

DOĐUŐ OTOMOTİV SERVİS VE TİCARET A.Ő.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2023
WITH AUDITOR’S REVIEW REPORT**

(ORIGINALLY ISSUED IN TURKISH)



**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR’S REVIEW REPORT
ORIGINALLY ISSUED IN TURKISH
REPORT ON REVIEW OF CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION**

To the General Assembly of Doğu Otomotiv Servis ve Ticaret A.Ş.

Introduction

1. We have reviewed the accompanying condensed balance sheet of Doğu Otomotiv Servis ve Ticaret A.Ş. (the “Company”) and its subsidiaries (“collectively referred as the “Group”) as at 30 September 2023, the condensed consolidated statement of income, the condensed consolidated statement of other comprehensive income, the condensed consolidated statement of changes in equity and condensed consolidated cash flows for the nine-month period then ended (“interim condensed consolidated financial information”). The management of the Group is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with Turkish Accounting Standard 34 (“TAS 34”) “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

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

Conclusion

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



Additional explanation for convenience translation into English

4. Turkish Financial Reporting Standards differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board with respect to the application of IAS 29 - Financial Reporting in Hyperinflationary Economies by 30 September 2023. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position and results of operations of the Group in accordance with IFRS.

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

Cihan Harman, SMMM
Partner

Istanbul, 9 November 2023

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2023 AND 31 DECEMBER 2022

(Convenience translation of condensed consolidated interim financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

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CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023 AND 31 DECEMBER 2022

(Convenience translation of condensed consolidated interim financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

		Reviewed	Audited
		30 September	31 December
	Notes	2023	2022
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	8,455,856	3,366,150
Financial investments	6.1	1,156,212	2,033,691
Trade receivables		8,415,048	3,331,831
<i>Trade receivables due from related parties</i>	22.1	6,384,085	2,548,419
<i>Trade receivables due from third parties</i>	8.1	2,030,963	783,412
Other receivables		292,692	181,270
<i>Other receivables due from related parties</i>	22.2	5,457	7,622
<i>Other receivables due from third parties</i>	9	287,235	173,648
Inventories	10	12,266,529	4,270,103
Prepayments		133,027	107,723
Other current assets		14,412	6,609
Total current assets		30,733,776	13,297,377
NON-CURRENT ASSETS			
Financial investments		7,463,855	2,345,929
<i>Financial assets measured at fair value through other comprehensive income</i>	6.2	7,463,855	2,345,929
Other receivables		945	738
<i>Other receivables due from related parties</i>		546	339
<i>Other receivables due from third parties</i>		399	399
Investments accounted for using equity method	11	3,619,882	1,682,377
Investment property	13	102,900	99,227
Property, plant and equipment	12	2,097,475	2,015,093
Right of use asset	24	194,958	150,806
Intangible assets		275,676	154,909
Prepayments		5,763	6,206
Deferred tax asset	20	1,905,783	912,518
Total non-current assets		15,667,237	7,367,803
TOTAL ASSETS		46,401,013	20,665,180

Accompanying notes are an integral part of these condensed consolidated interim financial statements.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023 AND 31 DECEMBER 2022

(Convenience translation of condensed consolidated interim financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

		Reviewed 30 September 2023	Audited 31 December 2022
	Notes		
LIABILITIES			
CURRENT LIABILITIES			
Current borrowings	7	1,994,468	2,183,408
Short-term portion of long-term borrowings	7	1,531,439	189,637
Trade payables		8,008,916	3,586,647
<i>Trade payables to related parties</i>	22.4	581,681	213,048
<i>Trade payables to third parties</i>	8.2	7,427,235	3,373,599
Employee benefit obligations		67,256	113,695
Deferred income		602,070	260,748
Current tax liabilities	20	3,468,115	343,251
Current provisions		108,204	1,135,049
<i>Other current provisions</i>	14	108,204	1,135,049
Other current liabilities	15	1,173,317	533,140
Total current liabilities		16,953,785	8,345,575
NON-CURRENT LIABILITIES			
Long-term borrowings	7	3,260,947	221,458
Deferred income		231,634	103,563
Non-current provisions		364,183	288,058
<i>Non-current provisions for employee benefits</i>		201,933	192,880
<i>Other long-term provisions</i>		162,250	95,178
Total non-current liabilities		3,856,764	613,079
TOTAL LIABILITIES		20,810,549	8,958,654
EQUITY			
Equity attributable to equity holders of the Company		25,511,377	11,669,381
Issued capital	16	220,000	220,000
Inflation adjustment on capital	16	23,115	23,115
Treasury shares (-)	16	(59,486)	(215,241)
Share premiums (discounts)		2,820,445	63,861
Other accumulated comprehensive income (loss) that will not be reclassified in profit or loss		(175,023)	(118,262)
<i>Gains (losses) on revaluation and remeasurement</i>		(175,023)	(118,262)
<i>Gains (losses) on remeasurements of defined benefit plans</i>		(175,023)	(118,262)
Other accumulated comprehensive income (loss) that will be reclassified in profit or loss		2,279,823	2,302,482
<i>Exchange differences on translation</i>	16	-	22,659
<i>Gains (losses) on revaluation and reclassification</i>		2,279,823	2,279,823
<i>Gains (losses) from financial assets measured at fair value through other comprehensive income</i>	16	2,279,823	2,279,823
Restricted reserves appropriated from profits	16	675,192	542,047
<i>Legal reserves</i>		612,263	323,363
<i>Treasury share reserves</i>		59,486	215,241
<i>Other restricted profit reserves</i>		3,443	3,443
Advance dividend payments (net) (-)		(2,500,000)	(900,000)
Prior years' profit or losses	16	7,003,552	1,927,193
Profit (loss) for the period		15,223,759	7,824,186
Non-controlling interests		79,087	37,145
TOTAL EQUITY		25,590,464	11,706,526
TOTAL EQUITY AND LIABILITIES		46,401,013	20,665,180

Accompanying notes are an integral part of these condensed consolidated interim financial statements.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONDENSED CONSOLIDATED INTERIM PROFIT OR LOSS STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

(Convenience translation of condensed consolidated interim financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

		Reviewed 1 January - 30 September 2023	Reviewed 1 January - 30 September 2022	Reviewed 1 July - 30 September 2023	Reviewed 1 July - 30 September 2022
PROFIT OR LOSS	Notes				
Revenue		82,646,723	30,712,276	36,054,799	11,857,895
Cost of sales		(63,255,046)	(23,929,764)	(27,839,130)	(9,057,734)
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		19,391,677	6,782,512	8,215,669	2,800,161
GROSS PROFIT (LOSS)		19,391,677	6,782,512	8,215,669	2,800,161
General administrative expenses	17.2	(1,309,475)	(690,440)	(571,707)	(275,195)
Marketing expenses	17.1	(1,452,568)	(561,183)	(568,371)	(220,369)
Other income from operating activities		1,242,165	461,564	457,829	95,697
Other expenses from operating activities		(522,854)	(222,917)	(234,068)	(89,275)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		17,348,945	5,769,536	7,299,352	2,311,019
Investment activity income	18	1,011,471	122,490	105,562	44,269
Share of profit (loss) from investments accounted for using equity method	11	2,350,195	526,402	919,835	162,376
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		20,710,611	6,418,428	8,324,749	2,517,664
Financial income	19	348,205	39,074	153,384	34,703
Financial expense	19	(2,324,051)	(584,668)	(501,571)	(181,068)
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		18,734,765	5,872,834	7,976,562	2,371,299
Tax (expense) income, continuing operations		(3,469,064)	(394,051)	(1,770,163)	334,771
Current period tax (expense) income	20	(4,446,741)	(1,346,488)	(2,534,231)	(548,354)
Deferred tax (expense) income	20	977,677	952,437	764,068	883,125
PROFIT (LOSS) FROM CONTINUING OPERATIONS		15,265,701	5,478,783	6,206,399	2,706,070
PROFIT (LOSS)		15,265,701	5,478,783	6,206,399	2,706,070
Profit (loss), attributable to					
Non-controlling interests		41,942	18,489	17,435	8,009
Owners of parent		15,223,759	5,460,294	6,188,964	2,698,061
Basic earnings per share					
Basic earnings (loss) per share from continuing operations	21	71.1673	27.5772	28.9319	13.6266
Diluted earnings per share					
Diluted earnings (loss) per share from continuing operations	21	71.1673	27.5772	28.9319	13.6266

Accompanying notes are an integral part of these condensed consolidated interim financial statements.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONDENSED CONSOLIDATED INTERIM OF OTHER COMPREHENSIVE INCOME FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

(Convenience translation of condensed consolidated interim financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

	Notes	Reviewed 1 January - 30 September 2023	Reviewed 1 January - 30 September 2022	Reviewed 1 July - 30 September 2023	Reviewed 1 July - 30 September 2022
PROFIT (LOSS)		15,265,701	5,478,783	6,206,399	2,706,070
Other comprehensive income					
Other comprehensive income that will not be reclassified to profit or loss		(56,761)	(42,330)	(11,146)	(22,230)
Gains (losses) on remeasurements of defined benefit plans		(62,351)	(40,220)	(17,373)	(25,439)
Shares of other comprehensive income of investments accounted for using the equity method that will not be classified in profit or loss		(9,998)	(10,154)	(365)	(1,879)
Taxes related to components of other comprehensive income that will not be reclassified to profit or loss		15,588	8,044	6,592	5,088
- <i>Taxes relating to measurements of defined benefit plans</i>	20	15,588	8,044	6,592	5,088
Other comprehensive income that will be reclassified to profit or loss		(22,659)	10,016	(30,847)	6,037
Currency translation differences related to the translation of foreign businesses		(22,659)	10,016	(30,847)	6,037
Other comprehensive income (loss) related with financial assets measured at fair value through other comprehensive income		-	-	-	-
- <i>Gains (losses) on financial assets measured at fair value through other comprehensive income</i>		-	-	-	-
Share of other comprehensive income of associates and joint ventures accounted for equity method that will be reclassified to profit or loss		-	-	-	-
Taxes relating to components of other comprehensive income that will be reclassified to profit or loss		-	-	-	-
- <i>Taxes relating to financial assets measured at fair value through other comprehensive income</i>		-	-	-	-
OTHER COMPREHENSIVE INCOME (LOSS)		(79,420)	(32,314)	(41,993)	(16,193)
TOTAL COMPREHENSIVE INCOME (LOSS)		15,186,281	5,446,469	6,164,406	2,689,877
Total comprehensive income attributable to					
Non-controlling interests		41,942	18,489	17,435	8,009
Owners of parent		15,144,339	5,427,980	6,146,971	2,681,868

Accompanying notes are an integral part of these condensed consolidated interim financial information.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

(Convenience translation of condensed consolidated interim financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

					Accumulated other comprehensive income and expense that will not be reclassified through profit or loss	Accumulated other comprehensive income and expense that will be reclassified through profit or loss				Accumulated earnings				
	Issued capital (Not 16)	Inflation adjustments on capital (Not 16)	Treasury shares (Not 16)	Share premiums or discounts (Not 16)	Gains / losses on remeasurements of defined benefit plans (Not 16)	Foreign currency translation difference (Not 16)	Gains / losses on remeasuring of financial assets measured at fair value through other comprehensive income (Not 16)	Restricted reserve (Not 16)	Advanced dividend payments (Net)	Retained earnings/ (Accumulated losses)	Net profit/ loss for the period	Equity attributable to equity holders of the company	Non-controlling interest (Not 16)	Total equity
Balance at 1 January 2022	220,000	23,115	(220,393)	-	(28,935)	8,582	753,816	423,295	-	839,364	2,331,581	4,350,425	13,258	4,363,683
Transfers	-	-	-	-	-	-	-	123,900	-	2,207,681	(2,331,581)	-	-	-
Total comprehensive income (loss)	-	-	-	-	(42,330)	10,016	-	-	-	-	5,460,294	5,427,980	18,489	5,446,469
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	5,460,294	5,460,294	18,489	5,478,783
Other comprehensive income (loss)	-	-	-	-	(42,330)	10,016	-	-	-	-	-	(32,314)	-	(32,314)
Profit shares	-	-	-	-	-	-	-	-	-	(1,250,000)	-	(1,250,000)	-	(1,250,000)
Increase (decrease) through treasury shares transactions	-	-	(105)	-	-	-	-	105	-	124,895	-	124,895	-	124,895
Balance at 30 September 2022	220,000	23,115	(220,498)	-	(71,265)	18,598	753,816	547,300	-	1,921,940	5,460,294	8,653,300	31,747	8,685,047
Balance at 1 January 2023	220,000	23,115	(215,241)	63,861	(118,262)	22,659	2,279,823	542,047	(900,000)	1,927,193	7,824,186	11,669,381	37,145	11,706,526
Transfers	-	-	-	-	-	-	-	288,900	-	7,535,286	(7,824,186)	-	-	-
Total comprehensive income (loss)	-	-	-	-	(56,761)	(22,659)	-	-	-	-	15,223,759	15,144,339	41,942	15,186,281
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	15,223,759	15,223,759	41,942	15,265,701
Other comprehensive income (loss)	-	-	-	-	(56,761)	(22,659)	-	-	-	-	-	(79,420)	-	(79,420)
Advance dividend payments	-	-	-	-	-	-	-	-	(2,500,000)	-	-	(2,500,000)	-	(2,500,000)
Profit shares	-	-	-	-	-	-	-	-	900,000	(2,900,000)	-	(2,000,000)	-	(2,000,000)
Increase (decrease) through treasury shares transactions	-	-	155,755	2,756,584	-	-	-	(155,755)	-	441,073	-	3,197,657	-	3,197,657
Balance at 30 September 2023	220,000	23,115	(59,486)	2,820,445	(175,023)	-	2,279,823	675,192	(2,500,000)	7,003,552	15,223,759	25,511,377	79,087	25,590,464

Accompanying notes are an integral part of these condensed consolidated interim financial information.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

		Reviewed 30 September 2023	Reviewed 30 September 2022
	Notes		
A. CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit (loss)		7,720,410	2,479,343
Adjustments to for profit (loss) for the period reconciliation:		15,265,701	5,478,783
Adjustments for depreciation and amortization expense	17.2, 24	408,862	205,647
Adjustments for (reversal of) impairment		8,569	6,907
- Adjustments for (reversal of) impairment loss of receivables		(7)	136
- Adjustments for (reversal of) impairment loss of inventories	10	8,576	6,771
Adjustments for provisions		1,833,609	635,327
- Adjustments for provisions for employee benefits		81,969	38,090
- Adjustments for (reversal of) lawsuit and/or penalty provision expenses		25,783	7,552
- Adjustments for (reversal of) warranty provisions		299,841	128,804
- Adjustments for (reversal of) other provisions		1,426,016	460,881
Adjustments for interest (income) and expense		376,232	432,965
- Adjustments for interest income	19	(348,205)	(39,074)
- Adjustments for interest expense	19	724,437	472,039
Adjustments for unrealized foreign exchange losses (gains)		1,445,550	27,841
Adjustments for fair value losses (gains)		(420,242)	(86,124)
- Related to fair value losses (gains) of financial assets fixes		(420,242)	(86,124)
Adjustments for undistributed profits of investments accounted for using equity method	11	(2,350,195)	(526,402)
Adjustments for tax (income) expenses	20	3,469,064	394,051
Adjustments for losses (gains) on disposal of non-current assets		(591,229)	(36,367)
- Adjustments for losses (gains) on disposal of property, plant and equipment	18	(591,229)	(36,367)
Changes in working capital		(8,215,012)	(2,520,479)
Adjustments for decrease (increase) in trade receivables		(5,084,046)	(1,397,999)
- Decrease (increase) in due from related parties		(3,835,666)	(1,027,619)
- Decrease (increase) in due from third parties		(1,248,380)	(370,380)
Adjustments for decrease (increase) in inventories		(8,005,001)	(2,176,652)
Adjustments for increase (decrease) in trade payables		2,831,496	1,942,371
- Increase (decrease) in due to related parties		368,633	4,595
- Increase (decrease) in due to third parties		2,462,863	1,937,776
Increase (decrease) in deferred income		469,393	125,717
Adjustments for other increase (decrease) in working capital		1,573,146	(1,013,916)
Cash flows from operations		11,230,909	4,012,149
Payments related with provisions for employee benefits		(135,267)	(9,044)
Payments related with other provisions		(1,120,642)	(125,750)
Income taxes refund (paid)		(2,255,426)	(1,097,225)
Other cash inflows (outflows)		836	(300,787)
B. CASH FLOWS FROM INVESTING ACTIVITIES		(4,665,574)	(274,028)
Cash outflows arising from purchase of shares or capital increase of associates and/or joint ventures		(292,733)	-
Cash payments to acquire equity or debt instruments of other entities		(5,117,926)	-
Cash inflow by proceeds from sales of property, plant and equipment and intangible assets		780,308	50,365
- Cash inflow by proceeds from sales of property, plant and equipment		780,308	50,365
Cash outflow by acquisition of property, plant and equipment and intangible assets		(730,648)	(475,640)
- Cash outflow by acquisition of property, plant and equipment	12	(545,769)	(391,408)
- Cash outflow by acquisition of intangible assets		(184,879)	(84,232)
Dividends received		695,425	151,247
C. CASH FLOWS FROM FINANCING ACTIVITIES		2,057,529	(2,068,392)
Cash inflows from sale of acquired entity's shares or other equity instruments		4,042,500	-
Proceeds from issuance of borrowings	7	4,868,747	2,347,808
Repayments of borrowings	7	(2,250,998)	(2,777,486)
Cash outflows on debt payments from leasing agreements	7	(127,086)	(75,526)
Dividends paid		(4,214,682)	(1,125,000)
Interest paid		(609,157)	(477,262)
Interest received	19	348,205	39,074
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)		5,112,365	136,923
D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(22,659)	10,014
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		5,089,706	146,937
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	3,366,150	3,409,576
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	5	8,455,856	3,556,513

Accompanying notes are an integral part of these condensed consolidated interim financial statements

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 1 – ORGANISATION AND NATURE OF OPERATIONS

Doğuş Otomotiv Servis ve Ticaret A.Ş. (“Doğuş Otomotiv” or the “Company”) was established on 24 November 1999 as a distributor of Volkswagen AG, and its activities include importing, marketing and selling automobiles and spare parts of Volkswagen Group brands (VW, Audi, Seat, Cupra, Porsche, Bentley, Lamborghini, Bugatti, Meiller, Scania, Scania Power Solutions and Thermoking climate control systems) and import, marketing and sales of Wielton semi-trailers and also operates in the field of maritime industry after sales services and spare parts with Doğuş Marine Services business unit. The Company also operates in used car market across Turkey throughout its dealer network under the brand name “DOD”.

The shares of the Company have been publicly traded on Borsa İstanbul A.Ş. since 17 June 2004.

The Company’s subsidiaries as at 30 September 2023 are as follows:

- Doğuş Oto Pazarlama ve Ticaret A.Ş. (“Doğuş Oto Pazarlama”): Automobile dealer for group brands distributed by Doğuş Otomotiv and Yüce Auto Motorlu Araçlar Ticaret A.Ş.
- Doğuş Şarj Sistemleri Pazarlama ve Ticaret A.Ş. (“D-Charge”): was established on 16 May 2023 to operate in the establishment, operation and charging service of charging units, charging stations and charging network.

The Company and its subsidiaries (together referred to as the “Group”) operate in a single business segment.

The Company, Doğuş Oto Pazarlama and D-Charge are registered and operate in Turkey at the following address:

Maslak Mah. Ahi Evran Cad. No. 4 İç Kapı No. 3

Sarıyer, İstanbul, Türkiye.

The average number of blue-collar employees of the Group for the period ended 30 September 2023 is 682 (31 December 2022: 740) whereas the average number of white-collar employees of the Group for the period ended 30 September 2023 is 1,391 (31 December 2022: 1,389).

NOTE 2 – BASIS OF PREPARATION OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND APPLIED ACCOUNTING POLICIES

2.1 Basis of Presentation of Condensed Consolidated Interim Financial Statements

(i) Statement of Compliance to TAS

The accompanying consolidated financial statements are based in accordance with Turkish Accounting Standards (“TAS”) issued by Public Oversight Accounting and Auditing Standards Authority of Turkey (“POA”) as set out in the Communiqué serial II, No: 14.1 announcement of Capital Markets Board (“CMB”) dated 13 June 2013 related to “Capital Market Communiqué on Principles Regarding Financial Reporting” (“Communiqué”) which is published in official gazette, no 28676. TAS is composed of Turkish Accounting Standards, Turkish Financial Reporting Standards (“TFRS”), appendixes and interpretations.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

**NOTE 2 – BASIS OF PREPARATION OF CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS AND APPLIED ACCOUNTING POLICIES
(Continued)**

2.1 Basis of Presentation of Condensed Consolidated Interim Financial Statements (Continued)

(i) Statement of compliance to TAS (Continued)

Additionally, the accompanying consolidated financial statements are presented in accordance with TAS taxonomy issued by POA on 15 April 2019. Businesses preparing a financial statement created in line with CMB legislation are free to prepare their interim financial statements as a full set or a summary, as per the TAS 34 “Interim Financial Reporting” standard. In this framework, the Group opted to prepare summary consolidated financial statements and prepared those summary consolidated financial statements in line with the provisions of the Communiqué.

(ii) Preparation and approval of financial statements

The condensed consolidated interim financial statements of the Group as at 30 September 2023 have been approved by the Board of Directors on 9 November 2023. The legal authorities of the General Assembly of the Company have the right to modify the issued financial statements.

(iii) Correction on financial statements during hyperinflationary periods

With the resolution taken on 17 March 2005, the CMB has announced that, effective from 1 January 2005, the application of TAS 29 “Financial Reporting in Hyperinflationary Economies” issued by TASB is no longer required for companies operating in Turkey. Accordingly, effective from 1 January 2005, TAS 29 did not applied in preparing the Group’s consolidated financial statements in accordance with CMB Financial Reporting Standards.

(iv) Basis of measurement

The condensed consolidated interim financial statements have been prepared based on the historical cost, except for the financial assets measured at fair value through other comprehensive income that measured at fair value.

(v) Functional and presentation currency

Items included in the financial statements of subsidiaries, joint ventures and associates presented in the functional currencies in their primary economic environments in which they maintain their operations. The condensed consolidated interim financial statements are presented in TL, which is Doğuş Otomotiv’s functional and presentation currency.

The Company and its affiliates registered in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira (“TL”) in accordance with the Turkish Commercial Code, tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance. The affiliate in Iraq maintains its books of account and prepares its statutory financial statements in Iraqi Dinar (“IQD”) in accordance with the laws and regulations in force in Iraq.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER**

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**NOTE 2 – BASIS OF PREPARATION OF CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS AND APPLIED ACCOUNTING POLICIES
(Continued)**

2.1 Basis of Presentation of Condensed Consolidated Interim Financial Statements (Continued)

(v) Functional and presentation currency (Continued)

Public Oversight Accounting and Auditing Standards Authority ("POA") made an announcement on 20 January 2022 about Application of Financial Reporting in Hyperinflationary Economies for Turkish Financial Reporting Standards and Reporting Standards for Large and Medium Sized Entities. In accordance with the announcement, companies that apply TFRS should not adjust financial statements for TAS 29 – Financial Reporting in Hyperinflationary Economies for the year 2022. As of the preparation date of this condensed consolidated interim financial statements, POA did not make an additional announcement and no adjustment was made to this condensed consolidated interim financial statements in accordance with TAS 29.

2.2 Amendments and interpretations in the TAS / TFRS

New and amended standards and interpretations

The accounting policies adopted in preparation of the condensed interim consolidated financial statements as at 30 September 2023 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards ("TAS")/TFRS and IFRIC interpretations effective as of 1 January 2023. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

Standards, amendments, and interpretations applicable as of 30 September 2023:

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8; effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

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

IFRS 17, 'Insurance Contracts'; effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

Amendment to IAS 12 - International tax reform - pillar two model rules; The deferred tax exemption and disclosure of the fact that the exception has been applied, is effective immediately. The other disclosure requirements are effective annual periods beginning on or after 1 January 2023. These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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**NOTE 2 – BASIS OF PREPARATION OF CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS AND APPLIED ACCOUNTING POLICIES
(Continued)**

2.2 Amendments and interpretations in the TAS / TFRS (Continued)

New and amended standards and interpretations (Continued)

Standards, amendments, and interpretations that are issued but not effective as of 30 September 2023:

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.

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.

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.

IFRS S1, 'General requirements for disclosure of sustainability-related financial information; effective from annual periods beginning on or after 1 January 2024. This is subject to endorsement of the standards by local jurisdictions. 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 subject to endorsement of the standards by local jurisdictions. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 2 – BASIS OF PREPARATION OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND APPLIED ACCOUNTING POLICIES (Continued)

2.3 Basis of Consolidation

(i) Business Combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognized amount of any non-controlling interests in the acquire; plus
- If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquire; less
- The net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognized in profit or loss.

Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 2 – BASIS OF PREPARATION OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND APPLIED ACCOUNTING POLICIES (Continued)

2.3 Basis of Consolidation (Continued)

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. If necessary, adjustments regarding accounting policies are made on subsidiaries financial statements in order to equalize accounting policies applied by the Group.

For each business combination, the Group elects to measure any non-controlling interests in the acquire either:

- At fair value; or
- At their proportionate share of the acquirer's identifiable net assets, which are generally at fair value

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognized in profit or loss.

Losses of subsidiaries belongs to non-controlling interest shall be attribute to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as a financial assets measured at fair value through other comprehensive income depending on the level of influence retained.

The table below sets out all the subsidiaries included in the scope of consolidation and shows the Group's share of control as at 30 September 2023 and 31 December 2022:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Doğuş Oto Pazarlama	96.20%	96.20%
D-Charge	100.00%	-
Doğuş Oto Iraq (*)	-	100.00%

- (*) The liquidation procedures of Doğuş Oto Iraq, whose activities were suspended in 2021, were completed on 26 September 2023.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

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NOTE 2 – BASIS OF PREPARATION OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND APPLIED ACCOUNTING POLICIES (Continued)

2.3 Basis of Consolidation (Continued)

(iii) Joint Arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. They are classified and accounted for as follows:

- Joint operation – When the Group has rights to the assets and obligations for the liabilities, relating to an arrangement, it accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.
- Joint venture – When the Group has rights only to the net assets of the arrangements, it accounts for its interest using the equity method.

The accompanying consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Joint ventures are recognized as investments measured through equity method. The table below sets out all joint ventures and the Group's share of control as at 30 September 2023 and 31 December 2022.

	<u>30 September 2023</u>	<u>31 December 2022</u>
TÜVTURK Kuzey Taşıt Muayene İstasyonları Yapım ve İşletim A.Ş. ("TÜVTURK Kuzey")	33.33%	33.33%
TÜVTURK Güney Taşıt Muayene İstasyonları Yapım ve İşletim A.Ş. ("TÜVTURK Güney")	33.33%	33.33%

(iv) Associates

Associates are those enterprises in which the Group has significant influence, but does not have control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognized gains and losses of associates on an equity accounting basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

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NOTE 2 – BASIS OF PREPARATION OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND APPLIED ACCOUNTING POLICIES (Continued)

2.3 Basis of Consolidation (Continued)

The table below sets out all the associates included in the scope of consolidation and shows the Group's share of control as at 30 September 2023 and 31 December 2022:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Yüce Auto Motorlu Araçlar Ticaret A.Ş. ("Yüce Auto") (*)	50.00%	50.00%
Doğuş Sigorta Aracılık Hizmetleri A.Ş. ("Doğuş Sigorta")	42.00%	42.00%
VDF Servis ve Ticaret A.Ş. ("VDF Servis")	48.79%	48.79%
Doğuş Bilgi İşlem ve Teknoloji Hizmetleri A.Ş. ("Doğuş Teknoloji")	21.76%	21.76%

(*) Even though the Group has 50% interest in Yüce Auto (Distributor of Skoda), the Group only exercises a significant influence rather than control on the operations of Yüce Auto.

(v) *Transactions Eliminated in Consolidation*

Intragroup balances and transactions, and any unrealized income and expenses arising from intragroup transactions are eliminated in preparation of the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. The carrying amount of Doğuş Otomotiv's investment in each subsidiary and dividend income from these subsidiaries are eliminated from the related equity and profit or loss statement accounts.

2.4 Offsetting

Financial assets and financial liabilities should be offset and are reported net only when the entity has a legally enforceable right to offset, and it intends to settle the asset and the liability either simultaneously or on a net basis.

2.5 Comparative Information

The Group has prepared the condensed consolidated interim statement of financial position as at 30 September 2023 comparatively with the consolidated statement of financial position as at 31 December 2022, and the condensed consolidated interim profit or loss statement, the condensed consolidated interim statement of other comprehensive income, the condensed consolidated interim statements of cash flows and changes in equity in the nine month period ended 30 September 2023 comparative to the nine month period ended 30 September 2022.

2.6 Significant Accounting Policies

The significant accounting policies have been applied consistently by the Group during the preparation of the condensed consolidated interim financial statements as at and for the nine months period ended 30 September 2023 with those consolidated financial statements for the year ended 31 December 2022.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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**NOTE 2 – BASIS OF PREPARATION OF CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS AND APPLIED ACCOUNTING POLICIES
(Continued)**

2.7 Accounting Estimates

The preparation of the consolidated financial statements requires making judgments estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ the estimations.

Estimates and underlying assumptions are reviewed ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are reviewed and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is stated in the following:

Group’s tangible and intangible assets are depreciated and amortized in accordance with useful economic lives which is specified (Note 12).

The fair value of the financial assets measured at fair value through other comprehensive income that are not traded in an active market have been calculated by using other valuation methods such as nominal values, net carrying amount, acquisition price and discounted cash flows for non-public companies (Note 6).

The Group assesses whether there is any impairment indicator in investment properties and compares carrying values of the investment property with the fair value determined in the valuation report obtained by a property appraiser company licensed by CMB (Note 13).

The data in the discounted price list are used to calculate inventory impairment. If expected net realizable value is less than cost, the Group allocates provisions for inventory impairment (Note 10).

To calculate the provisions for legal claims, the probability of losing the case and the liabilities that would arise if the case is lost, is evaluated by the Group’s Legal Counselor and by the Group management team taking into account the expert opinions. The management determines the amount of the provisions based on the best estimates (Note 14.1).

The warranties on vehicles sold by the Group are issued by the original equipment manufacturers (“OEM”). The Group acts as an intermediary between the customers and the OEM. The claims of customers from the Group are recognized as warranty expense. The Group recognizes the amount claimed from the OEM’s as warranty income and offset against warranty expense. The Group incurs the cost that is not paid by the manufactures. Accordingly, the Group recognizes the estimated liability for the difference between possible warranty claims of customers and possible warranty claims from the manufacturers based on historical service statistics (Note 14.1).

Deferred tax asset is recognized to the extent that taxable profit will be available, against which the deductible temporary differences can be utilized. When taxable profit is probable, deferred tax assets is recognized for all temporary differences.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 3 - JOINT VENTURES

The Group accounts for its interests in joint ventures indicated in Note 2.3 through equity method. Therefore, financial information regarding to aforementioned joint ventures are presented in Note 11 “Investments in Equity Accounted Investees”.

NOTE 4 - OPERATING SEGMENTS

Operating segments have been determined based on the reports reviewed by the steering committee that make strategic decisions.

Group management believes that risk and rewards of the Group is strictly related with the changes in automotive sector and determined the Group’s primary segments according to product types. Group’s operating activities include importing, marketing and selling passenger and commercial vehicles, spare parts of Volkswagen Group brands (VW, Audi, Seat, Cupra, Porsche, Bentley, Lamborghini, Bugatti, Meiller, Scania, Scania Power Solutions, Wielton semi-trailers and Thermoking climate control systems) and used car operations in Turkey through its dealer network under the brand name “DOD”. Group’s operating segments are identified based on the product groups. Considering the nature of the products, operating segments are identified as passenger vehicles commercial vehicles and other segments. Other segments comprise of used cars, spare parts, Thermoking climate systems, Scania Power Solutions, Meiller, Wielton, Doğuş Marine Services and central office functions.

Segment assets and liabilities are not reported since the management reports do not include such information.

Accounting policies for certain types of transactions differ for management reporting from those used in preparation of the consolidated financial statements:

Warranty expenses and provision for legal matters have been included in the operating results when they are realized. Provisions for employee termination benefits expenses represent the undiscounted estimated future obligation of the Group arising from the retirement of the employees. Inventories are carried at cost. Depreciation and amortization which are not computed on a pro-rata basis are recognized in profit or loss on a straight-line method over the estimated useful lives of tangible and intangible assets and leases are considered straight-line rent expense under the related financial statement line items.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 4 - OPERATING SEGMENTS (Continued)

Segment information presented to the Group management for the nine month periods ended 30 September 2023 and 2022 are as follows:

1 January - 30 September 2023	Passenger segment	Commercial segment	Other segments	Total
Revenue from external customers	60,666,005	13,135,933	8,844,785	82,646,723
Cost of sales	(47,555,626)	(9,709,994)	(5,980,850)	(63,246,470)
Gross profit	13,110,379	3,425,939	2,863,935	19,400,253
General administration expenses	(287,722)	(43,492)	(724,206)	(1,055,420)
Marketing expenses	(892,839)	(242,374)	(287,137)	(1,422,350)
Amortization expenses	(151,753)	(24,406)	(448,614)	(624,773)
Other income from operating activities, net	315,622	70,884	362,043	748,549
Operating income	12,093,687	3,186,551	1,766,021	17,046,259
1 January - 30 September 2022	Passenger segment	Commercial segment	Other segments	Total
Revenue from external customers	22,090,407	3,695,476	4,926,393	30,712,276
Cost of sales	(17,690,950)	(2,960,006)	(3,272,037)	(23,922,993)
Gross profit	4,399,457	735,470	1,654,356	6,789,283
General administration expenses	(228,217)	(30,001)	(352,135)	(610,353)
Marketing expenses	(345,482)	(82,803)	(146,697)	(574,982)
Amortization expenses	(138,546)	(14,598)	(286,250)	(439,394)
Other income from operating activities, net	189,266	28,461	25,146	242,873
Operating income	3,876,478	636,529	894,420	5,407,427

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 4 - OPERATING SEGMENTS (Continued)

1 July - 30 September 2023	Passenger segment	Commercial segment	Other segments	Total
Revenue from external customers	27,461,326	5,125,391	3,468,082	36,054,799
Cost of sales	(21,815,553)	(3,758,772)	(2,256,779)	(27,831,104)
Gross profit	5,645,773	1,366,619	1,211,303	8,223,695
General administration expenses	(45,774)	(5,786)	(420,790)	(472,350)
Marketing expenses	(396,284)	(93,520)	(111,852)	(601,656)
Amortization expenses	(36,328)	(5,973)	(139,645)	(181,946)
Other income from operating activities, net	90,027	13,222	128,556	231,805
Operating income	5,257,414	1,274,562	667,572	7,199,548
1 July - 30 September 2022	Passenger segment	Commercial segment	Other segments	Total
Revenue from external customers	8,165,274	1,684,933	2,007,688	11,857,895
Cost of sales	(6,393,315)	(1,316,585)	(1,341,069)	(9,050,969)
Gross profit	1,771,959	368,348	666,619	2,806,926
General administration expenses	(99,413)	(13,541)	(161,167)	(274,121)
Marketing expenses	(129,878)	(36,035)	(57,379)	(223,292)
Amortization expenses	(96,453)	(10,769)	(229,259)	(336,481)
Other income from operating activities, net	15,340	4,103	(10,596)	8,847
Operating income	1,461,555	312,106	208,218	1,981,879

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 4 – OPERATING SEGMENTS (Continued)

The Group management assesses the performance of the operating segments based on the measure of operating income. The measurement basis excludes the effects of non-recurring expenses (i.e. restructuring expenses and one-offs) from the operating income. The measurement basis also excludes the share of profit of equity accounted investees. Finance income and costs are not allocated to segments, as this type of activity is driven by the central finance function of the Group.

The reconciliation of operating income to profit before tax is as follows:

	1 January - 30 September 2023	1 January - 30 September 2022
Operating profit for reportable segments	17,046,259	5,407,427
Provision for legal exposures	(9,647)	(4,027)
Provision for employee termination benefits	116,141	95,312
Provision for unused vacation	(35,940)	(20,722)
Provision for diminution in value of inventories	(8,576)	(6,771)
Warranty provision expense	(72,908)	(6,576)
Depreciation and amortization	215,911	233,746
Share of profit of equity accounted investees	2,350,195	526,402
Income from investment activities, net	1,011,471	122,490
Finance expense, net	(1,975,846)	(545,594)
Other	97,705	71,147
Profit before tax	18,734,765	5,872,834

	1 July - 30 September 2023	1 July - 30 September 2022
Operating profit for reportable segments	7,199,548	1,981,879
Provision for legal exposures	(6,330)	(636)
Provision for employee termination benefits	42,097	60,177
Provision for unused vacation	(14,615)	(9,260)
Provision for diminution in value of inventories	(8,026)	(6,765)
Warranty provision expense	15,174	(3,869)
Depreciation and amortization	30,372	262,706
Share of profit of equity accounted investees	919,835	162,376
Income from investment activities, net	105,562	44,269
Finance expense, net	(348,187)	(146,365)
Other	41,132	26,787
Profit before tax	7,976,562	2,371,299

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 5 – CASH AND CASH EQUIVALENTS

As at 30 September 2023 and 31 December 2022, cash and cash equivalents comprise the following:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Cash on hand	53	117
Cash at banks	8,455,803	3,366,033
- Demand deposits	4,752,472	1,310,341
- Time deposits	3,692,613	2,049,158
- Other cash and cash equivalents	10,718	6,534
Total	8,455,856	3,366,150

As at 30 September 2023, average effective interest rate on TL and EUR denominated time deposits are 33.39% and 0.01% respectively (31 December 2022: TL 20.84% and EUR 1.70%). As of 30 September 2023, the maturity range valid for TL and EUR time deposits are 3 days (31 December 2022: TL 3 days and EUR 32-34 days).

There is no blocked deposit as at 30 September 2023 and 31 December 2022.

Foreign currency risk exposure of cash and cash equivalents are presented under Note 23.

NOTE 6 – FINANCIAL INVESTMENTS

6.1 Short-term financial investments

As of 30 September 2023 and 31 December 2022, short-term financial investments at fair value through income statement are as follows:

	<u>30 September 2023</u>	<u>31 December 2022</u>
FX protected deposit	1,156,212	2,033,691
Total	1,156,212	2,033,691

6.2 Long-term financial investments

As of 30 September 2023 and 31 December 2022, long-term financial investments classified as available-for-sale financial assets at fair value through other comprehensive income are as follows:

	<u>30 September 2023</u>		<u>31 December 2022</u>	
	<u>Ownership interest (%)</u>	<u>Carrying amount</u>	<u>Ownership interest (%)</u>	<u>Carrying amount</u>
Doğuş Holding A.Ş. ("Doğuş Holding")	3.69	2,345,929	3.69	2,345,929
Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş. ("Doğuş GYO")	93.65	5,117,926	-	-
		<u>7,463,855</u>		<u>2,345,929</u>

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 6 - FINANCIAL INVESTMENTS (Continued)

6.2 Long-term financial investments (Continued)

As of 31 December 2022, since Doğu Holding is not publicly traded, fair value of Doğu Holding is determined by using current market information's for publicly traded companies under Doğu Holding governance. Fair value of Doğu Holding is also determined by using other valuation methods such as nominal values, net carrying amount, acquisition price and discounted cash flows for non-public companies under Doğu Holding governance. Discounts were applied on the net asset value of Doğu Holding.

On March 9, 2023, the Group purchased shares of Doğu GYO corresponding to 93.6517% of the capital for the full TL 5,117,925,800.28. The management control of and significant influence on Doğu GYO resides with Group A preferred shareholders. As of 30 September 2023, the Group does not have preferred shares of Doğu GYO. An application was filed with the CMB for the transfer of Group A preferred shares, and this process is ongoing. After the process is completed, Doğu GYO will be recognised in the consolidated financial statements according to the Public Oversight, Accounting, and Auditing Standards Authority (KGK) principle decision No. 2018-1 on "Accounting for business combinations under common control".

The movements in financial assets measured at fair value through other comprehensive income within the period are as follows:

	2023	2022
Balance at 1 January	2,345,929	831,804
Additions	5,117,926	-
Balance at 30 September	7,463,855	831,804

NOTE 7 – BORROWINGS

As at 30 September 2023 and 31 December 2022, financial liabilities with the weighted average interest rates, comprise the following:

	30 September 2023		31 December 2022	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Short-term bank borrowings:				
TL denominated interest borrowings	34.35	1,994,468	21.13	2,183,408
Total		1,994,468		2,183,408
	30 September 2023		31 December 2022	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Short term portion of long term borrowings:				
EUR denominated interest bearing borrowings (*)	10.14	1,425,854	9.58	141,564
Total		1,425,854		141,564

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 7 – BORROWINGS (Continued)

	30 September 2023		31 December 2022	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Long-term bank borrowings:				
EUR denominated interest bearing borrowings (*)	10.14	3,130,714	9.58	86,903
Total		3,130,714		86,903

(*) On 17 February 2022, the Group obtained a green loan amounting to EUR 8,750,000 full from HSBC Bank for the purpose of importing Porsche branded Taycan model vehicles.

Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş. shares were pledged as a guarantee for the loan used by the Group to finance Doğuş GYO shares.

The repayment schedule of long-term bank borrowings including their short-term portions as at 30 September 2023 is as follows:

Payment period	Original amount (EUR)	TL equivalent
2023	1,306	37,917
2024	48,954	1,421,161
2025	37,502	1,088,705
2026	31,502	914,514
2027	26,287	763,114
2028	11,407	331,157
Total	156,958	4,556,568

The repayment schedule of long-term bank borrowings including their short-term portions as at 31 December 2022 is as follows:

Payment period	Original amount (EUR)	TL equivalent
2023	7,101	141,564
2024	4,359	86,903
Total	11,460	228,467

Foreign currency, interest and liquidity risk exposure of financial liabilities are presented under Note 23.

Movements of financial borrowings as 30 September 2023 and 2022 are summarized below:

Bank Borrowings	2023	2022
Balance at 1 January	2,411,875	2,886,540
Additions during the period	4,868,747	2,347,808
Payments during the period	(2,250,998)	(2,777,486)
Foreign exchange (gains) / losses	1,444,166	27,683
Changes in interest accrual	77,246	(32,324)
Balance at 30 September	6,551,036	2,452,221

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

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NOTE 7 – BORROWINGS (Continued)

As of 30 September 2023 and 31 December 2022, the details of the financial lease liabilities with the weighted average interest rates, comprise the following:

	30 September 2023		31 December 2022	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Short term portion of long term leases:				
TL leases	20.60	101,540	20.70	46,483
EUR leases	7.66	4,045	6.82	1,590
Total		105,585		48,073
	30 September 2023		31 December 2022	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Long term leases:				
TL leases	20.60	128,846	20.70	132,339
EUR leases	7.66	1,387	6.82	2,216
Total		130,233		134,555

Movements of financial lease liabilities as 30 September 2023 and 2022 are summarized below:

Lease Liabilities	2023	2022
Balance at 1 January	182,628	141,744
Additions	167,907	107,677
Prepayments	(140)	(189)
Payments	(126,946)	(75,337)
Disposals	(27,028)	(3,145)
Interest expenses	38,012	27,098
Foreign exchange gain / loss	1,385	158
Balance at 30 September	235,818	198,006

NOTE 8 – TRADE RECEIVABLES AND PAYABLES

8.1 Trade Receivables

Guarantees received for trade receivables due from non-related parties

Significant portion of the other trade receivables due from third parties is comprised of receivables from the dealers and fleet customers, The Group's management established an effective control system over the dealers and monitors the credit risk of the dealers arising from the transactions, The Group requests letters of guarantee for vehicle and spare parts sales from customers.

As at 30 September 2023, TL 515,638 of trade receivables due from third parties are covered via letters of guarantee (31 December 2022: TL 125,894).

As at 30 September 2023, overdue trade receivables due from non-related parties that are not impaired amount to TL 39,606 (31 December 2022: TL 32,834), TL 47 of such overdue receivables are covered via guarantee letters (31 December 2022: TL 1,591).

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

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NOTE 8 – TRADE RECEIVABLES AND PAYABLES (Continued)

As at 30 September 2023, the Group's average maturity of trade receivables due from third parties is 28 days (31 December 2022: 26 days).

Credit and foreign currency exposure of trade receivables are presented under Note 23.

8.2 Trade Payables

As at 30 September 2023 and 31 December 2022, trade payables to third parties consist of the following:

	30 September 2023	31 December 2022
Payables to OEM companies	5,421,959	2,321,327
Dealer premium accrual (*)	1,590,773	-
Other trade payables (**)	398,406	441,759
Other expense accruals	16,097	11,743
Payables to dealers (*)	-	598,770
Total	7,427,235	3,373,599

OEM's provide a credit option to the Group up to 1 year, which is free from interest for 10 days. The OEM's charge the Group an interest of 4.58% per annum for trade payables not settled within 10 days (31 December 2022: 1.65% per annum).

(*) Group's payables to dealers consisted of bonus payables paid on periodical basis and dealer premium accruals consist of accrued premiums that have not yet been paid.

(**) Other trade payables include Group's payables to service and material suppliers.

Foreign currency and liquidity risk exposure of trade payables are presented under Note 23.

NOTE 9 – OTHER RECEIVABLES

As at 30 September 2023 and 31 December 2022, other receivables due from third parties comprise of the following:

	30 September 2023	31 December 2022
Warranty claims and price difference receivables (*)	206,560	126,221
Receivables due to insurance claims	63,299	42,689
Other	17,376	4,738
Total	287,235	173,648

(*) Warranty receivables represent the receivable of the warranty expenses related to the vehicles imported by the Group. As at 30 September 2023, the other receivables that has not been billed are TL 55,617 (31 December 2022: TL 32,411).

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

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NOTE 10 – INVENTORIES

As at 30 September 2023 and 31 December 2022, inventories comprise of the following:

	30 September 2023	31 December 2022
Goods in transit (*)	8,141,534	2,859,581
Merchandise stocks – vehicles	3,108,129	854,151
Merchandise stocks – spare parts	1,030,589	561,518
	12,280,252	4,275,250
Provision for diminution in the value of inventories (-)	(13,723)	(5,147)
Total	12,266,529	4,270,103

(*) Goods in transit comprise of vehicles and spare parts, custom transactions of which have not been completed yet, but risks and rewards of which have been transferred to the Group.

The cost of inventories recognized as expense and included in cost of sales amounted to TL 62,797,734 for the nine month period ended 30 September 2023 (30 September 2022: TL 23,721,387).

The Group has provided provision for damaged and slow-moving items in inventories. The current year stock provision is included in “cost of sales”. The movement of provision for diminution in the carrying value of inventories is provided below:

	2023	2022
Balance at 1 January	5,147	6,177
Additions in the current period	8,576	6,771
Balance at 30 September	13,723	12,948

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

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NOTE 11 – INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

As at 30 September 2023 and 31 December 2022, investment in associates, joint ventures and the Group's share of control are as follows:

	30 September 2023		31 December 2022	
	Ownership (%)	Carrying amount	Ownership (%)	Carrying amount
<u>Associates</u>				
VDF Servis	48.79	1,967,109	48.79	899,593
Yüce Auto	50	987,040	50	388,842
Doğuş Sigorta	42	168,508	42	154,029
Doğuş Teknoloji	21.76	86,370	21.76	40,904
Total		3,209,027		1,483,368
<u>Joint ventures</u>				
TÜVTURK Kuzey - Güney	33.33	410,855	33.33	199,009
Total		410,855		199,009
Grand total		3,619,882		1,682,377

The movements in investments in associates and joint ventures during the periods are as follows:

	2023	2022
Balance at 1 January	1,682,377	880,235
Shares in profits of associates, net	1,990,045	377,846
Shares in profits of joint ventures, net	360,150	148,556
Dividend income from associates	(555,425)	(72,005)
Dividend income from joint ventures	(140,000)	(79,242)
Participation in capital increase of associates and joint ventures	292,733	-
Shares of other comprehensive income/loss of associates and joint ventures	(9,998)	(10,154)
Balance at 30 September	3,619,882	1,245,236

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

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NOTE 11 – INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Continued)

As at 30 September 2023, 31 December 2022 and 30 September 2022, total assets, liabilities and results of the periods of the Group's associates and joint ventures are presented below:

	30 September 2023						30 September 2023		
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Income	Expenses (-)	Net profit/(loss)
Investment in associates	22,627,911	8,506,491	31,134,402	23,918,203	644,472	24,562,675	22,601,628	(18,506,797)	4,094,831
Joint ventures	1,994,545	1,331,165	3,325,710	1,543,208	549,937	2,093,145	8,870,406	(7,789,848)	1,080,558
	31 December 2022						30 September 2022		
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Income	Expenses (-)	Net profit/(loss)
Investment in associates	11,497,301	5,559,391	17,056,692	13,740,177	218,480	13,958,657	7,790,769	(7,056,972)	733,797
Joint ventures	638,760	1,190,874	1,829,634	812,010	420,598	1,232,608	3,639,350	(3,193,637)	445,713

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NOTE 11 – INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Continued)

As at 30 September 2023, 31 December 2022 and 30 September 2022, cash and cash equivalents, current and non-current liabilities, amortization and depreciation expenses, interest income and expenses are presented below:

	30 September 2023			30 September 2023				
	Cash and cash equivalents	Short-term financial liabilities	Long-term financial liabilities	Revenues	Amortization and depreciation expenses	Interest income	Interest expense	Tax expense
Investment in associates	3,438,781	16,681,128	552,577	21,592,160	(96,624)	254,236	(466,769)	(1,279,830)
Joint ventures	1,278,702	45,929	103,094	8,607,910	(86,537)	145,661	(36,368)	(363,928)
	31 December 2022			30 September 2022				
	Cash and cash equivalents	Short-term financial liabilities	Long-term financial liabilities	Revenues	Amortization and depreciation expenses	Interest income	Interest expense	Tax expense
Investment in associates	1,819,239	11,412,527	-	7,424,654	(48,636)	39,225	(97,178)	(212,358)
Joint ventures	260,792	-	46,754	3,581,944	(43,071)	41,090	(1,970)	(138,398)

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NOTE 12 – PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment and related accumulated depreciation for the nine month period ended 30 September 2023 are as follows:

	1 January 2023	Additions	Disposals	Transfers (*)	Transfer to investment properties	30 September 2023
Cost:						
Land	285,839	-	(30,314)	906	-	256,431
Land improvements	20,802	-	(10)	1,024	-	21,816
Buildings	615,384	-	(89,746)	9,612	(5,515)	529,735
Machinery and equipments	141,304	31,777	(26,805)	796	-	147,072
Motor vehicles	1,032,133	396,670	(32,419)	213	-	1,396,597
Furniture and fixtures	217,812	39,180	(32,504)	44,695	-	269,183
Leasehold improvements	159,932	2,172	(49,600)	906	-	113,410
Constructions in progress	68,490	75,970	(177)	(81,768)	-	62,515
	2,541,696	545,769	(261,575)	(23,616)	(5,515)	2,796,759
Accumulated depreciation:						
Land improvements	(16,000)	(480)	7	-	-	(16,473)
Buildings	(83,369)	(16,305)	11,807	-	13	(87,854)
Machinery and equipments	(49,968)	(11,390)	10,071	-	-	(51,287)
Motor vehicles	(246,185)	(179,755)	18,088	-	-	(407,852)
Furniture and fixtures	(68,392)	(29,069)	16,089	-	-	(81,372)
Leasehold improvements	(62,689)	(8,257)	16,500	-	-	(54,446)
	(526,603)	(245,256)	72,562	-	13	(699,284)
Carrying amount	2,015,093					2,097,475

Total depreciation expense amounting to TL 245,256 has been allocated to general administrative expenses in the condensed consolidated profit or loss statement for the nine month period ended 30 September 2023 (30 September 2022: TL 114,564).

(*) As of 30 September 2023, TL 23,616 of transfers consists of transfers to intangible assets (30 September 2022: TL 220).

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

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NOTE 12 – PROPERTY, PLANT AND EQUIPMENT (Continued)

The movements in property, plant and equipment and related accumulated depreciation for the nine month period ended 30 September 2022 are as follows:

	1 January 2022	Additions	Disposals	Transfers (*)	Transfer to investment properties	30 September 2022
Cost:						
Land	285,839	-	-	-	-	285,839
Land improvements	19,871	-	-	17	-	19,888
Buildings	416,975	2,203	-	32,947	-	452,125
Machinery and equipments	82,490	19,903	(1,305)	430	-	101,518
Motor vehicles	423,952	300,381	(23,541)	-	-	700,792
Furniture and fixtures	107,416	7,832	(3,193)	1,535	-	113,590
Leasehold improvements	124,770	898	(1,399)	3,018	-	127,287
Constructions in progress	7,771	60,191	-	(38,167)	-	29,795
	1,469,084	391,408	(29,438)	(220)	-	1,830,834
Accumulated depreciation:						
Land improvements	(15,220)	(592)	-	-	-	(15,812)
Buildings	(68,435)	(7,280)	-	-	-	(75,715)
Machinery and equipments	(43,620)	(5,524)	1,303	-	-	(47,841)
Motor vehicles	(131,099)	(85,173)	10,043	-	-	(206,229)
Furniture and fixtures	(59,904)	(9,375)	3,126	-	-	(66,153)
Leasehold improvements	(54,515)	(6,620)	968	-	-	(60,167)
	(372,793)	(114,564)	15,440	-	-	(471,917)
Carrying amount	1,096,291					1,358,917

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NOTE 13 – INVESTMENT PROPERTY

The movements in investment property and related accumulated depreciation for the nine months period ended 30 September 2023 and 2022 are as follows:

	2023	2022
Cost		
Balance at 1 January	112,891	135,432
Additions from property and equipment	5,515	-
Balance at 30 September	118,406	135,432
Accumulated depreciation		
Balance at 1 January	(13,664)	(13,969)
Depreciation for the period	(1,829)	(2,555)
Additions from property and equipment	(13)	-
Balance at 30 September	(15,506)	(16,524)
Net book value as of 1 January	99,227	121,463
Net book value as of 30 September	102,900	118,908

Investment property comprised of the building that is used by Kartal Tower and Etimesgut buildings.

The Group assesses whether there is any impairment indicator in investment properties. If such indicator exists the Group compares fair values and carrying values of the investment properties on an individual asset basis and records identified impairment of the investment properties.

The fair value of the investment property has been determined by a CMB licensed property appraiser company in December 2022, the fair value of the Kartal Tower building amounts to TL 399,165 and TL 127,830 for Etimesgut building (Level 2). As of 26 December 2022, Doğuş Teknoloji building has been started to be used as a management and communication center by the Group and carrying amount of the building has been reclassified to property, plant and equipment.

The useful life of the building that is classified as investment property is 50 years. In 2023, the Group has recognized TL 6,456 rent income from the related investment property (30 September 2022: TL 3,894).

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NOTE 14 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

14.1 Short-Term Provisions

The breakdown of short-term provisions as at 30 September 2023 and 31 December 2022 is presented below:

	30 September 2023	31 December 2022
Legal provisions	82,528	63,212
Warranty provisions	25,676	19,838
Other provisions	-	1,051,999
Total	108,204	1,135,049

The breakdown of long-term provisions as at 30 September 2023 and 31 December 2022 is presented below:

	30 September 2023	31 December 2022
Warranty provisions	162,250	95,178
Total	162,250	95,178

14.2 Collaterals / Pledges / Mortgages / Bill of Guarantees Given

As at 30 September 2023, the Group's position related to letters of collaterals / pledges / mortgages / bill of guarantees guarantee given, pledges and mortgages ("CPMB") are as follows:

	30 September 2023				
	Total TL equivalent	Full TL	Full USD	Full Euro	Full CHF
A. Total amount of CPMB given on behalf of own legal personality	12,751,385	5,185,189,498	-	260,629,172	-
B. Total amount of CPMB given in favor of partnerships which is consolidated	42,745	42,744,814	-	-	-
C. Total amount of CPMB given for assurance of third parties debts in order to conduct of usual business activities	217,729	-	-	7,500,000	-
D. Total amount of other CPMB					
i. Total amount of CPMB given in favor of parent company	-	-	-	-	-
ii. The amount of CPMB given in favor of other group companies which B and C don't comprise	-	-	-	-	-
iii. The amount of CPMB given in favor of 3rd parties which C doesn't comprise	-	-	-	-	-
Total CPMB	13,011,859	5,227,934,312	-	268,129,172	-

Other CPMBs given by the Group as at 30 September 2023 are equivalent to 0% of the Company's equity (31 December 2022: 0%).

As at 30 September 2023, CPMB amounting to TL 26,000 was given in favor of partnerships within the scope of consolidation is related to general loan agreements (31 December 2022: 26,000).

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NOTE 14 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

14.2 Collaterals / Pledges / Mortgages / Bill of Guarantees Given (Continued)

As at 31 December 2022, the Group's position related to letters of collaterals / pledges / mortgages / bill of guarantees guarantee given, pledges and mortgages ("CPMB") are as follows:

	Total TL equivalent	31 December 2022			
		Full TL	Full USD	Full Euro	Full CHF
A. Total amount of CPMB given on behalf of own legal personality	3,647,045	62,164,604	-	179,829,372	-
B. Total amount of CPMB given in favor of partnerships which is consolidated	40,839	40,839,339	-	-	-
C. Total amount of CPMB given for assurance of third parties debts in order to conduct of usual business activities	149,512	-	-	7,500,000	-
D. Total amount of other CPMB	-	-	-	-	-
i. Total amount of CPMB given in favor of parent company	-	-	-	-	-
ii. The amount of CPMB given in favor of other group companies which B and C don't comprise	-	-	-	-	-
iii. The amount of CPMB given in favor of 3rd parties which C doesn't comprise	-	-	-	-	-
Total CPMB	3,837,396	103,003,943	-	187,329,372	-

14.3 Collaterals / Pledges / Mortgages / Bill of Guarantees Received

As at 30 September 2023 and 31 December 2022, the Group's position related to letter of guarantees received are as follows:

	30 September 2023	31 December 2022
Letter of guarantees received from fleet customers	396,500	43,961
Letters of guarantees received from dealers	281,838	158,969
Letters of guarantees received from fixed asset and service suppliers	149,177	182,401
Total	827,515	385,331

NOTE 15 – OTHER CURRENT LIABILITIES

As at 30 September 2023 and 31 December 2022, other current liabilities comprise of the following:

	30 September 2023	31 December 2022
VAT payable	1,170,497	530,060
Other current liabilities	2,820	3,080
Total	1,173,317	533,140

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NOTE 16 – EQUITY

Issued Capital

As at 30 September 2023, the registered capital of the Company is TL 220,000 (31 December 2022: TL 220,000). The paid-in share capital of the Company comprises of 220.000.000 units of registered shares with a nominal value of TL 1 full each. There is no different type of share and no privilege given to specific shareholders. The Company's registered authorized capital ceiling is TL 1,000,000 (31 December 2022: TL 660,000).

As at 30 September 2023 and 31 December 2022, the composition of the Company's shareholding structure is as follows:

Shareholders	30 September 2023		31 December 2022	
	TL	Shareholding (%)	TL	Shareholding (%)
Doğuş Holding A.Ş.	144,100	65.50	144,100	65.50
Doğuş Otomotiv Servis ve Ticaret A.Ş. (*)	6,085	2.77	21,485	9.77
Publicly traded	69,815	31.73	54,415	24.73
Paid-in capital	220,000	100.00	220,000	100.00
Inflation adjustment difference	23,115		23,115	
Total	243,115		243,115	

(*) In accordance with communique of CMB, the group reclaimed 22,000,000 shares corresponding to 10% of its capital in 2016. Of the reclaimed shares, it sold 514,993 shares corresponding to 0.23% of its capital in 2022 and 15,400,000 shares corresponding to 7% of its capital in 2023 on the Borsa İstanbul using the special order method.

Restricted reserves appropriated from profits

The breakdown of restricted reserves is presented below:

	30 September 2023	31 December 2022
Legal reserves	612,263	323,363
Treasury share reserves	59,486	215,241
Other restricted profit reserves	3,443	3,443
Total	675,192	542,047

Under the Turkish Commercial Code, Turkish companies are required to set aside first and second level legal reserves out of their profits. First level legal reserves are set aside as up to 5% of the distributable income per the statutory accounts each year. The ceiling of the first level reserves is 20% of the paid-in share capital. In case of a profit distribution in accordance with CMB regulations, second level legal reserves are set aside by rate of 1/10 for all cash distribution exceeding 5% of the share capital. In case of a profit distribution in accordance with statutory records, second level legal reserves are set aside by rate of 1/11 for all cash distribution exceeding 5% of the share capital.

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NOTE 16 – EQUITY (Continued)

Issued Capital (Continued)

Under the Turkish Commercial Code, first and second level legal reserves cannot be distributed until they exceed 50% of the capital, but the reserves can solely be used for offsetting the losses in case of running out of arbitrary reserves. In accordance with CMB Regulations, legal reserves shall presented under “restricted reserves appropriated from profits”. As at 30 September 2023, the legal reserves of the Group amounted to TL 612,263 (31 December 2022: TL 323,363).

Treasury shares

The Group reacquired its own shares that are traded on Borsa İstanbul A.Ş in accordance with the Communique on Buy Backed Shares (II-22.1) announced by CMB. In this context, as of 31 December 2016, the Group reacquired its own 22,000,000 units of registered shares that are equivalent to 10% portion of its issued capital at an amount of TL 220,274 and accounted as "Treasury shares" under the equity. Additionally, the Group classified “Treasury share reserve” in the amount of the value of the reacquired shares under “Restricted reserves appropriated from profits” in accordance with the relevant communique. The group sold 514,993 of its shares, corresponding to 0.23% of its capital, for 140 full TL/per share in 2022, and 15,400,000 of its shares, corresponding to 7% of the company capital, for 262.50 full TL/per share in 2023 was through special order on the Borsa İstanbul. The group recognised the profit generated from this sale in the share premiums/(discounts) account after offsetting all sales expenses.

Gains (Losses) on remeasurements of defined benefit plans

According to the transition rules of TAS 19, accumulated actuarial losses on employee benefits are started to be recognized within these accounts by the beginning of 1 January 2012 in accordance with the announcement made by CMB regarding financial statements and disclosure templates stated at “Principles of Financial Reporting in Capital Market” which is dated 13 June 2013 and published in the Official Gazette numbered 28676 Series: II, No.14.1.

Retained earnings / (Accumulated losses)

Accumulated profits other than net current year profit and extraordinary reserves are classified under retained earnings. As at 30 September 2023, retained earnings are TL 7,003,552 (31 December 2022: TL 1,927,193).

Gains (Losses) on remeasuring of financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are recognized in consolidated financial statements at their fair values. The valuation differences realized at the reporting date in carrying amount of the financial assets is recognized in “gains (losses) on remeasuring and/or reclassification of financial assets measured at fair value through other comprehensive income” account under equity in the consolidated financial statements. As at 30 September 2023, gains (losses) on remeasuring and/or reclassification of financial assets measured at fair value through other comprehensive income of the Group amounted to TL 2,279,823 (31 December 2022: TL 2,279,823).

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NOTE 16 – EQUITY (Continued)

Foreign currency translation differences

Foreign currency translation differences comprise the foreign currency exchange rate differences arising from the translation of the financial statements on foreign currencies from functional currency to the presentation currency of the Group. As at 30 September 2023, the Group has no foreign currency translation differences. (31 December 2022: TL 22,659).

Dividend

Publicly traded companies shall perform dividend distribution in accordance with the Communiqué on Dividends II-19.1 of the Capital Market Board effective as of 1 February 2014.

Companies shall distribute their profits within the framework of the profit distribution policies to be determined by their General Assemblies and in accordance with the provisions of the related regulation. Within the scope of this Communiqué, no minimum distribution rate has been determined. Companies shall pay dividends as set out in their profit distribution policies or their articles of association.

Additionally, dividends can be paid via equal or different installments and companies can distribute dividend advances based on profits at financial statements.

In the General Assembly Meeting which was held on 28 March 2023, it has been decided to distribute cash dividends amounting to TL 2,000,000 to shareholders on previous year's distributable profit which was calculated by deducting legal reserves from period income. It has been decided that TL 288,900 of the net profit of the period will not be distributed and be kept within the Company as "legal reserve".

With the authorisation granted to the Board of Directors at the Group's General Assembly dated 28 March 2023, the company decided to distribute 2,500,000 TL as dividend advance by deducting the legal reserves from the interim period net profit between 01 January 2023 - 30 June 2023, and the dividend advanced was paid.

Non-controlling interests

Equity in a subsidiary that is not attributable, directly or indirectly, to a parent is classified under the "non-controlling interests" in the consolidated financial statements. As at 30 September 2023 and 31 December 2022, the related amounts in the "non-controlling interests" account in the consolidated financial statements are TL 79,087 and TL 37,145 respectively. In addition, net profit or loss in a subsidiary that is not attributable, directly or indirectly, to a parent is also classified under the "non-controlling interests" in the consolidated profit or loss statement.

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NOTE 17 – MARKETING EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

The breakdown of operating expenses for the nine and three month periods ended 30 September is presented below:

	1 January - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2023	1 July - 30 September 2022
Marketing expenses	1,452,568	561,183	568,371	220,369
General administrative expenses	1,309,475	690,440	571,707	275,195
Total	2,762,043	1,251,623	1,140,078	495,564

17.1 Marketing Expenses

The breakdown of marketing expenses for the nine and three month periods ended 30 September is presented below:

	1 January - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2023	1 July - 30 September 2022
Distribution expenses	572,224	190,294	270,281	73,154
Personnel expenses	331,330	125,246	124,028	52,781
Warranty expenses, net	299,841	128,804	61,864	53,888
Advertising expenses	192,115	94,311	88,826	30,646
Customer service expenses	32,737	17,695	15,047	8,051
Support expenses	24,321	4,833	8,325	1,849
Total	1,452,568	561,183	568,371	220,369

17.2 General Administrative Expenses

The breakdown of general administration expenses for the nine and three month periods ended 30 September is presented below:

	1 January - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2023	1 July - 30 September 2022
Depreciation and amortization expenses	408,862	205,647	151,573	73,774
Personnel expenses	358,399	249,585	228,462	111,526
Building expenses	129,996	81,984	44,858	32,857
Maintenance expenses	125,559	53,419	46,030	20,196
Donation and grants	74,495	5,453	904	2
Insurance expenses	33,640	15,492	11,640	5,330
Consultancy expenses	28,847	16,470	12,202	6,222
Travelling expenses	20,701	5,852	9,641	2,724
Vehicle expenses	19,326	14,065	8,964	2,475
Communication expenses	4,700	2,762	1,740	1,027
Other	104,950	39,711	55,693	19,062
Total	1,309,475	690,440	571,707	275,195

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NOTE 18 – INVESTMENT ACTIVITY INCOME

The breakdown of income from investment activities for the nine and three month periods ended 30 September is presented below:

	1 January - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2023	1 July - 30 September 2022
Gain on sale of property and equipment	591,229	36,367	14,797	6,784
Gain on interest and foreign exchange	420,242	86,123	90,765	37,485
Total	1,011,471	122,490	105,562	44,269

NOTE 19 – FINANCE INCOME AND EXPENSES

The breakdown of finance expenses for the nine and three month periods ended 30 September is presented below:

	1 January - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2023	1 July - 30 September 2022
Foreign exchange losses on borrowings	1,444,166	27,683	139,396	11,519
Interest expense on borrowings	686,403	444,941	276,479	136,946
Commission expenses on letters of guarantee	110,430	61,581	50,864	19,187
Interest expense on lease liabilities (Note 7)	38,034	27,098	12,943	8,532
Other	45,018	23,365	21,889	4,884
Total	2,324,051	584,668	501,571	181,068

The breakdown of finance income for the nine and three month periods ended 30 September is presented below:

	1 January - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2023	1 July - 30 September 2022
Interest income	348,205	39,074	153,384	34,703
Total	348,205	39,074	153,384	34,703

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NOTE 20 - TAX ASSET AND LIABILITIES

Turkish tax legislation does not allow for the submission of tax returns over consolidated financial statements prepared by the parent company, which include its subsidiaries and associates. Accordingly tax considerations reflected in these consolidated financial statements have been calculated separately for each of the companies in the scope of the consolidation.

With the law amending statutory decree No. 375 promulgated in the official gazette dated 15 July 2023, the corporate income tax rate increased from 20% to 25%, and exporter companies are entitled to a 5 point corporate income tax discount exclusively for their export earnings. This rate is effective starting with tax returns to be submitted as of 1 October 2023 and will apply to corporate earnings in accounting periods starting from 1 January 2023. On the total income of the Company and its subsidiaries registered in Turkey after adjusting for certain disallowable expenses, exempt income and investment and other allowances (e.g. research and development allowance). No further tax is payable unless the profit is distributed (except for withholding tax at the rate of 19.8%, calculated on an exemption amount if an investment allowance is granted in the scope of Income Tax Law temporary article 61).

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is do not considered as a profit distribution.

Corporations are required to pay advance corporation tax quarterly at the valid rate on their corporate income. Advance tax is declared by the 14th and paid by the 17th of the second month following each calendar quarter end. Advance tax paid during the year is offset against the annual corporation tax payable, which is calculated over the corporate tax return declared in the following year. If, despite offsetting, there remains an amount for advance tax amount paid, it may be refunded or offset against other liabilities to the government. Dividend income of a resident arising from the investments in another resident is not subject to corporate tax (Except mutual funds participation certificate and dividend income from mutual fund).

Accordingly, income items complying with the abovementioned rules and included in accounting profit or loss are taken into account in corporate tax computation.

In determining the tax base, in addition to abovementioned exceptions, exceptions indicated in article 8 of Corporate Tax Law and article 40 of Income Tax Law are also taken into account.

There is no such application for the reconciliation of payable taxes with the tax authority. Corporate tax returns are submitted to the related tax office by the 25th day of the 4th month following the month when the accounting period ends.

Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue reassessments based on their findings.

Losses can be carried forward for offsetting against future taxable income for up to 5 years.

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NOTE 20 – TAX ASSET AND LIABILITIES (Continued)

50% of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property, which has remained in assets for more than two full years, are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to held in a fund account and it must not be withdrawn from the entity for a period of 5 years. The cost of the sale has to be collected up until the end of the second calendar year following the year the sale was realized.

For the nine and three month periods ended 30 September, taxation charge comprise of the following:

	1 January - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2023	1 July - 30 September 2022
Deferred tax income / (expense)	977,677	952,437	764,068	883,125
Current tax income / (expense)	(4,446,741)	(1,346,488)	(2,534,231)	(548,354)
Total tax expense	(3,469,064)	(394,051)	(1,770,163)	334,771

For the period ended 30 September, the tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Group as follows:

	1 January - 30 September 2023	1 January - 30 September 2022
Profit before tax	18,734,765	5,872,834
Income tax using the Company's domestic tax rate	(4,683,691)	(1,350,752)
Disallowable expenses	(15,405)	(14,126)
Share of profit in equity accounted investees exempt from deferred tax calculation	587,549	121,072
Recognized in legal financial statements property, plant and equipment revaluation increase fund, deferred tax income	639,576	843,021
Other	2,907	6,734
Total tax expense	(3,469,064)	(394,051)

	1 July - 30 September 2023	1 July - 30 September 2022
Profit before tax	7,976,562	2,371,299
Income tax using the Company's domestic tax rate	(1,994,141)	(545,399)
Disallowable expenses	(8,683)	(5,772)
Share of profit in equity accounted investees exempt from deferred tax calculation	301,477	37,346
Corporate tax rate change effect	(537,910)	-
Recognized in legal financial statements property, plant and equipment revaluation increase fund, deferred tax income	479,199	843,021
Other	(10,105)	5,575
Total tax expense	(1,770,163)	334,771

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with Turkish Financial Reporting Standards and their statutory financial statements. These temporary differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes.

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NOTE 20 – TAX ASSET AND LIABILITIES (Continued)

Deferred taxes

As at 30 September 2023 and 31 December 2022, deferred tax assets and liabilities are attributable to the items detailed in the table below:

	Deferred tax asset		Deferred tax liabilities		Net deferred tax asset/(liabilities)	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Fair value change of available-for sale financial assets	-	-	(110,793)	(110,793)	(110,793)	(110,793)
Land	-	-	(1,512)	(1,393)	(1,512)	(1,393)
Other tangible and intangible assets	1,490,096	948,417	-	-	1,490,096	948,417
Warranty provision, net	46,981	23,004	-	-	46,981	23,004
Legal provision	14,323	9,529	-	-	14,323	9,529
Provision for diminution in value of inventories	3,431	1,030	-	-	3,431	1,030
Employee termination benefit	30,377	29,679	-	-	30,377	29,679
Unused vacation liability	20,107	8,897	-	-	20,107	8,897
Dealer premium accrual	397,693	-	-	-	397,693	-
Other	15,080	4,148	-	-	15,080	4,148
Total deferred tax asset/(liabilities)	2,018,088	1,024,704	(112,305)	(112,186)	1,905,783	912,518
Net off tax	(112,305)	(112,186)	112,305	112,186	-	-
Total deferred tax assets/(liabilities)	1,905,783	912,518	-	-	1,905,783	912,518

The movements in temporary differences as at 30 September 2023 are as follows:

	1 January 2023	Recognized in the profit or loss	Recognized in other comprehensive income	30 September 2023
Fair value change of available for sale financial assets	(110,793)	-	-	(110,793)
Land	(1,393)	(119)	-	(1,512)
Other tangible and intangible assets	948,417	541,679	-	1,490,096
Warranty provision, net	23,004	23,977	-	46,981
Legal provision	9,529	4,794	-	14,323
Provision for diminution in value of inventories	1,030	2,401	-	3,431
Employee termination benefit	29,679	(14,890)	15,588	30,377
Unused vacation liability	8,897	11,210	-	20,107
Dealer premium accrual	-	397,693	-	397,693
Other	4,148	10,932	-	15,080
	912,518	977,677	15,588	1,905,783

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NOTE 20 – TAX ASSET AND LIABILITIES (Continued)

Deferred taxes (Continued)

The movements in temporary differences as at 30 September 2022 are as follows:

	1 January 2022	Recognized in the profit or loss	Recognized in other comprehensive income	30 September 2022
Fair value change of available for sale financial assets	(35,086)	-	-	(35,086)
Land	(1,393)	-	-	(1,393)
Other tangible and intangible assets	1,313	825,579	-	826,892
Warranty provision, net	17,797	833	-	18,630
Legal provision	7,933	(229)	-	7,704
Provision for diminution in value of inventories	1,421	1,557	-	2,978
Employee termination benefit	10,251	1,665	8,044	19,960
Unused vacation liability	4,192	4,144	-	8,336
Dealer premium accrual	-	104,210	-	104,210
Other	(19,357)	14,678	-	(4,679)
	(12,929)	952,437	8,044	947,552

As at 30 September 2023, current income tax liabilities amounting to TL 3,468,115 (31 December 2022: TL 343,251) is comprised by tax provision for the period ended 30 September 2023.

As of 30 September 2023, the Group has no current period tax assets. (31 December 2022: None).

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

NOTE 21 – EARNINGS PER SHARE

Earnings per share is calculated by dividing net income attributable to equity holders of the Company for the period by the weighted average number of shares of the Company available during the period. For the period ended 30 September, earnings per share are calculated as follows:

	1 January - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2023	1 July - 30 September 2022
Net profit attributable to the equity holders of the Company	15,223,759	5,460,294	6,188,964	2,698,061
Number of basic shares	213,914,993	198,000,000	213,914,993	198,000,000
Basic / diluted earnings per share (in full TL)	71.1673	27.5772	28.9319	13.6266

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NOTE 22 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES

22.1 Due from related parties

22.1.1 Due from associates

	30 September 2023	31 December 2022
Yüce Auto	36,370	13,800
VDF Servis	-	89
Total	36,370	13,889

22.1.2 Due from joint ventures

	30 September 2023	31 December 2022
TÜVTURK	484	5,489
Total	484	5,489

22.1.3 Due from other related parties

	30 September 2023	31 December 2022
VDF Faktoring Hizmetleri A.Ş. ("VDF Faktoring")	6,335,819	2,520,259
VDF Sigorta Aracılık Hizmetleri A.Ş.	3,970	4,178
VDF Filo Kiralama A.Ş.	3,112	2,347
VDF	117	139
Other	651	579
Total	6,343,669	2,527,502

22.1.4 Due from shareholders

	30 September 2023	31 December 2022
Doğuş Holding	3,562	1,539
Total	3,562	1,539
Grand total	6,384,085	2,548,419

As of 30 September 2023, the Group imposes 2.68% interest charge on the receivables from related parties (31 December 2022: 1.91% per month).

22.2 Other receivables due from related parties

22.2.1 Other current receivables due from associates

	30 September 2023	31 December 2022
Doğuş Teknoloji	3,303	2,705
Total	3,303	2,705

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NOTE 22 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

22.2 Other receivables due from related parties (Continued)

22.2.2 Other current receivables due from other related parties

	30 September 2023	31 December 2022
VDF Filo Kiralama A.Ş. (sublease receivables)	2,154	4,917
Total	2,154	4,917
Grand total	5,457	7,622

22.2.3 Other non-current receivables due from related parties

	30 September 2023	31 December 2022
VDF Filo Kiralama A.Ş. (sublease receivables)	546	339
Total	546	339

22.3 Current prepayments due from related parties

22.3.1 Current prepaid expenses to related parties

22.3.1.1 Current prepaid expenses to associates

	30 September 2023	31 December 2022
Doğuş Teknoloji	5,398	7,214
Total	5,398	7,214

22.3.1.2 Current prepaid expenses to other related parties

	30 September 2023	31 December 2022
Antur Turizm A.Ş.	33,487	669
Pozitif Arena Salon İşletmeleri A.Ş.	2,971	16,268
Doğuş Spor Kompleksi Yatırım ve İşletme A.Ş.	1,638	-
Pozitif Müzik A.Ş.	127	262
Other	462	39
Total	38,685	17,238

22.3.1.3 Current prepaid expenses to shareholders

	30 September 2023	31 December 2022
Doğuş Holding	173	1,655
Total	173	1,655
Grand total	44,256	26,107

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NOTE 22 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

22.3 Current prepayments due from related parties (Continued)

22.3.2 Long-term non-current prepaid expenses to related parties (Continued)

22.3.2.1 Long-term non-current prepaid expenses to associates

	30 September 2023	31 December 2022
Doğuş Teknoloji	2,376	2,633
Total	2,376	2,633

22.3.2.2 Long-term non-current prepaid expenses to other related parties

	30 September 2023	31 December 2022
Pozitif Arena Salon İşletmeleri A.Ş.	3,052	3,052
Pozitif Müzik A.Ş.	-	61
Total	3,052	3,113
Grand total	5,428	5,746

22.4 Trade payables due to related parties

22.4.1 Trade payables due to associates

	30 September 2023	31 December 2022
Yüce Auto	492,671	124,130
Doğuş Teknoloji	43,367	45,013
Total	536,038	169,143

22.4.2 Trade payables due to joint ventures

	30 September 2023	31 December 2022
TÜVTURK	3	4
Total	3	4

22.4.3 Trade payables due to other related parties

	30 September 2023	31 December 2022
Antur Turizm A.Ş.	26,029	11,590
VDF Filo Kiralama A.Ş.	4,531	15,766
Doğuş İnşaat ve Ticaret A.Ş.	2,663	2,177
VDF Faktoring	2,530	877
TDB Kalibrasyon Hizmetleri A.Ş.	1,298	1,039
Semanticum Bilişim Sanayi ve Ticaret A.Ş.	372	408
Doğuş Verimlilik ve Merkezi Satın Alma Hizm. Tic. A.Ş.	123	6,812
Nahita Restaurant İşletmeciliği ve Yatırım A.Ş.	-	2,686
VDF	17	22
Other	2,556	1,302
Total	40,119	42,679

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NOTE 22 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

22.4 Trade payables due to related parties (Continued)

22.4.4 Trade payables due to shareholders

	30 September 2023	31 December 2022
Doğuş Holding	5,521	1,222
Total	5,521	1,222
Grand total	581,681	213,048

22.5 Related Party Transactions

Related party transactions for the nine and three month periods ended 30 September are as follows:

22.5.1 Associates

	1 January - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2023	1 July - 30 September 2022
Sales and other income generating transactions:				
Other income	222,616	62,059	83,582	21,679
Sale of products and returns, net	78,055	31,086	11,803	6,078
Sale of services, net	1,781	924	701	381
Financial income	503	859	212	326
Total	302,955	94,928	96,298	28,464
Purchases and expense incurring transactions:				
Inventory purchases	3,762,974	890,634	1,369,989	258,287
Other purchases	222,682	114,576	102,037	43,454
Fixed asset purchases	192,481	83,011	70,776	32,162
Services rendered	80,430	34,213	28,933	13,000
Other expenses	9,739	633	3,755	199
Total	4,268,306	1,123,067	1,575,490	347,102

22.5.2 Joint ventures

	1 January - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2023	1 July - 30 September 2022
Sales and other income generating transactions:				
Sale of products and returns, net	5,203	2,803	3,837	96
Sale of services, net	211	81	132	34
Other incomes	5	4	5	-
Total	5,419	2,888	3,974	130
Purchases and expense creating transactions:				
Inventory purchases	8,663	-	3,069	-
Services rendered	241	42	82	23
Other purchases	2	3	1	2
Total	8,906	45	3,152	25

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NOTE 22 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

22.5 Related Party Transactions (Continued)

22.5.3 Other related parties

a) Income generated from other related parties

	1 January - 30 September 2023					
	Sale of products	Sale of services	Sale of fixed assets	Other income from operating activities	Financial income	Total
VDF Filo	1,267,202	14,959	-	4,306	-	1,286,467
VDF Sigorta	3	2	-	33,168	-	33,173
VDF Faktoring	-	-	-	-	-	-
Other	9,043	545	8	990	-	10,586
	1,276,248	15,506	8	38,464	-	1,330,226

	1 January - 30 September 2022					
	Sale of products	Sale of services	Sale of fixed assets	Other income from operating activities	Financial income	Total
VDF Filo	293,784	8,341	-	1,123	-	303,248
VDF Sigorta	-	2	-	16,629	-	16,631
VDF Faktoring	-	-	-	-	-	-
Other	7,943	889	3	1,735	147	10,717
	301,727	9,232	3	19,487	147	330,596

	1 July - 30 September 2023					
	Sale of products	Sale of services	Sale of fixed assets	Other income from operating activities	Financial income	Total
VDF Filo	889,000	5,179	-	1,976	-	896,155
VDF Sigorta	-	-	-	11,199	-	11,199
VDF Faktoring	-	-	-	-	-	-
Other	4,226	122	-	251	-	4,599
	893,226	5,301	-	13,426	-	911,953

	1 July - 30 September 2022					
	Sale of products	Sale of services	Sale of fixed assets	Other income from operating activities	Financial income	Total
VDF Filo	79,498	3,294	-	578	-	83,370
VDF Sigorta	-	-	-	6,680	-	6,680
VDF Faktoring	-	-	-	-	-	-
Other	3,559	505	3	622	-	4,689
	83,057	3,799	3	7,880	-	94,739

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NOTE 22 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

22.5 Related Party Transactions (Continued)

22.5.3 Other related parties (Continued)

b) Expenses arising from transactions with other related parties

1 January - 30 September 2023							
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Total
Antur Turizm	86,483	-	3,271	-	6	10,157	99,917
Doğuş Gayrimenkul Yatırım Ortaklığı	48,528	-	-	-	-	-	48,528
VDF Sigorta	449	-	-	-	1	6	456
VDF Filo	23,495	-	105,592	-	1	-	129,088
VDF Faktoring	-	-	-	17,276	-	-	17,276
Other	16,073	2,984	4,649	-	14	26,538	50,258
	175,028	2,984	113,512	17,276	22	36,701	345,523
1 January - 30 September 2022							
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Total
Antur Turizm	19,661	-	-	-	10	5,396	25,067
Doğuş Gayrimenkul Yatırım Ortaklığı	30,436	-	-	-	-	-	30,436
VDF Sigorta	-	-	-	-	793	-	793
VDF Filo	17,195	-	59,473	-	141	-	76,809
VDF Faktoring	-	-	-	6,889	-	-	6,889
Other	6,596	754	505	120	34	12,672	20,681
	73,888	754	59,978	7,009	978	18,068	160,675
1 July - 30 September 2023							
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Total
Antur Turizm	35,456	-	31	-	1	3,397	38,885
Doğuş Gayrimenkul Yatırım Ortaklığı	18,480	-	-	-	-	-	18,480
VDF Sigorta	-	-	-	-	1	6	7
VDF Filo	7,953	-	34,558	-	-	-	42,511
VDF Faktoring	-	-	-	7,548	-	-	7,548
Other	3,655	1,501	4,184	-	2	9,680	19,022
	65,544	1,501	38,773	7,548	4	13,083	126,453

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 22 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)**22.5 Related Party Transactions (Continued)****22.5.3 Other related parties (Continued)**

	1 July - 30 September 2022						
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Total
Antur Turizm	9,305	-	-	-	8	4,622	13,935
Doğuş Gayrimenkul Yatırım Ortaklığı	11,108	-	-	-	-	-	11,108
VDF Sigorta	-	-	-	-	3	-	3
VDF Filo	6,277	-	8,508	-	139	-	14,924
VDF Faktoring	-	-	-	2,242	-	-	2,242
Other	2,566	675	180	-	7	5,158	8,586
	29,256	675	8,688	2,242	157	9,780	50,798

22.5.4 Transactions with shareholders**a) Income generated from shareholders**

	1 January - 30 September 2023			
	Sale of products	Sale of services	Finance income	Total
Doğuş Holding	2,978	3,750	4,208	10,936
	2,978	3,750	4,208	10,936
	1 January - 30 September 2022			
	Sale of products	Sale of services	Sale of fixed assets	Total
Doğuş Holding	92	1,553	249	1,894
	92	1,553	249	1,894
	1 July - 30 September 2023			
	Sale of products	Sale of services	Finance income	Total
Doğuş Holding	1,428	1,908	-	3,336
	1,428	1,908	-	3,336
	1 July - 30 September 2022			
	Sale of products	Sale of services	Sale of fixed assets	Total
Doğuş Holding	64	582	21	667
	64	582	21	667

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

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NOTE 22 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

22.5 Related Party Transactions (Continued)

22.5.4 Transactions with shareholders (Continued)

b) Expenses arising from transactions with shareholders

1 January - 30 September 2023					
	Services rendered	Purchase of fixed assets	Purchase of inventory	Other expenses from operating activities	Total
Doğuş Holding	16,898	-	371	1,638	18,907
	16,898	-	371	1,638	18,907
1 January - 30 September 2022					
	Services rendered	Purchase of fixed assets	Purchase of inventory	Other expenses from operating activities	Total
Doğuş Holding	9,523	182	-	858	10,563
	9,523	182	-	858	10,563
1 July - 30 September 2023					
	Services rendered	Purchase of fixed assets	Purchase of inventory	Other expenses from operating activities	Total
Doğuş Holding	7,104	-	-	554	7,658
	7,104	-	-	554	7,658
1 July - 30 September 2022					
	Services rendered	Purchase of fixed assets	Purchase of inventory	Other expenses from operating activities	Total
Doğuş Holding	3,533	182	-	278	3,993
	3,533	182	-	278	3,993

22.6 Key Management Personnel Compensation

	1 January - 30 September 2023	1 January - 30 September 2022	1 July - 30 September 2023	1 July - 30 September 2022
Salaries and other short-term employee benefits	395,696	174,881	190,030	84,752
Total	395,696	174,881	190,030	84,752

The Group classifies members of the Board of Directors and senior executives who have administrative responsibilities as key management personnel, since they are responsible for the planning, management and control of the Group's operations.

Remuneration of Board of Directors and senior executive who have administrative responsibilities, for the nine and three month periods ended 30 September 2023 and 2022 includes salaries, health insurance and employer shares of Social Security Institution.

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NOTE 23 – FINANCIAL INSTRUMENTS

Financial instruments and capital risk management

Financial risk factors

The Group's objectives are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other shareholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's capital structure includes payables including loans and respectively cash and cash equivalents, paid-in capital, reserves and retained earnings.

The board of directors monitors the return on capital and the level of dividends to ordinary shareholders.

The Group monitors its share capital by using financial liability to equity ratio. The ratio is calculated by dividing financial liabilities deducting to cash and cash equivalents to equity. Total of financial liabilities comprises entire current and non-current financial liabilities whereas total equity comprises each equity item on the statement of financial position.

The following table sets out the Group's financial liability to equity ratio as at 30 September 2023 and 31 December 2022:

	30 September 2023	31 December 2022
Total financial liabilities	6,786,854	2,594,503
Cash and cash equivalents	(8,455,856)	(3,366,150)
Total financial liabilities, net	(1,669,002)	(771,647)
Total equity	25,590,464	11,706,526
Financial liabilities / equity ratio	(0.07)	(0.07)

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

The risk management program is applied by the Company and its subsidiaries, joint ventures and associates in line with the policies set by the Board of Directors.

(a) Credit risk

The Group's significant portions of receivables from dealers are collected through VDF Faktoring. The receivables from dealers through VDF Faktoring are collected when they are due and these are irrevocable transactions.

The credit risk arising from dealers' and other customers' transactions are followed by the management and these risks are limited for each debtor. These risks arising from relevant receivables are guaranteed with proper instruments (Note 8).

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NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Financial risk factors (Continued)

(a) Credit risk (Continued)

30 September 2023	Receivables				Bank deposits	Derivative instruments	Other
	Trade receivables		Other receivables				
	Related parties	Other parties	Related parties	Other parties			
Exposure to maximum credit risk as at reporting date (A+B+C+D) (*)	6,384,085	2,030,963	6,003	287,634	8,455,803	-	-
- Guaranteed portion of the maximum exposure	-	515,638	-	-	-	-	-
A. Net carrying amount of financial assets which are neither impaired nor overdue (**)	6,382,044	1,991,357	6,003	287,634	8,455,803	-	-
B. Net carrying amount of financial assets which are overdue but not impaired (***)	2,041	39,606	-	-	-	-	-
C. Net carrying amount of impaired assets	-	-	-	-	-	-	-
- Past due (gross book value)	-	4,454	-	-	-	-	-
- Impairment (-)	-	(4,454)	-	-	-	-	-
- Guaranteed portion of net values (*)	-	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Guaranteed portion of net values (*)	-	515,638	-	-	-	-	-
D. Off financial statement items with credit risks (****)	-	-	-	-	-	-	-

(*) This area indicates the total of the figures placed in A, B, C and D lines. In determination of aforementioned figures, items increasing credit reliability such as guarantees received are not considered.

(**) As at 30 September 2023 and 31 December 2022, information regarding to credit quality of trade receivables which are not past due or not impaired and restructured are indicated in Note 8.

(***) As at 30 September 2023 and 31 December 2022, information regarding to aging of receivables which are past due but not impaired are indicated in the table of aging analysis of receivables which are past due but not impaired.

(****) As at 30 September 2023 and 31 December 2022, maximum level of credit risk born in relation to letter of guarantees given in favor of related parties are indicated.

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NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Financial risk factors (Continued)

(a) Credit risk (Continued)

31 December 2022	Receivables				Bank deposits	Derivative instruments	Other
	Trade receivables		Other receivables				
	Related parties	Other parties	Related parties	Other parties			
Exposure to maximum credit risk as at reporting date (A+B+C+D) (*)	2,548,419	783,412	7,961	174,047	3,366,033	-	-
- Guaranteed portion of the maximum exposure	-	125,894	-	-	-	-	-
A. Net carrying amount of financial assets which are neither impaired nor overdue (**)	2,546,713	750,578	7,961	174,047	3,366,033	-	-
B. Net carrying amount of financial assets which are overdue but not impaired (***)	1,706	32,834	-	-	-	-	-
C. Net carrying amount of impaired assets	-	-	-	-	-	-	-
- Past due (gross book value)	-	5,296	-	-	-	-	-
- Impairment (-)	-	(5,296)	-	-	-	-	-
- Guaranteed portion of net values (*)	-	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Guaranteed portion of net values (*)	-	125,894	-	-	-	-	-
D. Off financial statement items with credit risks (****)	-	-	-	-	-	-	-

(*) This area indicates the total of the figures placed in A, B, C and D lines. In determination of aforementioned figures, items increasing credit reliability such as guarantees received are not considered.

(**) As at 30 September 2023 and 31 December 2022, information regarding to credit quality of trade receivables which are not past due or not impaired and restructured are indicated in Note 8.

(***) As at 30 September 2023 and 31 December 2022, information regarding to aging of receivables which are past due but not impaired are indicated in the table of aging analysis of receivables which are past due but not impaired.

(****) As at 30 September 2023 and 31 December 2022, maximum level of credit risk born in relation to letter of guarantees given in favor of related parties are indicated.

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NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Financial risk factors (Continued)

(a) Credit risk (Continued)

Aging of past due receivables that are not impaired

As at 30 September 2023 and 31 December 2022, the aging of past due receivables that are not impaired are as follows:

30 September 2023	Receivables		Deposits on banks	Derivative instruments	Other
	Trade receivables	Other receivables	-	-	-
Past due 1-30 days	41,647	-	-	-	-
Past due 1-3 months	-	-	-	-	-
Past due 3-12 months	-	-	-	-	-
Past due 1-5 years	-	-	-	-	-
More than 5 years	-	-	-	-	-
Portion of assets overdue secured by guarantee etc,	47	-	-	-	-

31 December 2022	Receivables		Deposits on banks	Derivative instruments	Other
	Trade receivables	Other receivables	-	-	-
Past due 1-30 days	34,540	-	-	-	-
Past due 1-3 months	-	-	-	-	-
Past due 3-12 months	-	-	-	-	-
Past due 1-5 years	-	-	-	-	-
More than 5 years	-	-	-	-	-
Portion of assets overdue secured by guarantee etc,	1,591	-	-	-	-

(b) Liquidity risk

Liquidity risk management refers to capacity of holding adequate amount of cash and marketable securities, adequate credit lines and ability to close out market position.

Risk of funding current and potential requirements is mitigated by ensuring the availability of adequate number of creditworthy lending parties. The Group, in order to minimize liquidity risk, holds adequate cash and available line of credit (including factoring capacity). In this regard, as at 30 September 2023, the Group have lines of credit amounting to EUR 1,275,686, USD 317,000, CHF 5,000 and TL 4,032,500 (31 December 2022: lines of credit amounting to EUR 1,095,686, USD 317,000, CHF 5,000 and TL 4,032,500). The utilized portions of the aforementioned total credit lines are disclosed in Note 7.

In addition, the Group has a non-cash credit line obtained from underwriting banks amounting to EUR 260,600 equivalent to TL 7,565,348 (31 December 2022: EUR 179,700 equivalent to TL 3,582,302) that enables the Group to perform credit purchases from original equipment manufacturers with an option to pay in 12 months. The Group's credit card purchase limit amounting to EUR 176,935, amounting to TL 5,136,514 are utilized (31 December 2022: EUR 105,020, amounting to TL 2,093,567 is used).

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NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Financial risk factors (Continued)

(b) Liquidity risk (Continued)

The below tables show the financial liabilities of the Group according to their remaining maturities as at 30 September 2023 and 31 December 2022:

30 September 2023						
Contractual maturities	Carrying amount	Total contractual cash outflows	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Loans and borrowings	6,551,036	7,832,389	813,633	2,918,682	4,100,074	-
Trade payables to related parties	581,681	581,681	581,681	-	-	-
Other payables to related parties	-	-	-	-	-	-
Trade payables to third parties	7,427,235	7,427,235	2,410,903	5,016,332	-	-
Employee benefit obligations	67,256	67,256	67,256	-	-	-
Lease liabilities	235,818	415,857	51,751	73,862	196,309	93,935
Other current liabilities (*)	2,820	2,820	2,820	-	-	-
Total non-derivative financial liabilities	14,865,846	16,327,238	3,928,044	8,008,876	4,296,383	93,935
31 December 2022						
Contractual maturities	Carrying amount	Total contractual cash outflows	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Loans and borrowings	2,411,875	2,569,576	675,037	1,792,434	102,105	-
Trade payables to related parties	213,048	213,048	213,048	-	-	-
Other payables to related parties	-	-	-	-	-	-
Trade payables to third parties	3,373,599	3,373,599	1,297,943	2,075,656	-	-
Employee benefit obligations	113,695	113,695	113,695	-	-	-
Lease liabilities	182,628	295,993	20,068	58,066	147,309	70,549
Other current liabilities (*)	3,080	3,080	3,080	-	-	-
Total non-derivative financial liabilities	6,297,925	6,568,991	2,322,872	3,926,155	249,414	70,549

(*) VAT payable is excluded from other current liabilities.

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NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Financial risk factors (Continued)

(c) Currency risk

The Group is exposed to foreign exchange risk through the impact of rate changes on the translation of foreign currency denominated payables to original equipment manufacturers and borrowings from financial institutions. This risk is monitored by the Board of Directors through periodic meetings. The Group's foreign currency position is managed through taking limited positions within limits recommended by executive board and approved by board of directors as well using derivative instruments where necessary.

To minimize the risk arising from foreign currency denominated balance sheet items, the Group utilizes derivative instruments as well as keeping part of its idle cash in foreign currencies. In addition, translation of cost of goods-in-transit until completion of the customs transactions, in accordance with the customs law provides a natural hedge.

Currency sensitivity analysis		
30 September 2023		
	Profit/loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against TL		
1- Net USD asset/liability	(2,300)	2,300
2- USD risk averse portion (-)	-	-
3- Net USD effect (1+2)	(2,300)	2,300
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	609,832	(609,832)
5- Euro risk averse portion (-)	-	-
6- Net Euro effect (4+5)	609,832	(609,832)
TOTAL (3+6)	607,532	(607,532)

Currency sensitivity analysis		
31 December 2022		
	Profit/loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against TL		
1- Net USD asset/liability	(4,918)	4,918
2- USD risk averse portion (-)	-	-
3- Net USD effect (1+2)	(4,918)	4,918
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	143,859	(143,859)
5- Euro risk averse portion (-)	-	-
6- Net Euro effect (4+5)	143,859	(143,859)
TOTAL (3+6)	138,941	(138,941)

Currency sensitivity analysis		
30 September 2022		
	Profit/loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against TL		
1- Net USD asset/liability	(111)	111
2- USD risk averse portion (-)	-	-
3- Net USD effect (1+2)	(111)	111
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	260,994	(260,994)
5- Euro risk averse portion (-)	-	-
6- Net Euro effect (4+5)	260,994	(260,994)
TOTAL (3+6)	260,883	(260,883)

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NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Financial risk factors (Continued)

(c) Currency risk (Continued)

Foreign exchange rates for USD, Euro and CHF as at 30 September 2023, 31 December 2022 and 30 September 2022 are as follows:

	30 September 2023	31 December 2022	30 September 2022
USD	27.3767	18.6983	18.5187
EUR	29.0305	19.9349	18.1395
CHF	29.9837	20.2019	18.8888

As at 30 September 2023, net position of the Group is resulted from foreign currency assets and liabilities as shown below:

	30 September 2023				
	Total TL equivalent	Original balances			
		USD	EUR	CHF	Other
Assets:					
Trade receivables	-	-	-	-	-
Monetary financial assets	4,634,095	7	159,618	3	9
Other monetary assets	8,353,938	3	287,761	-	4
Total assets	12,988,033	10	447,379	3	13
Trade payables	5,481,445	847	188,018	-	-
Financial liabilities	1,429,897	-	49,255	-	-
Other monetary liabilities	1,161	-	40	-	-
Current liabilities	6,912,503	847	237,313	-	-
Financial liabilities	3,132,101	-	107,890	-	-
Non-current liabilities	3,132,101	-	107,890	-	-
Total liabilities	10,044,604	847	345,203	-	-
Net foreign currency liability position of derivative financial liabilities off statement of financial position	1,156,212	-	38,185	-	-
Net foreign currency (liability)/asset position	4,099,641	(837)	140,361	3	13
Monetary items net foreign (liability)/asset position					
Sureties and letters of guarantee taken	112,606	441	3,463	-	-
Sureties and letters of guarantee given	7,783,919	-	268,129	-	-
Import	68,777,580	-	2,369,149	-	-

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NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Financial risk factors (Continued)

(c) Currency risk (Continued)

As at 31 December 2022, net position of the Group is resulted from foreign currency assets and liabilities as shown below:

	Total TL equivalent	31 December 2022			
		Original balances			
		USD	EUR	CHF	Other
Assets:					
Trade receivables	-	-	-	-	-
Monetary financial assets	925,603	10	46,417	3	9
Other monetary assets	3,004,755	-	150,728	-	4
Total assets	3,930,358	10	197,145	3	13
Trade payables	2,397,296	2,640	117,780	-	-
Financial liabilities	143,153	-	7,181	-	-
Other monetary liabilities	436	2	20	-	-
Current liabilities	2,540,885	2,642	124,981	-	-
Financial liabilities	89,109	-	4,470	-	-
Non-current liabilities	89,109	-	4,470	-	-
Total liabilities	2,629,994	2,642	129,451	-	-
Net foreign currency liability position of derivative financial liabilities off statement of financial position	2,033,691	-	102,003	-	-
Net foreign currency (liability)/asset position	3,334,055	(2,632)	169,697	3	13
Monetary items net foreign (liability)/asset position					
Sureties and letters of guarantee taken	104,158	1,323	3,984	-	-
Sureties and letters of guarantee agiven	3,734,385	-	187,329	-	-
Import	36,938,556	-	1,852,959	-	-

As at 30 September 2023, goods-in-transit of the Group amount to EUR 280,448 equivalent to TL 8,141,534 (31 December 2022: EUR 143,446 equivalent to TL 2,859,581).

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Financial risk factors (Continued)

(d) Market risk

The Group is exposed to market risk through holding shares of Doğuř Holding.

Even though the shares of Doğuř Holding are not quoted in the capital market, fair value of the Doğuř Holding's shares is determined by using market information of publicly held Doğuř Holding group companies and other valuation methodologies are used for remaining Doğuř Holding group companies. Therefore, value of Doğuř Holding recognized in the financial statements is affected by price fluctuations in the shares of publicly held Doğuř Holding group companies.

Under the assumption of 10% increase/decrease in share prices as at 30 September 2023, all other variables held constant, the Group's equity would have been increased/decreased by TL 101,016 (31 December 2022: TL 101,016).

(e) Interest rate risk

If the interest rates of floating interest-bearing TL and EUR denominated borrowings were 100 basis points higher/lower with all other variables held constant, profit before tax for the year would have been lower/higher by TL 38,812 at 30 September 2023 due to higher/lower interest expense (31 December 2022: TL 1,388).

(f) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date except involuntary liquidation or distress sale. When available, the quoted price in an active market provide the best estimate of its fair value.

If a quoted market price is not available, the Group using available market information and appropriate valuation methodologies estimates the fair value of the instrument. However, judgment is necessarily required to interpret market data to develop the estimated fair value. Accordingly, the estimates made are not necessarily indicative of the amounts that could be realized in current market exchange.

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NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Financial risk factors (Continued)

(f) Fair value (Continued)

Financial assets

The principles used in determining the fair values of financial assets and liabilities are as follows:

Cash and cash equivalents are presented on cost basis and are assumed to reflect their fair values as they are liquid and classified as current assets.

Trade receivables are presented netted off related doubtful portion of the receivable and are assumed to reflect their fair value.

Since Doğuş Holding is not a publicly traded, fair value of Doğuş Holding is determined by using current market information's for publicly traded companies under Doğuş Holding governance. Fair value of Doğuş Holding is also determined by using other valuation methods for non-public companies under Doğuş Holding governance. Therefore Doğuş Holding presented under financial assets is assumed to reflect its fair value.

Financial liabilities

Short-term TL denominated bank borrowings are assumed to converge to its fair value. Some of long-term borrowings, denominated in foreign currency and TL are assumed to reflect their fair value due to their floating rates. Long-term and fixed rate borrowings are considered to converge to its fair value, when it is valued with fixed interest rate valid as of the balance sheet date.

Since trade payables are short-term and foreign currency denominated, they are assumed to reflect their fair values. Estimated fair value of financial instruments is determined by the Group whom using the existing market information or appropriate valuation methods, if possible.

However, market value may not reflect the fair value as contentment is used in finding out the expected fair value. Therefore, except for mentioned assumptions, inputs for the financial asset or liabilities that are not based on observable market data (unobservable inputs) and the Group utilize for their contentment regarding fair value analysis, are considered as level 3 in relation to valuation method for comparable fair value analysis of long-term financial liabilities under the classifications defined.

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NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Financial risk factors (Continued)

(f) Fair value (Continued)

As 30 September 2023 and 31 December 2022, net carrying amounts and fair values of assets and liabilities as shown below:

30 September 2023	Financial assets at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial liabilities at amortised cost	Net carrying amount	Note
<u>Financial assets</u>					
Cash and cash equivalents	8,455,856	-	-	8,455,856	5
Financial investments	-	8,620,067	-	8,620,067	6
Trade receivables from third parties	2,030,963	-	-	2,030,963	8.1
Other receivables from third parties	287,634	-	-	287,634	-
Trade receivables from related parties	6,384,085	-	-	6,384,085	22.1
Other receivables from related parties	6,003	-	-	6,003	22.2
<u>Financial liabilities</u>					
Trade payables to third parties	-	-	7,427,235	7,427,235	8.2
Trade payables to related parties	-	-	581,681	581,681	22.4
Other payables to related parties	-	-	-	-	-
Borrowings	-	-	6,551,037	6,551,037	7
Lease liabilities	-	-	235,817	235,817	7

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NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Financial risk factors (Continued)

(f) Fair value (Continued)

31 December 2022	Financial assets at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial liabilities at amortised cost	Net carrying amount	Note
<u>Financial assets</u>					
Cash and cash equivalents	3,366,150	-	-	3,366,150	5
Financial investments	-	4,379,620	-	4,379,620	6
Trade receivables from third parties	783,412	-	-	783,412	8.1
Other receivables from third parties	174,047	-	-	174,047	-
Trade receivables from related parties	2,548,419	-	-	2,548,419	22.1
Other receivables from related parties	7,961	-	-	7,961	22.2
<u>Financial liabilities</u>					
Trade payables to third parties	-	-	3,373,599	3,373,599	8.2
Trade payables to related parties	-	-	213,048	213,048	22.4
Other payables to related parties	-	-	-	-	-
Borrowings	-	-	2,411,875	2,411,875	7
Lease liabilities	-	-	182,628	182,628	7

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

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NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Financial risk factors (Continued)

(f) Fair value (Continued)

Classification regarding fair value measurement

The fair values of financial assets and financial liabilities are determined as follows:

- Level 1: The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- Level 2: The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on prices from observable current market transactions
- Level 3: The fair value of the financial assets and financial liabilities is determined in accordance with the unobservable current market data.

Classification requires use observable market inputs where available. In this respect, fair value classifications of financial assets which are valued with their fair values are as follows:

	30 September 2023			
	Level 1	Level 2	Level 3	Total
<i>Financial assets:</i>				
FX protected time deposit	1,156,212	-	-	1,156,212
Financial assets measured at fair value through other comprehensive income (Note 6)	-	7,463,855	-	7,463,855
Total financial assets	1,156,212	7,463,855	-	8,620,067
	31 December 2022			
	Level 1	Level 2	Level 3	Total
<i>Financial assets:</i>				
FX protected time deposit	2,033,691	-	-	2,033,691
Financial assets measured at fair value through other comprehensive income (Note 6)	-	2,345,929	-	2,345,929
Total financial assets	2,033,691	2,345,929	-	4,379,620

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

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NOTE 24 – RIGHT OF USE ASSET

As of 30 September 2023, the net book value of the right of use assets is TL 194,958 (30 September 2022: TL 165,519). As of 30 September 2023 and 2022, the balances of the right to use assets and the depreciation and amortization expenses during the period are as follows:

2023	Showroom and area leases	Motor vehicles	Other	Total
Right of use asset - 1 January	125,261	25,545	-	150,806
Additions	133,435	8,751	-	142,186
Disposals	(23,258)	(661)	-	(23,919)
Depreciation expenses	(59,345)	(14,770)	-	(74,115)
Right of use asset - 30 September	176,093	18,865	-	194,958

2022	Showroom and area leases	Motor vehicles	Other	Total
Right of use asset - 1 January	78,655	30,413	-	109,068
Additions	89,692	11,514	-	101,206
Disposals	(2,497)	-	-	(2,497)
Depreciation expenses	(30,015)	(12,243)	-	(42,258)
Right of use asset - 30 September	135,835	29,684	-	165,519

As of 30 September 2023, TL 74,115 depreciation expense arising from the usage rights is accounted under general administrative expenses (30 September 2022: TL 42,258).

NOTE 25 - SUBSEQUENT EVENTS

The Energy Market Regulatory Authority granted the group's subsidiary, Doğuş Şarj Sistemleri Pazarlama ve Ticaret A.Ş. (D-Charge), a charging network operator licence for country-wide charging network operator activities.

The group decided to distribute a total of 1,250,000 TL in cash dividends and to present this decision for approval to the Extraordinary General Assembly to meet on 20 November 2023.

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