750)	(325.047.497)	(81.261.874)
Adjustments Related to Leases	138.954.873	34.738.718	170.246.029	42.561.507
Other (Net)	347.340.336	86.835.084	120.901.415	30.225.355
Total		(658.853.020)		(588.994.535)

NOTE 22 - EARNINGS / (LOSS) PER SHARE

	1 January- 30 June 24	1 January- 30 June 23	1 April- 30 June 24	1 April- 30 June 23
Net Profit / (Loss) for The Period	411.109.693	1.052.029.725	(19.693.311)	531.561.979
Weighted Average Number of Shares with Nominal Value of 1 Piaster	25.200.000.000	8.400.000.000	25.200.000.000	8.400.000.000
Income Per 100 Share with Nominal Value of TL 1 Each	1,6314	12,5242	(0,7881)	6,3281

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of June 30, 2024, unless otherwise stated)

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.

30 June 2024 Related Parties	Receivables		Payables	
	Trade	Non-Trade	Trade	Non-Trade
Itochu Corporation Tokyo (2)	-	-	1,414,517,089	-
Isuzu Motors Ltd. Tokyo (2)	6,775,556	-	51,221,471	-
Çelik Motor Ticaret A.Ş. (1)	2,326,601	-	-	-
Anadolu Motor Üretim ve Paz. A.Ş. (1)	2,581,826	-	-	-
Isuzu Motors Europe NV (1)	305,890	-	-	-
Anadolu Sağlık Merkezi İktisadi İşletmesi (1)	-	-	1,600	-
AEH Sigorta Acenteliği A.Ş. (1)	7,336,642	-	-	-
Oyex-Handels GmbH (1)	159,004,733	-	-	-
AG Anadolu Grubu Holding A.Ş. (2)	-	-	662,604	-
Migros Ticaret A.Ş. (1)	-	-	1,283,571	-
Adel Kalemçilik Tic. ve San. A.Ş. (1)	-	-	27,915	-
Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	-	-	48,363	-
Garenta Ulaşım Çözümleri A.Ş	-	-	150,463	-
Ortaklara Borçlar (*)	-	-	-	9,109
Isuzu Motors International Operation Thailand (1)	679,942	-	-	-
Total	179,011,190	-	1,467,913,076	9,109

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

1) Related Parties of Shareholders

2) Shareholders

31 December 2023 Related Parties	Receivables		Payables	
	Trade	Non-Trade	Trade	Non-Trade
Itochu Corporation Tokyo (2)	-	-	2,503,576,225	-
Isuzu Motors Ltd. Tokyo (2)	8,667	-	78,681,247	-
Çelik Motor Ticaret A.Ş. (1)	12,851,201	-	-	-
Anadolu Motor Üretim ve Paz. A.Ş. (1)	10,977,803	-	-	-
Isuzu Motors Europe NV (1)	209,908	-	-	-
AEH Sigorta Acenteliği A.Ş. (1)	-	-	951,726	-
Oyex-Handels GmbH (1)	103,818,827	-	-	-
AG Anadolu Grubu Holding A.Ş. (2)	-	-	15,609,942	-
Adel Kalemçilik Tic. ve San. A.Ş. (1)	-	-	501,488	-
Ortaklara Borçlar (*)	-	-	-	11,362
Isuzu Motors International Operation Thailand (1)	1,014,332	-	-	-
Anadolu Efes Biracılık ve Malt Sanayi A.Ş. (1)	-	-	27,032	-
Garenta Ulaşım Çözümleri A.Ş (1)	-	-	306	-
Total	128,880,738	-	2,599,347,966	11,362

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

1) Related Parties of Shareholders

2) Shareholders

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of June 30, 2024, unless otherwise stated)

NOTE 23- RELATED PARTY DISCLOSURES (cont'd)

b) Related Party Transactions:

1 January-30 June 2024

<u>Sales to Related Parties</u>	<u>Goods and Services Sales</u>	<u>Fixed Assets Sales</u>	<u>Other Income</u>	<u>Total Income/ Sales</u>
Isuzu Motors Ltd. Tokyo (2)	13.029.082	-	-	13.029.082
Itochu Corporation Tokyo (2)	6.591.899	-	-	6.591.899
Çelik Motor Ticaret A.Ş. (1)	7.697.362	-	-	7.697.362
Anadolu Motor Üretim ve Paz. A.Ş. (1)	7.260.656	-	-	7.260.656
Isuzu Motors International Operation Thailand (1)	18.334.075	-	-	18.334.075
Isuzu Motors Europe NV (1)	805.393	-	-	805.393
Oyex-Handels GmbH (1)	171.593.722	-	-	171.593.722
Anadolu Efes Spor Kulübü	109.951	-	-	109.951
Total	225.422.140	-	-	225.422.140

1) Related Parties of Shareholders

2) Shareholders

1 January-30 June 2023

<u>Sales to Related Parties</u>	<u>Goods and Services Sales</u>	<u>Fixed Assets Sales</u>	<u>Other Income</u>	<u>Total Income/ Sales</u>
Isuzu Motors Ltd. Tokyo (2)	152.306.260	-	-	152.306.260
Çelik Motor Ticaret A.Ş. (1)	5.209.213	-	-	5.209.213
Anadolu Motor Üretim ve Paz. A.Ş. (1)	7.120.999	-	-	7.120.999
Isuzu Motors International Operation Thailand (1)	6.593.214	-	-	6.593.214
AEH Sigorta Acenteliği A.Ş. (1)	913.286	-	-	913.286
Isuzu Motors Europe NV (1)	2.048.973	-	-	2.048.973
Oyex-Handels GmbH (1)	30.279.027	-	-	30.279.027
Garenta Ulaşım Çözümleri A.Ş (1)	1.836.958	-	-	1.836.958
Total	206.307.930	-	-	206.307.930

1) Related Parties of Shareholders

2) Shareholders

1 January-30 June 2024

<u>Purchases from Related Parties</u>	<u>Goods and Services Purchases</u>	<u>Fixed Assets Purchases</u>	<u>Other Expense</u>	<u>Total Expense/ Purchases</u>
Itochu Corporation Tokyo (2)	1.532.996.120	-	-	1.532.996.120
Isuzu Motors International Operation Thailand (1)	900.389.759	-	-	900.389.759
AG Anadolu Grubu Holding A.Ş. (2)	40.523.955	-	-	40.523.955
Isuzu Motors Ltd. Tokyo (2)	68.037.070	-	-	68.037.070
Isuzu Motors Europe NV (1)	20.443	-	-	20.443
Çelik Motor Ticaret A.Ş. (1)	1.091.869	-	-	1.091.869
Garenta Ulaşım Çözümleri A.Ş (1)	292.957	-	-	292.957
Anadolu Bilişim Hizmetleri A.Ş. (1)	7.999	-	-	7.999
Migros Ticaret A.Ş. (1)	5.343.499	-	-	5.343.499
Anadolu Sağlık Merkezi İktisadi İşletmesi	47.944	-	-	47.944
Anadolu Eğitim Sosyal Yardım Vakfı (1)	23.996	-	-	23.996
Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	40.303	-	-	40.303
Total	2.548.815.914	-	-	2.548.815.914

1) Related Parties of Shareholders

2) Shareholders

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of June 30, 2024, unless otherwise stated)

NOTE 23- RELATED PARTY DISCLOSURES (cont'd)

b) Related Party Transactions: (cont'd)

1 January-30 June 2023

Purchases from Related Parties	Goods and Services	Fixed Assets	Other Expense	Total Expense/ Purchases
	Purchases	Purchases		
Itochu Corporation Tokyo (2)	1.693.526.705	-	-	1.693.526.705
Isuzu Motors International Operation Thailand (1)	1.038.165.934	-	-	1.038.165.934
AG Anadolu Grubu Holding A.Ş. (2)	28.511.228	-	-	28.511.228
Isuzu Motors Ltd. Tokyo (2)	118.210.751	-	-	118.210.751
Isuzu Motors Europe NV (1)	36.615	-	-	36.615
Çelik Motor Ticaret A.Ş. (1)	722.369	-	-	722.369
Garenta Ulaşım Çözümleri A.Ş (1)	782.879	-	-	782.879
Adel Kalemçilik Tic. ve San. A.Ş. (1)	75.647	-	-	75.647
Anadolu Bilişim Hizmetleri A.Ş. (1)	96.336	-	-	96.336
Migros Ticaret A.Ş. (1)	2.523.475	-	-	2.523.475
Oyex-Handels GmbH (1)	26.018.028	-	-	26.018.028
Anadolu Eğitim Sosyal Yardım Vakfı (1)	6.863.886	-	-	6.863.886
Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	20.573	-	-	20.573
Total	2.915.554.426	-	-	2.915.554.426

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 made to Anadolu Eğitim ve Sosyal Yardım Vakfı by the Group in 2024 is TL 23.996. (31.12.2023: TL 31.732.952).

d) Benefits to Top Management:

	1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Salaries and Other Short-Term Liabilities	58.306.392	54.336.085	27.775.237	32.130.094
Total	58.306.392	54.336.085	27.775.237	32.130.094

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 17.

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).

	30 June 2024	31 December 2023
Net Debt	8.074.273.017	6.617.144.543
Total Equity	10.181.539.453	10.295.750.258
Net Debt/Total Equity	0,79	0,64

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

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of June 30, 2024, unless otherwise stated)

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

30 June 2024

	<u>Appreciation of Foreign Currency</u>	<u>Depreciation of Foreign Currency</u>	<u>Profit / Loss</u>
In case of US Dollar increases / decreases in 10% against TL;			
1 - USD denominated net asset / (liability)	(13.522.307)	13.522.307	
2- USD denominated hedging instruments (-)	-	-	
3- Net Effect of US Dollar (1+2)	(13.522.307)	13.522.307	
In case of Euro increases / decreases in 10% against TL;			
4- EURO denominated net asset / (liability)	7.902.372	(7.902.372)	
5- EURO denominated hedging instruments (-)	-	-	
6- Net Effect of Euro (4+5)	7.902.372	(7.902.372)	
Increase / decrease in other foreign currencies by 10%:			
7- Other foreign currency denominated net asset / (liability)	(7.112.387)	7.112.387	
8- Other foreign currency hedging instruments (-)	-	-	
9- Net Effect of Other Exchange Rates (7+8)	(7.112.387)	7.112.387	
TOTAL (3+6+9)	(12.732.322)	12.732.322	

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of June 30, 2024, unless otherwise stated)

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 2023

	<u>Appreciation of Foreign Currency</u>	<u>Depreciation of Foreign Currency</u>	<u>Profit / Loss</u>
In case of US Dollar increases / decreases in 10% against TL;			
1 - USD denominated net asset / (liability)		(21.786.061)	21.786.061
2- USD denominated hedging instruments (-)		-	-
3- Net Effect of US Dollar (1+2)		(21.786.061)	21.786.061
In case of Euro increases / decreases in 10% against TL;			
4- EURO denominated net asset / (liability)		71.317.852	(71.317.852)
5- EURO denominated hedging instruments (-)		-	-
6- Net Effect of Euro (4+5)		71.317.852	(71.317.852)
Increase / decrease in other foreign currencies by 10%:			
7- Other foreign currency denominated net asset / (liability)		(4.870.170)	4.870.170
8- Other foreign currency hedging instruments (-)		-	-
9- Net Effect of Other Exchange Rates (7+8)		(4.870.170)	4.870.170
TOTAL (3+6+9)		44.661.621	(44.661.621)

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of June 30,2024, unless otherwise stated)

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 December 2023				
	30 June 2024						31 December 2023				
	TL Amount	US Dollars	Euro	Yen	Other	TL Amount	US Dollars	Euro	Yen	Other	
1. Trade Receivables	2,484,140,495	4,722	70,530,800	31,180,000	-	2,116,567,594	39,137	51,938,616	-	593,059	
2a. Monetary Financial Assets	132,658,018	136,000	3,583,000	7,770,000	18,000	314,707,482	104,120	7,548,557	9,833,799	35,000	
2b. Non-monetary Financial Assets	-	-	-	-	-	-	-	-	-	-	
3. Other	-	-	-	-	-	-	-	-	-	-	
4. Current Assets (1+2+3)	2,616,798,513	140,722	74,113,800	38,950,000	18,000	2,431,275,076	143,257	59,487,173	9,833,799	628,059	
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)	2,616,798,513	140,722	74,113,800	38,950,000	18,000	2,431,275,076	143,257	59,487,173	9,833,799	628,059	
10. Trade Payables	2,442,974,598	3,878,586	63,525,469	388,952,243	2,473	2,583,570,518	492,749	61,046,589	309,391,144	-	
11. Financial Liabilities	240,399,993	-	6,831,156	-	-	400,053,904	5,583,593	4,782,233	-	-	
12a. Monetary Other Liabilities	397,870,216	-	11,305,797	-	-	883,170,495	-	21,697,314	-	-	
12b. Non-Monetary Other Liabilities	262,230,854	381,500	7,095,000	-	-	621,511,505	-	15,269,000	-	-	
13. Current Liabilities (10+11+12)	3,343,475,661	4,260,086	88,757,422	388,952,243	2,473	4,488,306,423	6,076,342	102,795,136	309,391,144	-	
14. Trade Payable	-	-	-	-	-	-	-	-	-	-	
15. Financial Liabilities	242,710,468	-	6,896,810	-	-	314,619,849	-	7,729,431	-	-	
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-	-	-	
16b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-	-	-	
17. Non-current Liabilities (14+15+16)	242,710,468	-	6,896,810	-	-	314,619,849	-	7,729,431	-	-	
18. Total Liabilities (13+17)	3,586,186,129	4,260,086	95,654,232	388,952,243	2,473	4,802,926,272	6,076,342	110,524,567	309,391,144	-	
19. Off-balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b)	837,210,543	-	23,790,000	-	-	2,791,896,926	-	68,590,000	-	-	
19.a. Total Amount of Hedged Assets	-	-	-	-	-	-	-	-	-	-	
19.b. Total Amount of Hedged Liabilities	(837,210,543)	-	(23,790,000)	-	-	(2,791,896,926)	-	(68,590,000)	-	-	
20. Net Foreign Currency Assets/(Liabilities) Position (9-18+19)	(132,177,073)	(4,119,364)	2,249,568	(350,002,243)	15,527	420,245,731	(5,933,085)	17,552,606	(299,557,345)	628,059	
21. Monetary Items Net Foreign Currency Assets / (Liabilities) (1+2a+5+6a-10-11-12a-14-15-16a)	(707,156,762)	(3,737,864)	(14,445,432)	(350,002,243)	15,527	(1,750,139,690)	(5,933,085)	(35,768,394)	(299,557,345)	628,059	
22. Fair Value of Financial Instruments Used for Currency Hedge	-	-	-	-	-	66,892,499	-	1,646,345	-	-	
23. Hedged Foreign Currency Assets	(837,210,543)	-	(23,790,000)	-	-	(2,791,896,926)	-	(68,590,000)	-	-	
24. Hedged Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	
25. Export	3,251,435,871	-	-	-	-	6,003,948,707	-	-	-	-	
26. Import	3,529,846,674	-	-	-	-	7,060,155,994	-	-	-	-	

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of June 30, 2024, unless otherwise stated)

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 4 and Note 6.

As of 30 June 2024, 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 3.820.405 (31 December 2023: higher/lower by TL 7.211.671 TL).

(f) 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.

Most of trade receivables are comprised of receivables from costumers who has given an adequate amount of guarantees. An effective control system was established to collect the receivables. Credit risk arising from transactions is followed and these risks are taken into account when assessing each debtor. Because there are so many costumers. The Group's credit risk is dispersed and there is no important credit risk concentration.

Fair Value and Hedging Disclosures

Determination of the fair value of financial assets and liabilities are explained below:

Level 1: Valuation of the financial assets and liabilities over the stock exchange prices of similar assets and liabilities resulting from the transactions in active markets.

Level 2: Valuation of the financial assets and liabilities over the price calculated on the basis of the data that is directly or indirectly observable in the market other than the stock exchange price of the relevant asset or liability determined on the first level.

Level 3: Valuation of the financial assets and liabilities carried out in the absence of observable data in the market for determining the fair value of the relevant asset or liability.

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 30 June 2024, 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 8)	-	2.554.765	-	2.554.765
Buildings (Note 10)	-	1.551.209.732	-	1.551.209.732
Lands (Note 10)	-	5.582.258.138	-	5.582.258.138
Total	-	7.136.022.635	-	7.136.022.635

Financial liabilities carried at fair value	Level 1	Level 2	Level 3	Total
Derivative liabilities (Note 8)	-	(96.029.726)	-	(96.029.726)
Total	-	(96.029.726)	-	(96.029.726)

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of June 30, 2024, unless otherwise stated)

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

Derivative Financial Instruments (cont'd)

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

As of 31 December 2023, the Group's foreign currency transaction agreement, which is a derivative financial instrument, is as follows:

<u>Financial assets carried at fair value</u>	Level 1	Level 2	Level 3	Total
Derivative assets (Note 8)	-	108.279.182	-	108.279.182
Buildings (Note 10)	-	1.547.236.675	-	1.547.236.675
Lands (Note 10)	-	5.582.258.138	-	5.582.258.138
Total	-	7.237.773.995	-	7.237.773.995

<u>Financial liabilities carried at fair value</u>	Level 1	Level 2	Level 3	Total
Derivative liabilities (Note 8)	-	(41.386.682)	-	(41.386.682)
Total	-	(41.386.682)	-	(41.386.682)

NOTE 25- EVENTS AFTER REPORTING PERIOD

None.