

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

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

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

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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 SEPTEMBER 2024 AND 31 DECEMBER 2023

Page No: 1

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

	Notes	Unaudited Current Period 30 September 2024	Audited Prior Period 31 December 2023
ASSETS			
Current Assets		13.424.994.521	15.121.795.341
Cash and Cash Equivalents	4	1.699.955.191	4.979.145.841
Financial Investments	5	1.150.880.138	-
Trade Receivables		3.396.469.134	4.000.761.768
<i>Trade Receivables from Related Parties</i>	7-23	185.757.178	140.376.307
<i>Trade Receivables from Third Parties</i>	7	3.210.711.956	3.860.385.461
Other Receivables		102.396.647	138.434.682
<i>Other Receivables from Third Parties</i>		102.396.647	138.434.682
Inventories	9	5.876.774.066	4.989.664.191
Derivative Instruments	8	-	117.937.187
Prepaid Expenses	16	1.117.638.118	815.486.604
Other Current Assets	16	80.881.227	80.365.068
Non-Current Assets		11.030.910.229	10.786.591.509
Financial Investments	5	16.169.759	19.936.130
Other Receivables		3.642	4.951
<i>Other Receivables from Third Parties</i>		3.642	4.951
Property, Plant and Equipment	10	8.568.573.807	8.686.065.845
Right of Use Assets	12	115.215.393	112.343.020
Intangible Assets		2.323.553.371	1.966.897.150
<i>Goodwill</i>		144.349.166	144.349.166
<i>Other Intangible Assets</i>	11	2.179.204.205	1.822.547.984
Prepaid Expenses	16	7.394.257	1.344.413
TOTAL ASSETS		24.455.904.750	25.908.386.850

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 SEPTEMBER 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 September 30, 2024, unless otherwise stated)

	Notes	Unaudited Current Period 30 September 2024	Audited Prior Period 31 December 2023
LIABILITIES			
Current Liabilities		11.772.528.993	12.560.839.708
Current Borrowings		4.128.092.748	5.136.201.457
<i>Current Borrowings from Third Parties</i>	6	4.128.092.748	5.136.201.457
<i>Bank Loans</i>	6	4.128.092.748	5.136.201.457
Current Portions of Non-Current Borrowings		1.148.137.649	951.033.277
<i>Current Portions of Non-Current Borrowings from</i>			
<i>Third Parties</i>	6	1.148.137.649	951.033.277
<i>Bank Loans</i>	6	1.110.612.480	887.426.808
<i>Lease Liabilities</i>	6	37.525.169	63.606.469
Trade Payables		4.656.714.131	5.064.485.469
<i>Trade Payables to Related Parties</i>	7-23	2.181.095.531	2.831.197.848
<i>Trade Payables to Third Parties</i>	7	2.475.618.600	2.233.287.621
Other Payables		33.503.485	55.456.878
<i>Other Payables to Related Parties</i>	23	9.109	12.376
<i>Other Payables to Third Parties</i>		33.494.376	55.444.502
Derivative Instruments	8	145.713.154	45.078.184
Employee Benefits Obligations		117.367.294	131.478.903
Liabilities Arising from Contracts with Customers	16	31.237.289	24.511.322
Deferred Income	16	1.032.686.295	677.248.203
Provisions for Income Taxes and Other Legal Liabilities		12.062.129	359.133
Current Provisions		467.014.819	474.986.882
<i>Current Provisions for Employee Benefits</i>	15	105.847.192	160.876.806
<i>Other Current Provisions</i>	14	361.167.627	314.110.076
Non-Current Liabilities		1.689.942.866	2.133.463.316
Non-Current Borrowings		607.889.146	1.032.244.996
<i>Non-Current Borrowings from Third Parties</i>		607.889.146	1.032.244.996
<i>Bank Loans</i>	6	303.130.189	681.651.130
<i>Lease Liabilities</i>	6	304.758.957	350.593.866
Provisions for employee benefits		37.947.111	34.620.477
Liabilities Arising from Contracts with Customers	16	244.636.523	262.873.870
Deferred Income	16	83.665.618	97.239.664
Non-Current Provisions for Employee Benefits	15	63.871.825	64.954.171
Deferred Tax Liabilities	21	651.932.643	641.530.138
EQUITY		10.993.432.891	11.214.083.826
Equity Attributable to Equity Holders of the Parent	17	10.993.432.891	11.214.083.826
Issued Capital		252.000.000	252.000.000
Adjustments to Share Capital		2.483.140.175	2.483.140.175
Revaluation and Remeasurement Earnings/Losses that will not be			
Reclassified in Profit or Loss		2.589.607.866	2.589.607.866
<i>Gain on Revaluation of Property, Plant and Equipment</i>		2.669.498.982	2.669.498.982
<i>Gain/Loss on Remeasurement of Defined Benefit Plans</i>		(79.891.116)	(79.891.116)
Restricted Reserves Appropriated from Profits		526.599.312	432.373.264
Prior Years' Profit/Losses		4.790.559.802	3.263.881.300
Current Period Net Profit or Losses		351.525.736	2.193.081.221
TOTAL LIABILITIES		24.455.904.750	25.908.386.850

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 **Page No: 3**
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 SEPTEMBER 2024 AND 30 SEPTEMBER 2023
(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of September 30, 2024, unless otherwise stated)

		Unaudited 1 January- 30 September 2024	Unaudited 1 January- 30 September 2023	Unaudited 1 July- 30 September 2024	Unaudited 1 July- 30 September 2023
	Dipnot				
PROFIT OR LOSS					
Revenue	18	12.917.382.374	14.915.065.558	3.480.386.648	5.051.386.775
Cost of Sales (-)	18	(11.280.904.011)	(12.019.886.554)	(3.239.035.190)	(4.102.074.723)
GROSS PROFIT (LOSS)		1.636.478.363	2.895.179.004	241.351.458	949.312.052
General Administrative Expenses (-)		(586.909.209)	(515.867.653)	(202.470.135)	(214.580.968)
Marketing Expenses (-)		(952.564.782)	(903.187.015)	(330.672.267)	(276.527.474)
Research and Development Expenses (-)		(131.028.013)	(105.093.446)	(45.733.513)	(34.339.164)
Other Income from Operating Activities	19	592.850.156	1.192.937.498	330.235.164	(86.948.638)
Other Expenses from Operating Activities (-)	19	(619.245.172)	(1.237.763.589)	(320.604.973)	118.965.464
PROFIT (LOSS) FROM OPERATING ACTIVITIES		(60.418.657)	1.326.204.799	(327.894.266)	455.881.272
Income from Investing Activities		134.041.277	22.356.525	102.848.051	9.373.131
PROFIT/LOSS BEFORE FINANCE EXPENSE		73.622.620	1.348.561.324	(225.046.215)	465.254.403
Finance Income	20	682.387.206	1.229.823.586	119.315.928	352.284.638
Finance Expenses (-)	20	(1.695.454.753)	(2.191.830.998)	(468.554.133)	(822.402.905)
Monetary Gain/(Loss)		1.328.113.164	1.919.084.244	390.280.687	1.019.489.216
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX		388.668.237	2.305.638.156	(184.003.733)	1.014.625.352
Tax Income/(Expense) From Continuing Operations		(37.142.501)	(288.024.037)	87.750.684	(142.877.168)
Current Tax (Expense) Income		(26.739.996)	(97.733.496)	22.063.648	9.742.333
Deferred Tax (Expense) Income		(10.402.505)	(190.290.541)	65.687.036	(152.619.501)
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		351.525.736	2.017.614.119	(96.253.049)	871.748.184
PROFIT (LOSS) FOR THE YEAR	22	351.525.736	2.017.614.119	(96.253.049)	871.748.184
Profit (Loss) for the Year Attributable to:		351.525.736	2.017.614.119	(96.253.049)	871.748.184
Owners of The Parent		351.525.736	2.017.614.119	(96.253.049)	871.748.184
Earnings/(Losses) Per 100 Share from Continuing Operations	22	1,3949	24,0192	(0,3820)	10,3780
OTHER COMPREHENSIVE INCOME (EXPENSE)					
OTHER COMPREHENSIVE INCOME (EXPENSE)		351.525.736	2.017.614.119	(96.253.049)	871.748.184
TOTAL COMPREHENSIVE INCOME (EXPENSE)		351.525.736	2.017.614.119	(96.253.049)	871.748.184
Owners of The Parent		351.525.736	2.017.614.119	(96.253.049)	871.748.184

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 CHANGES IN EQUITY
FOR THE PERIODS ENDED 30 SEPTEMBER 2024 AND 30 SEPTEMBER 2023

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(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of September 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		Restricted Reserves Appropriated from Profits	Retained Earnings		Total Equity
				Gain on Revaluation of Property, Plant and Equipment	Gain/Loss on Remeasurement of Defined Benefit Plans		Prior Years' Profits/ Losses	Current Period Net Profit or Losses	
Balances as of 1 January 2023 (Beginning of the Period)	17	84.000.000	2.422.893.565	1.752.850.153	(95.837.631)	372.993.818	2.874.569.057	1.065.562.973	8.477.031.935
Total Comprehensive Income (Expense)		-	-	-	-	-	-	2.017.614.119	2.017.614.119
Profit for the Period		-	-	-	-	-	-	2.017.614.119	2.017.614.119
Dividends		-	-	-	-	-	(388.628.041)	-	(388.628.041)
Transfers		-	-	-	-	60.413.363	1.005.149.610	(1.065.562.973)	-
Balances as of 30 September 2023 (End of the Period)	17	84.000.000	2.422.893.565	1.752.850.153	(95.837.631)	433.407.181	3.491.090.626	2.017.614.119	10.106.018.013
Current Period									
Balances as of 1 January 2024 (Beginning of the Period)	17	252.000.000	2.483.140.175	2.669.498.982	(79.891.116)	432.373.264	3.263.881.300	2.193.081.221	11.214.083.826
Total Comprehensive Income		-	-	-	-	-	-	351.525.736	351.525.736
Profit for the Period		-	-	-	-	-	-	351.525.736	351.525.736
Dividends		-	-	-	-	-	(572.176.671)	-	(572.176.671)
Transfers		-	-	-	-	94.226.048	2.098.855.173	(2.193.081.221)	-
Balances as of 30 September 2024 (End of the Period)	17	252.000.000	2.483.140.175	2.669.498.982	(79.891.116)	526.599.312	4.790.559.802	351.525.736	10.993.432.891

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 SEPTEMBER 2024 AND 30 SEPTEMBER 2023

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

	Notes	Unaudited 1 January- 30 September 2024	Unaudited 1 January- 30 September 2023
Cash Flows from Operating Activities		(475.041.103)	2.449.199.830
Current Period Net Profit or Losses	22	351.525.736	2.017.614.119
Adjustments to Reconcile Profit (Loss) for The Year		(178.367.616)	3.609.594.757
Adjustments Related to Depreciation and Amortization Expenses	10-11-12	601.440.063	544.539.245
Adjustments Related to Provision for Employee Benefits (Released)	15	59.741.885	(4.443.515)
Adjustments Related to Tax (Income) Expense		37.142.501	288.024.037
Adjustments Related to Provisions for Litigations	14	14.577.183	34.098.012
Adjustments Related to Doubtful Receivables	7	-	1.369.245
Adjustments Related to Interest Income	19-20	(499.701.178)	(312.537.382)
Adjustments Related to Interest Expenses	20	1.192.993.644	616.582.084
Adjustments Related to Unrealized Currency Translation Differences		67.915.346	34.855.794
Adjustments Related to Fair Value Losses (Gains)		104.869.313	(178.658.171)
Provision for Impairment of Inventory		-	729.002
Other Adjustments to Profit/(Loss) Reconciliation		(58.958.006)	5.364.143
Adjustments Related to Other Provisions (Released)	14	305.201.007	256.433.069
Adjustments Related to Loss (Gain) on Disposal of Property, Plant and Equipment		(20.338.433)	(8.786.216)
Monetary Gain/(Loss)		(1.983.250.941)	2.332.025.410
Changes in Working Capital		(368.963.195)	(2.915.674.662)
Adjustments Related to Decrease (Increase) in Trade Receivables	7	620.527.698	(1.580.739.144)
Adjustments Related to Decrease (Increase) in Inventories	9	(887.109.875)	(1.385.537.747)
Adjustments Related to Decrease (Increase) in Other Receivables from Operations		(266.629.638)	(233.691.924)
Adjustments Related to Increase (Decrease) in Trade Payables	7	(412.079.391)	(864.800.627)
Adjustments Related to Increase (Decrease) in Other Payables from Operations		598.133.880	1.161.250.073
Adjustments Related to Increase (Decrease) in Other Working Capital from Operations		(21.805.869)	(12.155.293)
Cash Flows from Operating Activities		(195.805.075)	2.711.534.214
Income Tax Returns (Paid)		(14.677.867)	(14.679.049)
Payments Related to Other Provisions	14	(199.433.570)	(115.579.267)
Payments to Provision of Employee Benefits	15	(65.124.591)	(132.076.068)
Cash Flows from Investing Activities		(1.909.243.745)	(730.310.573)
Proceeds from Sale of Property, Plant and Equipment	10	22.419.813	28.958.068
Payments for Purchase of Property, Plant and Equipment	10	(189.481.209)	(570.807.759)
Payments for Purchase of Intangible Assets	11	(589.805.053)	(461.100.258)
Payments for Goodwill		-	(108.387.134)
Other Cash Outflows		(1.152.377.296)	381.026.510
Cash Flows from Financing Activities		(224.171.269)	2.260.143.492
Dividends Paid		(572.176.671)	(388.628.042)
Interest Received		482.327.918	295.550.144
Interest Paid	6	(1.175.318.305)	(574.088.716)
Proceeds from Loans	6	4.367.530.900	9.922.885.831
Cash Outflows from Repayment of Loans	6	(3.336.683.506)	(6.984.945.835)
Cash Outflows Related to Debt Payments Arising from Lease Agreements	6	10.148.395	(10.629.890)
Effect of Monetary Loss/Gain on Cash and Cash Equivalents		(688.107.793)	(4.381.336.363)
Net Increase (Decrease) in Cash and Cash Equivalents		(3.296.563.910)	(402.303.614)
Cash and Cash Equivalents at The Beginning of The Year		4.979.145.841	3.291.616.292
Cash and Cash Equivalents at The End of The Year	4	1.682.581.931	2.889.312.678

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

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 September 2024 is 1.304 (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 Sınai Yatırım ve Yönetim A.Ş. and AG Sınai Yatırım ve Yönetim A.Ş. is a management company, which is ultimately managed by the Özlhan 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 September 2024 and 31 December 2023, details about the company’s subsidiary, which is subject to consolidation, is below:

Company Name	Principal Activity	Capital	30 September 2024	31 December 2023
			Participation Rate (%)	Participation Rate (%)
Ant Sınai ve Ticari Ürünleri Pazarlama A.Ş.	Trade of spare parts	716.000	100	100

Approval of Financial Statements

Condensed consolidated financial statements for the period 1 January – 30 September 2024 approved by the Board of Directors on 4 November 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
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(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of September 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 TRY, 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 September 2024 and 31 December 2023

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

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

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

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 Factor	Three-year Inflation Rate
30 September 2024	2.526,16	1.00000	343%
31 December 2023	1.859,38	1,35860	268%
30 September 2023	1.691,04	1,49385	254%

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 September 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 September 2024:

Amendments to IFRS 17, 'Insurance Contracts'; effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts.

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 sole 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 September 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 September 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 Unaudited 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:

	<u>30 September 2024</u>	<u>31 December 2023</u>
Banks-Demand Deposits	536.325.959	179.575.119
Banks-Time Deposits (up to 3 months)	1.160.923.350	4.795.081.720
Other Liquid Assets (*)	2.705.882	4.489.002
Total	1.699.955.191	4.979.145.841

(*) As of 30 September 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 September 2024 and 31 December 2023.

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

	<u>30 September 2024</u>	<u>30 September 2023</u>
Liquid Assets	1.699.955.191	2.919.550.365
Interest Accruals (-)	(17.373.260)	(30.237.687)
Total (Excluding interest accruals)	1.682.581.931	2.889.312.678

The details of time deposits are as follows:

	<u>30 September 2024</u>		<u>31 December 2023</u>	
	<u>Amount</u>	<u>Annual Average</u>	<u>Amount</u>	<u>Annual Average</u>
	<u>(TRY Equivalent)</u>	<u>Interest Rate (%)</u>	<u>(TRY Equivalent)</u>	<u>Interest Rate (%)</u>
TRY	1.160.923.350	49,87	4.591.279.308	38,50
EUR	-	-	203.802.412	2,70
Total	1.160.923.350		4.795.081.720	

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;

	<u>30 September 2024</u>	<u>31 December 2023</u>
Investment Funds (*)	1.150.880.138	-
Total	1.150.880.138	-

(*) During the reporting period, the Group purchased listed mutual funds. As of September 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;

	<u>30 September 2024</u>	<u>31 December 2023</u>
Investment Funds	16.169.759	19.936.130
Total	16.169.759	19.936.130

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NOTES 6- FINANCIAL LIABILITIES

The details of bank loans as of 30 September 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 TRY Including Interest</u>	
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
EUR	5,50	-	5.082.538	-	194.357.268	-
TRY	38,15	16,58	3.933.735.480	5.136.201.457	3.933.735.480	5.136.201.457
Total					4.128.092.748	5.136.201.457

b) Short-term Portions of Long-term Borrowings

Bank Loans

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TRY Including Interest</u>	
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
EUR	7,5	4,38	1.934.081	4.782.233	73.959.641	211.637.785
USD	-	4,25	-	5.583.593	-	223.314.903
TRY	39,2	17,52	1.036.652.839	452.474.120	1.036.652.839	452.474.120
Toplam					1.110.612.480	887.426.808

Finance Lease Liabilities

Short-term Finance Lease Payables

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TRY Including Interest</u>	
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
TRY	34,00	34,00	5.814.769	32.649.590	5.814.769	32.649.590
Total					5.814.769	32.649.590

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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 TRY Including Interest</u>	
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>	<u>30 September</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	392.374	215.526	14.977.470	9.538.121
TR	28,05	28,05	16.732.930	21.418.758	16.732.930	21.418.758
Y						
Total					31.710.400	30.956.879

c) Long-term Borrowings

Bank Loans

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TRY Including Interest</u>	
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
EUR	7,50	5,45	6.489.085	7.729.431	248.143.914	342.066.069
TR	36,25	15,34	54.986.275	339.585.061	54.986.275	339.585.061
Y						
Total					303.130.189	681.651.130

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

	<u>30 September 2024</u>	<u>31 December 2023</u>
1 to 2 years	106.472.772	393.800.851
2 to 3 years	66.167.376	84.194.892
3 to 4 years	87.976.246	70.923.197
4 to 5 years	26.357.256	97.137.555
More than 5 years	16.156.539	35.594.635
Total	303.130.189	681.651.130

Finance Lease Liabilities

Long Term Finance Lease Payables

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TRY Including Interest</u>	
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
TRY	35,46	35,46	247.196.691	337.920.344	247.196.691	337.920.344
Total					247.196.691	337.920.344

Long-term Lease Payables Arising from Operating Leases

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TRY Including Interest</u>	
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>	<u>30 September</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	648.483	96.272	24.798.103	4.260.500
TRY	28,05	28,05	32.764.163	8.413.022	32.764.163	8.413.022
Total					57.562.266	12.673.522

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NOTES 6- FINANCIAL LIABILITIES (cont'd)

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

	30 September 2024	30 September 2023
Opening balance	7.159.740.892	4.516.600.775
Interest expense	1.192.055.447	616.582.084
Cash outflows from debt payments arising from lease agreements	10.148.395	(10.629.890)
TFRS 16 changes in lease liabilities	(82.216.411)	409.209.262
Interest paid	(1.175.318.305)	(574.088.716)
Newly obtained credits	4.367.530.900	9.922.885.831
Loans repaid	(3.336.683.506)	(6.984.945.835)
Exchange difference	111.619.618	436.488.477
Inflation effect	(2.362.757.487)	(2.502.057.902)
Closing balance	5.884.119.543	5.830.044.086

NOTE 7- TRADE RECEIVABLES AND PAYABLES

Trade receivables at period ends are as follows:

a) Short-term Trade Receivables

	30 September 2024	31 December 2023
Trade Receivables from Third Parties	3.240.963.128	3.906.871.697
Trade Receivables from Related Parties	185.757.178	140.376.307
Rediscount Expenses (-)	(30.251.172)	(46.486.236)
Doubtful Receivables	189.907	258.008
Allowance for Doubtful Receivables (-)	(189.907)	(258.008)
Total	3.396.469.134	4.000.761.768

As of 30 September 2024, the average term for trade receivables is 78 days (31 December 2023: 82 days).

Movements of provision for doubtful receivables are as follows:

	30 September 2024	31 December 2023
Opening Balance	258.008	1.074.623
Provisions for Uncollectible Provisions	-	(156.420)
Collections in the Period	-	(237.756)
Inflation Effect	(68.101)	(422.439)
Closing Balance	189.907	258.008

Trade payables at period ends are as follows:

b) Short-term Trade Payables

	30 September 2024	31 December 2023
Trade Payables to Third Parties	2.515.825.525	2.293.765.822
Trade Payables to Related Parties	2.181.095.531	2.831.197.848
Rediscount Incomes(-)	(40.206.925)	(60.478.201)
Total	4.656.714.131	5.064.485.469

As of 30 September 2024, the average term for trade payables is 107 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 September 2024 and 31 December 2023 are as follows:

	<u>30 September 2024</u>			<u>31 December 2023</u>		
	Nominal Value	<u>Fair Value</u>		Nominal Value	<u>Fair Value</u>	
		Assest	Liability		Assest	Liability
Forward Contracts	755.412.006	-	(145.713.154)	3.035.451.237	117.937.187	(45.078.184)
Total	755.412.006	-	(145.713.154)	3.035.451.237	117.937.187	(45.078.184)

NOTE 9- INVENTORIES

Inventory balances as of period ends are as follows:

	<u>30 September 2024</u>	<u>31 December 2023</u>
Raw Materials	2.723.436.707	3.088.067.042
Work in Process Goods	115.570.082	145.670.093
Finished Goods	1.332.373.255	514.266.652
Trade Goods	681.784.374	396.366.761
Other Inventory	29.120.570	84.959.856
Goods in Transit	994.489.078	760.333.787
Total Inventories	5.876.774.066	4.989.664.191

As of 30 September 2024, total cost of sales which recognized in statement of profit or loss is TRY 9.792.730.154 TRY (30 September 2023: TRY 10.809.892.630).

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NOTE 10- PROPERTY, PLANT AND EQUIPMENT

30 September 2024

Cost Value	Land	Land Improvements	Buildings	Plant, Machinery and Equipment	Vehicles	Furniture and Fixtures	Other Tangible Fixed Assets	Construction in Progress	Total
Opening Balance as at 1 January 2024	6.080.169.887	217.260.668	1.685.243.070	3.984.190.497	78.209.724	67.530.959	14.530.546	168.619.074	12.295.754.425
Additions	-	-	3.973.057	83.749.487	7.966.158	5.081.507	-	88.711.000	189.481.209
Transfer from Construction in Progress	-	-	147.737.427	-	-	-	-	(147.737.427)	-
Disposals	-	-	-	(19.289.508)	(1.395.782)	(7.294.301)	-	-	(27.979.591)
Closing Balance as at 30 September 2024	6.080.169.887	217.260.668	1.836.953.554	4.048.650.476	84.780.100	65.318.165	14.530.546	109.592.647	12.457.256.043

Accumulated Depreciation

Opening Balance as at 1 January 2024	-	(176.370.878)	(297.105.792)	(3.025.729.147)	(44.650.650)	(51.317.709)	(14.514.404)	-	(3.609.688.580)
Charge for the year	-	(4.919.492)	(19.186.982)	(273.567.658)	(6.672.449)	(540.250)	(5.036)	-	(304.891.867)
Disposals	-	-	-	17.729.948	1.395.782	6.772.481	-	-	25.898.211
Closing Balance as at 30 September 2024	-	(181.290.370)	(316.292.774)	(3.281.566.857)	(49.927.317)	(45.085.478)	(14.519.440)	-	(3.888.682.236)

Net Book Value

Opening Balance as at 1 January 2024	6.080.169.887	40.889.790	1.388.137.278	958.461.350	33.559.074	16.213.250	16.142	168.619.074	8.686.065.845
Closing Balance as at 30 September 2024	6.080.169.887	35.970.298	1.520.660.780	767.083.619	34.852.783	20.232.687	11.106	109.592.647	8.568.573.807

As of 30 September 2024 , 238.743.935 of the depreciation expenses has been charged to cost of sales and TRY , 6.215.462 to research and development expenses and TRY 9.573.822 to marketing expenses, TRY 31.693.500 to general administrative expenses and TRY 18.665.148 to development capitalization.

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

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

30 September 2023

<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 2023	5.176.243.880	214.256.519	1.399.120.589	3.664.464.895	61.937.279	57.520.614	14.530.538	39.937.464	10.628.011.778
Additions	-	507.338	8.983.809	270.565.566	7.295.694	4.118.293	-	279.337.057	570.807.757
Disposals	-	-	(5.551.701)	(24.980.114)	(4.082.889)	-	-	-	(34.614.704)
Closing Balance as at 30 September 2023	5.176.243.880	214.763.857	1.402.552.697	3.910.050.347	65.150.084	61.638.907	14.530.538	319.274.521	11.164.204.831

Accumulated Depreciation

Opening Balance as at 1 January 2023	-	(170.795.656)	(282.396.781)	(2.993.412.719)	(46.516.745)	(47.797.273)	(14.507.093)	-	(3.555.426.267)
Charge for the year	-	(3.331.734)	(16.162.653)	(132.504.543)	(6.324.714)	(2.730.068)	(6.400)	-	(161.060.112)
Disposals	-	-	1.785.390	9.955.000	2.702.463	-	-	-	14.442.853
Closing Balance as at 30 September 2023	-	(174.127.390)	(296.774.044)	(3.115.962.262)	(50.138.996)	(50.527.341)	(14.513.493)	-	(3.702.043.526)

Net Book Value

Opening Balance as at 1 January 2023	5.176.243.880	43.460.863	1.116.723.808	671.052.176	15.420.534	9.723.341	23.445	39.937.464	7.072.585.511
Closing Balance as at 30 September 2023	5.176.243.880	40.636.467	1.105.778.653	794.088.085	15.011.088	11.111.566	17.045	319.274.521	7.462.161.305

As of 30 September 2023 TRY 111.930.612 of the depreciation expenses has been charged to cost of sales and TRY 8.107.424 to research and development expenses and TRY , 12.673.393 to marketing expenses, TRY 21.027.847 to general administrative expenses and TRY 7.320.837 to development capitalization.

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

NOTE 11 – INTANGIBLE ASSETS

30 September 2024

Cost Value	Rights	Development Expenses	Other Intangible Assets	Construction in Progress and Advances (*)	Total
Opening Balance as at 1 January 2024	9.566.744	2.263.385.004	413.630.675	967.172.651	3.653.755.074
Additions	-	-	8.366.135	581.438.918	589.805.053
Closing balance as at 30 September 2024	9.566.744	2.263.385.004	421.996.810	1.548.611.569	4.243.560.127

Accumulated Amortization

Opening Balance as at 1 January 2024	(4.669.376)	(1.497.902.332)	(328.635.382)	-	(1.831.207.090)
Charge for the period	(463.033)	(198.127.558)	(34.558.241)	-	(233.148.832)
Closing balance as at 30 September 2024	(5.132.409)	(1.696.029.890)	(363.193.623)	-	(2.064.355.922)

Net Book Value

Opening Balance as at 1 January 2024	4.897.368	765.482.672	84.995.293	967.172.651	1.822.547.984
Closing balance as at 30 September 2024	4.434.335	567.355.114	58.803.187	1.548.611.569	2.179.204.205

As of 30 September 2024 , TRY 166.613.806 of the depreciation expenses of intangible assets has been charged to cost of sales and TRY , 5.406.824 to research and development expenses and TRY 9.207.729 to marketing expenses, TRY 34.238.918 to general administrative expenses and 17.681.554 to development capitalization.

30 September 2023

Cost Value	Rights	Development Expenses	Other Intangible Assets	Construction in Progress and Advances (*)	Total
Opening Balance as at 1 January 2023	9.324.741	2.161.848.994	361.644.638	416.292.347	2.949.110.720
Additions	-	-	22.326.216	438.774.042	461.100.258
Closing balance as at 30 September 2023	9.324.741	2.161.848.994	383.970.854	855.066.389	3.410.210.978

Accumulated Amortization

Opening Balance as at 1 January 2023	(4.010.067)	(1.221.834.567)	(282.926.396)	-	(1.508.771.030)
Charge for the period	(429.900)	(305.022.960)	(33.315.014)	-	(338.767.874)
Closing balance as at 30 September 2023	(4.439.967)	(1.526.857.527)	(316.241.410)	-	(1.847.538.904)

Net Book Value

Opening Balance as at 1 January 2023	5.314.674	940.014.427	78.718.242	416.292.347	1.440.339.690
Closing balance as at 30 September 2023	4.884.774	634.991.467	67.729.444	855.066.389	1.562.672.074

As of 30 September 2023 TRY 301.085.415 of the depreciation expenses of intangible assets has been charged to cost of sales and TRY 28.549 to research and development expenses and TRY 1.850.211 to marketing expenses, TRY 24.604.787 to general administrative expenses and TRY 11.198.912 to development capitalization.

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

NOTE 12 – RIGHT OF USE ASSETS

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

<u>Cost Value</u>	<u>Total</u>
Opening Balance as at 1 January 2024	181.294.230
Additions	66.271.738
Disposals	(9.917.243)
Closing balance as at 30 September 2024	237.648.725

<u>Accumulated Amortization</u>	
Opening Balance as at 1 January 2024	(68.951.210)
Charge for the Period	(63.399.365)
Disposals	9.917.243
Closing balance as at 30 September 2024	(122.433.332)

<u>Net Book Value</u>	
Opening Balance as at 1 January 2024	112.343.020
Closing balance as at 30 September 2024	115.215.393

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

<u>Cost Value</u>	<u>Total</u>
Opening Balance as at 1 January 2023	75.191.867
Additions	99.165.024
Disposals	(5.550.307)
Closing balance as at 30 September 2023	168.806.584

<u>Accumulated Amortization</u>	
Opening Balance as at 1 January 2023	(29.790.259)
Charge for the Period	(44.711.258)
Disposals	5.550.307
Closing balance as at 30 September 2023	(68.951.210)

<u>Net Book Value</u>	
Opening Balance as at 1 January 2023	45.401.608
Closing balance as at 30 September 2023	99.855.374

TRY 18.105.442 of depreciation expenses has been charged to cost of sales, and TRY 26.605.816 to general administration expenses as of 30 September 2023.

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

NOTES 13- GOVERNMENT GRANTS AND INCENTIVES

As of September 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 entiTRYed 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, TRY 51.670.512 was spent.(31 December 2023: TRY 51.670.512) The contribution rate to the investment is 20%.

Within the scope of the incentive certificate numbered 129788, 87.538.897 was spent (31 December 2023: 87.538.897 TRY). The contribution rate to the investment is 45%.

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 535509, TRY 56.662.570 TRY was spent (31 December 2023: 56.662.570 TRY). The contribution rate to the investment is 30%.

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

Within the scope of the incentive certificate numbered 541650, TRY 197.715.474 was spent (31 December 2023: TRY 106.759.837). The contribution rate to the investment is 40%.

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

The annual tax advantage of 360.758.500 TRY (31 December 2023: 366.056.923 TRY), which the Group will benefit from in the future on 30 September 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 September 2024. As a result of accounting as of the date of 360.758.500 TRY deferred tax income was created in the consolidated profit or loss statement between 1 January and 30 September 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 September 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 September 30, 2024, unless otherwise stated)

NOTES 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Other Short-term Provisions

	30 September 2024	31 December 2023
Warranty Provisions	111.482.329	124.921.822
Provision for Lawsuits	78.466.244	86.799.896
Provision for Premium and Commission	171.219.054	102.388.358
Total	361.167.627	314.110.076

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	124.921.822	86.799.896	102.388.358	314.110.076
Additions During The Period	106.154.309	14.577.183	199.046.698	319.778.190
Paid During The Period (-)	(102.242.978)	-	(97.190.592)	(199.433.570)
Inflation Effect	(17.350.824)	(22.910.835)	(33.025.410)	(73.287.069)
Closing Balance as at 30 September 2024	111.482.329	78.466.244	171.219.054	361.167.627

	<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	100.692.095	82.237.015	131.027.656	313.956.766
Additions During The Period	158.578.608	34.098.012	97.854.461	290.531.081
Paid During The Period (-)	(87.667.540)	-	(27.911.727)	(115.579.267)
Inflation Effect	(33.499.128)	(27.359.330)	(43.591.428)	(104.449.887)
Closing Balance as at 30 September 2023	138.104.035	88.975.697	157.378.961	384.458.693

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:

	30 September 2024			
	<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	5.595.934.876	4.813.310.302	18.568.884	2.163.603
i. Letter of Guarantee	5.595.934.876	4.813.310.302	18.568.884	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	5.595.934.876	4.813.310.302	18.568.884	2.163.603

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

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

		<u>31 December 2023</u>		
	<u>Total TRY</u> <u>Provisions</u>	<u>Original</u> <u>Currency</u> <u>TRY</u>	<u>Original</u> <u>Currency</u> <u>EUR</u>	<u>Original</u> <u>Currency</u> <u>USD</u>
A. CPMs given in the name of its own legal personality	3.076.244.320	1.830.675.020	11.485.100	1.994.007
i. Letter of Guarantee	3.076.244.320	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	3.076.244.320	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 September 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 September 2024</u>	<u>31 December 2023</u>
Provision for Employee Rights and Salaries	86.175.159	145.606.690
Provision for Unused Vacation	19.672.033	15.270.116
Total	105.847.192	160.876.806

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 September 2024</u>	<u>30 September 2023</u>
Opening Balance	15.270.116	11.549.571
Recognized provision during the period	12.447.326	8.398.278
Paid During The Period	(39.002.114)	(23.483.582)
Inflation Effect	30.956.705	18.026.871
Total	19.672.033	14.491.138

b) Long-Term Provisions for Employee Benefits

	<u>30 September</u> <u>2024</u>	<u>31 December 2023</u>
Provision for Severance Payments to Employees	63.871.825	64.954.171
Total	63.871.825	64.954.171

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of September 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 TRY 41.828,42 (1 January 2024: TRY 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:

	<u>30 September</u> <u>2024</u>	<u>31 December 2023</u>
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:

	<u>30 September 2024</u>	<u>30 September 2023</u>
Opening Balance	64.954.171	281.548.771
Interest Cost	938.197	625.772
Gain/(Loss) on Remeasurement of Defined Benefit Plans	-	-
Paid Within the Period	(26.122.477)	(108.592.486)
Service Cost	46.356.362	(13.467.565)
Inflation Effect	(22.254.428)	(93.320.423)
Closing Balance	63.871.825	66.794.069

NOTE 16- OTHER ASSETS AND LIABILITIES

a) Prepaid Expenses

	<u>30 September 2024</u>	<u>31 December 2023</u>
Advances Given For Inventory Purchase	1.096.319.834	806.234.409
Prepaid Extended Warranty Expenses	1.912.276	99.063
Prepaid Insurance Expenses	9.731.547	1.284.191
Prepaid Advertisement Expenses	756.580	793.048
Prepaid Maintenance Expenses	3.445.018	2.567.076
Prepaid Other Expenses	5.472.863	4.508.817
Total	1.117.638.118	815.486.604

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

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

b) Other Current Assets

	30 September 2024	31 December 2023
Deferred VAT	68.731.883	34.622.973
Other Current Assets	12.149.344	45.742.095
Total	80.881.227	80.365.068

c) Prepaid Expenses (Long-Term)

	30 September 2024	31 December 2023
Prepaid Expenses	7.394.257	1.344.413
Total	7.394.257	1.344.413

d) Deferred Income (Short-Term)

	30 September 2024	31 December 2023
Order Advances Received	989.003.000	628.623.866
Deferred Income	43.683.295	48.624.337
Total	1.032.686.295	677.248.203

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

	30 September 2024	31 December 2023
Deferred Maintenance and Repair Income	31.237.289	24.511.322
Total	31.237.289	24.511.322

f) Deferred Income (Long-Term)

	30 September 2024	31 December 2023
Order Advances Received	83.665.618	97.239.664
Total	83.665.618	97.239.664

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

	30 September 2024	31 December 2023
Deferred Maintenance and Repair Income	244.636.523	262.873.870
Total	244.636.523	262.873.870

NOTE 17- SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Capital / Elimination Adjustments

As of 30 September 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 September 30, 2024, unless otherwise stated)

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

a) Capital / Elimination Adjustments (cont'd)

30 September 2024

<u>Shareholders</u>	<u>Group A</u>	<u>Group B</u>	<u>Group C</u>	<u>Total Share Amount</u>	<u>Share (%)</u>
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

<u>Shareholders</u>	<u>Group A</u>	<u>Group B</u>	<u>Group C</u>	<u>Total Share Amount</u>	<u>Share (%)</u>
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.

<u>Equity</u>	<u>30 September 2024</u>	<u>31 December 2023</u>
Paid-in Capital	252.000.000	252.000.000
Capital Inflation Adjustment Difference	2.483.140.175	2.483.140.175
Restricted Reserves Appropriated from profit	526.599.312	432.373.264
Previous Year Profits	4.790.559.802	3.263.881.300
Gain / (Loss) on Revaluation and Measurement	2.669.498.982	2.669.498.982
(Losses) on Remeasurement of Defined Benefit Plans	(79.891.116)	(79.891.116)
Net Profit / (Loss) for The Period	351.525.736	2.193.081.221
Shareholders' Equity Attributable to Equity Holders of the Group	10.993.432.891	11.214.083.826
Total Shareholders' Equity	10.993.432.891	11.214.083.826

c) Restricted Reserves Appropriated from Profit

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

<u>Restricted Reserves Appropriated from Profit</u>	<u>30 September 2024</u>	<u>31 December 2023</u>
Legal Reserves	526.599.312	432.373.264
Total	526.599.312	432.373.264

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 September 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 September 2024	31 December 2023
Extraordinary Reserves	129.400.414	175.632.413
Legal Reserves Inflation Difference	91.273.828	91.273.828
Retained Earnings / (Losses)	4.569.885.561	2.996.975.059
Total	4.790.559.802	3.263.881.300

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 TRY 4.790.559.802 based on the financial statements prepared in according with TAS/TFRS Financial Reporting Standard for the period ended 30 September 2024 (31 December 2023: TRY 3.263.881.300).

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 September 2024	1 January- 30 September 2023	1 July- 30 September 2024	1 July - 30 September 2023
Domestic Sales	9.993.129.352	11.312.540.603	3.153.489.520	3.778.543.075
Foreign Sales	4.393.494.407	4.717.814.764	852.045.412	1.701.163.153
Other Income	45.593.495	49.140.231	12.791.983	16.412.792
Sales Total (Gross)	14.432.217.254	16.079.495.598	4.018.326.915	5.496.119.020
Sales Discounts (-)	(1.514.834.880)	(1.164.430.040)	(537.940.268)	(444.732.246)
Sales (Net)	12.917.382.374	14.915.065.558	3.480.386.647	5.051.386.774
Cost of Sales	(11.280.904.011)	(12.019.886.554)	(3.239.035.190)	(4.102.074.723)
Gross Operating Profit	1.636.478.363	2.895.179.004	241.351.458	949.312.052

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of September 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 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Raw Materials and Supplies Expenses	(8.663.061.393)	(8.655.092.251)	(2.381.110.292)	(2.910.146.047)
Direct Labor Expenses	(839.820.603)	(595.726.082)	(214.604.211)	(209.017.807)
Depreciation and Amortization Expenses	(433.603.541)	(431.121.468)	(174.143.898)	(208.672.056)
Other Production Costs	(214.749.713)	(183.146.374)	(78.347.352)	(79.322.220)
Total Cost of Production	(10.151.235.250)	(9.865.086.175)	(2.848.205.753)	(3.407.158.130)
Change in Goods Inventory	788.006.592	272.815.202	167.942.691	239.495.334
Cost of Trade Goods Sold	(1.911.702.788)	(2.416.104.418)	(560.218.592)	(926.256.614)
Cost of Other Sales	(5.972.565)	(11.511.163)	1.446.464	(8.155.313)
Cost of Sales	(11.280.904.011)	(12.019.886.554)	(3.239.035.190)	(4.102.074.723)

NOTE 19- OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other Income from Operating Activities:	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Foreign Exchange Income on Trade Receivables and Payables	357.604.020	1.114.904.696	198.787.821	(96.394.536)
Sale Support Income	132.498.791	2.587.805	117.304.471	(1.513.723)
Delay Interest Income	20.663.876	5.525.957	9.829.390	(158.980)
Tubitak R&D Incentive	7.534.462	4.709.166	642.884	3.229.316
Service Income	6.581.553	3.606.512	3.252.386	1.879.388
Export D.F.I.F Support	4.887.896	4.436.752	3.951.397	(562.108)
Rent Income	3.143.285	636.060	994.135	209.634
Rediscount Income on Trade Payables	-	-	(759.586)	-
Other Income	59.936.273	56.530.550	(3.767.734)	6.362.371
Total	592.850.156	1.192.937.498	330.235.164	(86.948.638)
Other Expense from Operating Activities:	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Foreign Exchange Expense on Trade Receivables and Payables	(578.926.057)	(1.155.955.138)	(304.564.602)	135.932.579
Donations and Contributions	(17.428.166)	(39.853.858)	(4.475.121)	(2.213.427)
Lawsuit Provisions	(14.577.183)	(34.438.777)	(9.924.526)	(26.180.539)
Discount Income on Trade Receivables	(343.032)	(5.636.890)	(343.032)	6.452
Provisions for Doubtful Trade Receivables	-	(1.369.245)	-	299.162
Other Expenses	(7.970.734)	(509.681)	(1.297.692)	11.121.237
Total	(619.245.172)	(1.237.763.589)	(320.604.973)	118.965.464

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

NOTE 20- FINANCE INCOME AND EXPENSES

Finance Income:	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Interest Income	479.037.302	307.011.425	61.021.126	100.719.002
Foreign Exchange Gain	203.349.904	922.812.161	58.294.802	251.565.636
Total	682.387.206	1.229.823.586	119.315.928	352.284.638

Finance Expense:	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Interest Expense	(1.192.993.644)	(616.582.084)	(194.521.488)	246.316.914
Foreign Exchange Losses	(417.895.263)	(1.330.029.871)	(258.150.566)	(930.932.296)
Forward Purchase Expense	(20.046.514)	(27.351.428)	(3.567.568)	(10.620.142)
Letter of Guarantee Expenses	(15.749.075)	(6.757.862)	(5.086.056)	(2.175.594)
Expense from Derivative Transactions	(10.036.361)	(17.982.007)	(3.631.716)	(11.287.168)
Other Finance Expenses	(38.733.896)	(193.127.746)	(3.596.739)	(113.704.619)
Toplam	(1.695.454.753)	(2.191.830.998)	(468.554.133)	(822.402.905)

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 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/IFRS'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/IFRS standards and tax purposes.

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of September 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 differenTRYy 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 September 2024		31 December 2023	
	<u>Cumulative Temporary Differences</u>	<u>Deferred Tax Assets/(Liabilities)</u>	<u>Cumulative Temporary Differences</u>	<u>Deferred Tax Assets/(Liabilities)</u>
Inventories	(290.488.604)	(72.622.151)	(349.081.757)	(87.270.440)
Fixed Assets (Net)	(7.837.758.946)	(1.047.608.372)	(7.590.980.648)	(985.983.408)
Provision for Employment				
Termination Benefits	93.318.936	23.329.734	88.026.519	22.006.629
Guarantee Provisions	111.482.329	27.870.582	124.921.822	31.230.456
R&D Discount and Investment				
Incentive	939.272.820	360.758.500	678.184.162	398.707.517
Derivative Instruments	145.713.154	36.428.289	(72.859.003)	(18.214.751)
Rediscount Expenses/Income				
(Net)	(9.955.753)	(2.488.938)	(13.991.964)	(3.497.991)
TFRS 15 Revenue from				
Contracts with Customers	111.633.632	27.908.408	(297.034.204)	(74.258.550)
Employee Benefits	87.847.192	21.961.798	62.821.207	15.705.302
Extended Warranty Income	99.170.362	24.792.591	128.137.874	32.034.469
Dealer Premium Provisions	159.087.617	39.771.904	62.166.397	15.541.600
Lawsuit Provisions	78.466.244	19.616.561	86.799.896	21.699.974
Adjustments Related to				
Borrowings	(644.728.263)	(161.182.066)	(354.040.238)	(88.510.060)
Adjustments Related to Leases	120.272.935	30.068.234	185.431.192	46.357.798
Other (Net)	77.849.132	19.462.283	131.685.269	32.921.317
Total		(651.932.643)		(641.530.138)

NOTE 22 - EARNINGS / (LOSS) PER SHARE

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Net Profit / (Loss) for The Period	351.525.736	2.017.614.119	(96.253.050)	871.748.184
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 TRY 1 Each	1,3949	24,0192	(0,3820)	10,3780

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of September 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 September 2024

<u>İlişkili Kuruluşlar</u>	<u>Receivables</u>		<u>Payables</u>	
	<u>Trade</u>	<u>Non-Trade</u>	<u>Trade</u>	<u>Non-Trade</u>
Oyex-Handels Gmbh (1)	174.483.687	-	-	-
Itochu Corporation Tokyo (2)	-	-	2.102.520.324	-
Anadolu Motor Üretim ve Paz. A.Ş. (1)	5.390.161	-	-	-
Çelik Motor Ticaret A.Ş. (1)	2.747.360	-	-	-
Türkiye'nin Otomobil Girişimi Grubu (1)	1.095.600	-	-	-
Isuzu Motors Ltd. Tokyo (2)	914.459	-	77.838.873	-
Isuzu Motors International Operation Thailand (1)	612.109	-	-	-
AEH Sigorta Acenteliği A.Ş. (1)	286.395	-	-	-
Isuzu Motors Europe NV (1)	227.407	-	-	-
Adel Kalemcilik Tic. ve San. A.Ş. (1)	-	-	498.319	-
AG Anadolu Grubu Holding A.Ş. (2)	-	-	142.033	-
Garenta Ulaşım Çözümleri A.Ş (1)	-	-	70.026	-
Anadolu Efes Biracılık ve Malt Sanayi A.Ş. (1)	-	-	25.956	-
Ortaklara Borçlar (*)	-	-	-	9.109
Toplam	185.757.178	-	2.181.095.531	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

<u>Related Parties</u>	<u>Receivables</u>		<u>Payables</u>	
	<u>Trade</u>	<u>Non-Trade</u>	<u>Trade</u>	<u>Non-Trade</u>
Oyex-Handels Gmbh (1)	113.078.989	-	-	-
Çelik Motor Ticaret A.Ş. (1)	13.997.469	-	-	-
Anadolu Motor Üretim ve Paz. A.Ş. (1)	11.956.972	-	-	-
Isuzu Motors International Operation Thailand (1)	1.104.806	-	-	-
Isuzu Motors Europe NV (1)	228.631	-	-	-
Itochu Corporation Tokyo (2)	-	-	2.726.883.708	-
Isuzu Motors Ltd. Tokyo (2)	9.440	-	85.699.252	-
AG Anadolu Grubu Holding A.Ş. (2)	-	-	17.002.277	-
AEH Sigorta Acenteliği A.Ş. (1)	-	-	1.036.616	-
Adel Kalemcilik Tic. ve San. A.Ş. (1)	-	-	546.218	-
Anadolu Efes Biracılık ve Malt Sanayi A.Ş. (1)	-	-	29.444	-
Garenta Ulaşım Çözümleri A.Ş (1)	-	-	333	-
Ortaklara Borçlar (*)	-	-	-	12.376
Total	140.376.307	-	2.831.197.848	12.376

(*) 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 September 30,2024, unless otherwise stated)

NOTE 23- RELATED PARTY DISCLOSURES (cont'd)

b) Related Party Transactions:

1 January-30 September 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>
Oyex-Handels Gmbh (1)	357.070.984	-	-	357.070.984
Isuzu Motors Ltd. Tokyo (2)	118.297.337	-	-	118.297.337
Isuzu Motors International Operation Thailand (1)	26.022.285	-	-	26.022.285
Çelik Motor Ticaret A.Ş. (1)	13.595.856	-	-	13.595.856
Anadolu Motor Üretim ve Paz. A.Ş. (1)	12.628.157	-	-	12.628.157
Itochu Corporation Tokyo (2)	8.017.728	-	-	8.017.728
Garenta Ulaşım Çözümleri A.Ş (1)	1.651.946	-	-	1.651.946
Isuzu Motors Europe NV (1)	1.191.851	-	-	1.191.851
Türkiye'nin Otomobil Girişimi Grubu (1)	913.000	-	-	913.000
Anadolu Efes Spor Kulübü (1)	357.692	-	-	357.692
AG Anadolu Grubu Holding A.Ş. (1)	21.413	-	-	21.413
Total	539.768.249	-	-	539.768.249

1) Related Parties of Shareholders

2) Shareholders

1 January-30 September 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)	171.144.212	-	-	171.144.212
Oyex-Handels Gmbh (1)	48.841.271	-	-	48.841.271
Anadolu Motor Üretim ve Paz. A.Ş. (1)	10.526.493	-	-	10.526.493
Çelik Motor Ticaret A.Ş. (1)	8.718.208	-	-	8.718.208
Isuzu Motors International Operation Thailand (1)	8.251.402	-	-	8.251.402
Isuzu Motors Europe NV (1)	2.952.378	-	-	2.952.378
Garenta Ulaşım Çözümleri A.Ş (1)	2.000.806	-	-	2.000.806
AEH Sigorta Acenteliği A.Ş. (1)	994.747	-	-	994.747
Türkiye'nin Otomobil Girişimi Grubu (1)	380.260	-	-	380.260
Anadolu Efes Biracılık ve Malt Sanayi A.Ş. (1)	214.396	-	-	214.396
Total	254.024.173	-	-	254.024.173

1) Related Parties of Shareholders

2) Shareholders

1 January-30 September 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)	2.285.760.198	-	-	2.285.760.198
Isuzu Motors International Operation Thailand (1)	1.039.734.764	-	-	1.039.734.764
Isuzu Motors Ltd. Tokyo (2)	159.426.978	-	-	159.426.978
AG Anadolu Grubu Holding A.Ş. (2)	66.834.605	-	-	66.834.605
Oyex-Handels Gmbh (1)	30.810.158	-	-	30.810.158
Migros Ticaret A.Ş. (1)	5.845.213	-	-	5.845.213
Çelik Motor Ticaret A.Ş. (1)	2.187.128	-	-	2.187.128
Garenta Ulaşım Çözümleri A.Ş (1)	393.995	-	-	393.995
Anadolu Efes Spor Kulübü (1)	221.146	-	-	221.146
Adel Kalemcilik Tic. ve San. A.Ş. (1)	140.322	-	-	140.322
Anadolu Efes Biracılık ve Malt Sanayi A.Ş. (1)	65.528	-	-	65.528
Anadolu Sağlık Merkezi İktisadi İşletmesi (1)	64.948	-	-	64.948
Anadolu Bilişim Hizmetleri A.Ş. (1)	45.312	-	-	45.312
Anadolu Eğitim Sosyal Yardım Vakfı (1)	24.909	-	-	24.909
Isuzu Motors Europe NV (1)	22.267	-	-	22.267
Total	3.591.577.470	-	-	3.591.577.470

1) Related Parties of Shareholders

2) Shareholders

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

NOTE 23- RELATED PARTY DISCLOSURES (cont'd)

b) Related Party Transactions: (cont'd)

1 January-30 September 2023	<u>Goods and Services Purchases</u>	<u>Fixed Assets Purchases</u>	<u>Other Expense</u>	<u>Total Expense/Purchases</u>
<u>Purchases from Related Parties</u>				
Itochu Corporation Tokyo (2)	2.771.228.130	-	-	2.771.228.130
Isuzu Motors International Operation Thailand (1)	1.554.695.074	-	-	1.554.695.074
Isuzu Motors Ltd. Tokyo (2)	183.016.346	-	-	183.016.346
Anadolu Efes Biracılık ve Malt Sanayi A.Ş. (1)	54.262.433	-	-	54.262.433
AG Anadolu Grubu Holding A.Ş. (2)	47.057.051	-	-	47.057.051
Oyex-Handels Gmbh (1)	40.936.138	-	-	40.936.138
Anadolu Eğitim Sosyal Yardım Vakfı (1)	7.772.561	-	-	7.772.561
Migros Ticaret A.Ş. (1)	4.728.440	-	-	4.728.440
Çelik Motor Ticaret A.Ş. (1)	1.276.176	-	-	1.276.176
Garenta Ulaşım Çözümleri A.Ş (1)	852.709	-	-	852.709
Adel Kalemcilik Tic. ve San. A.Ş. (1)	425.515	-	-	425.515
Anadolu Bilişim Hizmetleri A.Ş. (1)	104.930	-	-	104.930
Isuzu Motors Europe NV (1)	83.824	-	-	83.824
Total	4.666.439.327	-	-	4.666.439.327

1) Related Parties of Shareholders

2) Shareholders

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 TRY 23.996. (31.12.2023: TRY 31.732.952).

d) Benefits to Top Management:

	1 January-30 September 2024	1 January-30 September 2023	1 July-30 September 2024	1 July-30 September 2023
Salaries and Other Short-Term Liabilities	96.810.016	59.971.797	33.302.963	12.497.972
Total	96.810.016	59.971.797	33.302.963	12.497.972

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).

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

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

(a) Capital risk management (cont'd)

	30 September 2024	31 December 2023
Net Debt	6.541.800.991	7.204.819.358
Total Equity	10.993.432.891	11.214.083.826
Net Debt/Total Equity	0,60	0,64

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

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 TRY. Foreign exchange risk arises from future trade operations and the differences between assets and liabilities.

Foreign Currency Position Sensitivity Analysis

30 September 2024

	<u>Appreciation of Foreign Currency</u>	<u>Profit / Loss Depreciation of Foreign Currency</u>
In case of US Dollar increases / decreases in 10% against TRY;		
1 - USD denominated net asset / (liability)	(9.947.674)	9.947.674
2- USD denominated hedging instruments (-)	-	-
3- Net Effect of US Dollar (1 +2)	(9.947.674)	9.947.674
In case of Euro increases / decreases in 10% against TRY;		
4- EURO denominated net asset / (liability)	36.254.997	(36.254.997)
5- EURO denominated hedging instruments (-)	-	-
6- Net Effect of Euro (4+5)	36.254.997	(36.254.997)
Increase / decrease in other foreign currencies by 10%:		
7- Other foreign currency denominated net asset / (liability)	(49.796.538)	49.796.538
8- Other foreign currency hedging instruments (-)	-	-
9- Net Effect of Other Exchange Rates (7+8)	(49.796.538)	49.796.538
TOTAL (3+6+9)	(23.489.215)	23.489.215

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of September 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>Profit / Loss</u>	
	<u>Appreciation of</u>	<u>Depreciation of</u>
	<u>Foreign Currency</u>	<u>Foreign Currency</u>
In case of US Dollar increases / decreases in 10% against TRY;		
1 - USD denominated net asset / (liability)	(17.465.934)	17.465.934
2- USD denominated hedging instruments (-)	-	-
3- Net Effect of US Dollar (1 +2)	(17.465.934)	17.465.934
In case of Euro increases / decreases in 10% against TRY;		
4- EURO denominated net asset / (liability)	57.175.682	(57.175.682)
5- EURO denominated hedging instruments (-)	-	-
6- Net Effect of Euro (4+5)	57.175.682	(57.175.682)
Increase / decrease in other foreign currencies by 10%:		
7- Other foreign currency denominated net asset / (liability)	(3.904.426)	3.904.426
8- Other foreign currency hedging instruments (-)	-	-
9- Net Effect of Other Exchange Rates (7+8)	(3.904.426)	3.904.426
TOTAL (3+6+9)	35.805.322	(35.805.322)

FOR THE PERIOD ENDED 30 SEPTEMBER 2024

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira (“TRY”) as of September 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)

	30 September 2024					Statement of Foreign Currency Position					31 December 2023				
	TRY Amount	US Dollars	Euro	Yen	Other	TRY Amount	US Dollars	Euro	Yen	Other	TRY Amount	US Dollars	Euro	Yen	Other
1. Trade Receivables	2.423.378.928	-	60.831.959	424.070.000	-	2.305.355.688	39.137	51.938.616	-	-	2.305.355.688	39.137	51.938.616	-	-
2a. Monetary Financial Assets	590.828.841	221.000	15.195.000	8.733.000	26.000	342.777.942	104.120	7.548.557	9.833.799	35.000	342.777.942	104.120	7.548.557	9.833.799	35.000
2b. Non-monetary Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Current Assets (1+2+3)	3.014.207.769	221.000	76.026.959	432.803.000	26.000	2.648.133.630	143.257	59.487.173	9.833.799	628.059	2.648.133.630	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)	3.014.207.769	221.000	76.026.959	432.803.000	26.000	2.648.133.630	143.257	59.487.173	9.833.799	628.059	2.648.133.630	143.257	59.487.173	9.833.799	628.059
10. Trade Payables	2.544.456.507	2.754.911	48.300.600	2.507.792.214	387	2.814.013.125	492.749	61.046.589	309.391.144	-	2.814.013.125	492.749	61.046.589	309.391.144	-
11. Financial Liabilities	268.316.914	-	7.016.619	-	-	435.736.872	5.583.593	4.782.233	-	-	435.736.872	5.583.593	4.782.233	-	-
12a. Monetary Other Liabilities	577.454.056	-	15.100.707	-	-	961.945.241	-	21.697.314	-	-	961.945.241	-	21.697.314	-	-
12b. Non-Monetary Other Liabilities	372.957.386	381.500	9.412.000	-	-	676.947.473	-	15.269.000	-	-	676.947.473	-	15.269.000	-	-
13. Current Liabilities (10+11+12)	3.763.184.863	3.136.411	79.829.926	2.507.792.214	387	4.888.642.711	6.076.342	102.795.136	309.391.144	-	4.888.642.711	6.076.342	102.795.136	309.391.144	-
14. Trade Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15. Financial Liabilities	248.143.908	-	6.489.085	-	-	342.682.492	-	7.729.431	-	-	342.682.492	-	7.729.431	-	-
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17. Non-current Liabilities (14+15+16)	248.143.908	-	6.489.085	-	-	342.682.492	-	7.729.431	-	-	342.682.492	-	7.729.431	-	-
18. Total Liabilities (13+17)	4.011.328.771	3.136.411	86.319.011	2.507.792.214	387	5.231.325.203	6.076.342	110.524.567	309.391.144	-	5.231.325.203	6.076.342	110.524.567	309.391.144	-
19. Off-balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b)	756.773.558	-	19.790.000	-	-	3.040.921.290	-	68.590.000	-	-	3.040.921.290	-	68.590.000	-	-
19.a. Total Amount of Hedged Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19.b. Total Amount of Hedged Liabilities	(756.773.558)	-	(19.790.000)	-	-	(3.040.921.290)	-	(68.590.000)	-	-	(3.040.921.290)	-	(68.590.000)	-	-
20.Net Foreign Currency Assets/(Liabilities) Position (9-18+19)	(240.347.444)	(2.915.411)	9.497.948	(2.074.989.214)	25.613	457.729.717	(5.933.085)	17.552.606	(299.557.345)	628.059	457.729.717	(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)	(624.163.616)	(2.533.911)	(880.052)	(2.074.989.214)	25.613	(1.906.244.101)	(5.933.085)	(35.768.394)	(299.557.345)	628.059	(1.906.244.101)	(5.933.085)	(35.768.394)	(299.557.345)	628.059
22. Fair Value of Financial Instruments Used for Currency Hedge	-	-	-	-	-	72.859.002	-	1.646.345	-	-	72.859.002	-	1.646.345	-	-
23. Hedged Foreign Currency Assets	(756.773.558)	-	(19.790.000)	-	-	(3.040.921.290)	-	(68.590.000)	-	-	(3.040.921.290)	-	(68.590.000)	-	-
24. Hedged Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25. Export	4.393.494.407	-	-	-	-	6.539.473.316	-	-	-	-	6.539.473.316	-	-	-	-
26. Import	4.720.380.052	-	-	-	-	7.689.889.435	-	-	-	-	7.689.889.435	-	-	-	-

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of September 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 September 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 TRY 4.158.360 (31 December 2023: higher/lower by TRY 8.515.116 TRY).

(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 direct or indirect 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 September 2024, 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)	-	-	-	-
Buildings (Note 10)	-	1.836.953.554	-	1.836.953.554
Lands (Note 10)	-	6.080.169.887	-	6.080.169.887
Total	-	7.917.123.441	-	7.917.123.441
<u>Financial liabilities carried at fair value</u>	Level 1	Level 2	Level 3	Total
Derivative liabilities (Note 8)	-	(145.713.154)	-	(145.713.154)
Total	-	(145.713.154)	-	(145.713.154)

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of September 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)	-	117.937.186	-	117.937.186
Buildings (Note 10)	-	1.685.243.070	-	1.685.243.070
Lands (Note 10)	-	6.080.169.887	-	6.080.169.887
Total	-	7.883.350.143	-	7.883.350.143

<u>Financial liabilities carried at fair value</u>	Level 1	Level 2	Level 3	Total
Derivative liabilities (Note 8)	-	45.078.184	-	45.078.184
Total	-	45.078.184	-	45.078.184

NOTE 25- EVENTS AFTER REPORTING PERIOD

None.