DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2024 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 INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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

Introduction

1- We have reviewed the accompanying condensed consolidated statement of balance sheet of Doğuş Otomotiv Servis ve Ticaret A.Ş. (the "Company") and its subsidiaries (collectively referred as the "Group") as at 31 March 2024, the condensed consolidated statements of income, the condensed consolidated statement of other comprehensive income, the condensed consolidated statement of changes in equity condensed consolidated cash flows and other explanatory notes for the three-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.

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

Cihan Harman, SMMM
Independent Auditor

Istanbul, 31 May 2024

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DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024 AND 31 DECEMBER 2023

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

		Reviewed	**Audited**
	Notes	**31 March 2024**	**31 December 2023**
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	13,161,754	8,795,012
Financial investments	6	394,273	1,447,618
Trade receivables		9,717,449	14,819,434
Trade receivables due from related parties	*22*	*7,170,669*	*9,966,419*
Trade receivables due from third parties	*8*	*2,546,780*	*4,853,015*
Other receivables		3,740,720	587,750
Other receivables due from related parties	*22*	*2,685,657*	*33,131*
Other receivables due from third parties	*9*	*1,055,063*	*554,619*
Inventories	10	14,873,100	12,253,813
Prepayments		614,167	234,677
Assets related to current tax		689	673
Other current assets		31,327	78,783
Total current assets		**42,533,479**	**38,217,760**
NON-CURRENT ASSETS			
Financial investments		3,878,786	3,878,786
Financial assets measured at fair value through other comprehensive income	*6*	*3,878,786*	*3,878,786*
Other receivables		18,191	27,671
Other receivables due from related parties	22	*17,773*	*27,211*
Other receivables due from third parties		*418*	*460*
Investments accounted for using equity method	11	9,141,064	9,796,740
Investment property	13	11,812,398	11,812,123
Property, plant and equipment	12	13,392,762	13,488,983
Right of use assets	24	159,874	72,869
Intangible assets		635,254	597,400
Prepayments		255,989	74,465
Defferred tax asssets	20	129,414	122,937
Other non-current assets		11,689	339
Total non-current assets		**39,435,421**	**39,872,313**
TOTAL ASSETS		**81,968,900**	**78,090,073**

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

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024 AND 31 DECEMBER 2023

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

		Reviewed	**Audited**
	Notes	**31 March 2024**	**31 December 2023**
LIABILITIES			
CURRENT LIABILITIES			
Current borrowings	7	2,534,154	2,958,769
Short-term portion of long-term borrowings	7	2,262,057	2,327,933
Trade payables		12,414,531	9,804,467
Trade payables to related parties	*22*	*865,494*	*1,964,154*
Trade payables to third parties	*8*	*11,549,037*	*7,840,313*
Employee benefit obligations		960,892	253,074
Other payables		14,536	565
Other payables to third parties		*14,536*	*565*
Deferred income		841,909	833,520
Current tax liabilities	20	1,606,446	217,481
Current provisions		548,481	3,248,626
Other current provisions	*14*	*548,481*	*3,248,626*
Other current liabilities	15	1,035,330	1,582,774
Total current liabilities		**22,218,336**	**21,227,209**
NON-CURRENT LIABILITIES			
Long-term borrowings	7	6,161,107	7,117,677
Other payables		4,021	4,363
Deferred income		512,941	476,854
Non-current provisions		504,665	468,264
Non-current provisions for employee benefits		*291,085*	*218,827*
Other long-term provisions	*14*	*213,580*	*249,437*
Deferred tax liabilities		137,201	646,653
Total non-current liabilities		**7,319,935**	**8,713,811**
TOTAL LIABILITIES		**29,538,271**	**29,941,020**
EQUITY			
Equity attributable to equity holders of the Company		**51,829,607**	**47,566,172**
Issued capital	16	220,000	220,000
Inflation adjustment on capital	16	3,593,057	3,593,057
Treasury shares (-)	16	-	(472,546)
Share premium (discount)		3,607,067	2,767,696
Business combination under common control		(7,450,113)	(7,450,113)
Other accumulated comprehensive income (loss) that will not be reclassified in profit or loss		3,034,384	3,079,569
Gains (losses) on revaluation and remeasurement		*2,812,221*	*2,857,406*
Property, plant and equipment revaluation increases(decreases)		*3,055,164*	*3,053,440*
Gains (losses) on remeasurements of defined benefit plans		*(242,943)*	*(196,034)*
Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method		222,163	222,163
Other accumulated comprehensive income (loss) that will be reclassified in profit or loss		1,504,667	1,482,886
Gains (losses) on revaluation and reclassification		*1,360,944*	*1,360,944*
Gain (loss) on revaluation and reclassification of financial assets held for sale	*16*	*1,360,944*	*1,360,944*
Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method		*143,723*	*121,942*
Restricted reserves appropriated from profits	16	2,264,490	2,737,036
Advance dividend payments (net) (-)		(3,313,288)	(3,313,288)
Prior years' profit	16	45,392,697	22,343,999
Profit for the period		2,976,646	22,577,876
Non-controlling interests	16	**601,022**	**582,881**
TOTAL EQUITY		**52,430,629**	**48,149,053**
TOTAL EQUITY AND LIABILITIES		**81,968,900**	**78,090,073**

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

CONDENSED CONSOLIDATED INTERIM PROFIT OR LOSS STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

		Reviewed	**Restated (*)**
	Notes	**31 March 2024**	**31 March 2023**
Revenue		34,120,104	33,548,391
Cost of sales		(28,041,919)	(25,966,025)
GROSS PROFIT		**6,078,185**	**7,582,366**
General administrative expenses	17	(1,380,461)	(635,903)
Marketing expenses	17	(686,423)	(556,586)
Other income from operating activities		552,046	231,196
Other expenses from operating activities		(252,193)	(326,472)
PROFIT FROM OPERATING ACTIVITIES		**4,311,154**	**6,294,601**
Investment activity income	18	282,762	279,333
Investment activity expense		(87,125)	-
Share of profit from investments accounted for using equity method	11	345,901	1,670,982
PROFIT BEFORE FINANCING INCOME (EXPENSE)		**4,852,692**	**8,244,916**
Financial income	19	673,501	168,384
Financial expense	19	(1,077,647)	(781,803)
Net monetary position gains/(losses)		(668,214)	(169,517)
PROFIT FROM CONTINUING OPERATIONS, BEFORE TAX		**3,780,332**	**7,461,980**
Tax (expense) income, continuing operations		**(785,545)**	**(1,734,515)**
Current period tax expense	20	(1,286,720)	(1,482,156)
Deferred tax (expense) income	20	501,175	(252,359)
PROFIT FROM CONTINUING OPERATIONS		**2,994,787**	**5,727,465**
PROFIT FOR THE PERIOD		**2,994,787**	**5,727,465**
Profit (loss), attributable to			
Non-controlling interests		**18,141**	**29,550**
Owners of parent		**2,976,646**	**5,697,915**
Basic earnings per share			
Basic earnings (loss) per share from continuing operations	21	**13.8355**	**28.7773**
Diluted earnings per share			
Diluted earnings (loss) per share from continuing operations	21	**13.8355**	**28.7773**

CONDENSED CONSOLIDATED INTERIM PROFIT OR LOSS STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

	Notes	Reviewed 31 March 2024	Restated (*) 31 March 2023
PROFIT (LOSS)		**2,994,787**	**5,727,465**
Other comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss		**(46,909)**	**(85,432)**
Gains (losses) on remeasurements of defined benefit plans		(59,943)	(107,909)
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss		(1,720)	(4,211)
Defined benefit plans re-measurement gains/(losses) of investments valued by equity method		*(1,720)*	*(4,211)*
Taxes related to components of other compherensive income that will not be reclassified to profit or loss		14,754	26,688
Tax effect on defined benefit plans re-measurement gains/(losses)	*20*	*14,754*	*26,688*
Other comprehensive income that will be reclassified to profit or loss		**21,781**	**2,108**
Currency translation differences related to the translation of foreign businesses		-	2,108
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss		21,781	-
Other gains/(losses) of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss		*21,781*	-
OTHER COMPREHENSIVE EXPENSE		**(25,128)**	**(83,324)**
TOTAL COMPREHENSIVE INCOME		**2,969,659**	**5,644,141**
Total comprehensive income attributable to			
Non-controlling interests		18,141	29,550
Owners of parent		2,951,518	5,614,591

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

CONDENSED CONSOLIDATED INTERIM PROFIT OR LOSS STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 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									
						Revaluation and remeasurement												
	Issued capital (Note 16)	Inflation adjustments on capital (Note 16)	Treasury shares (Note 16)	Share premiums or discount (Note 16)	Business combinations under common control (Note 16)	Property, plant and equipment revaluation increases (decreases) (Note 16)	Gains / losses on remeasurements of defined benefit plans	Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method	Foreign currency translation difference (Note 16)	Gains (losses) on revaluation and reclassification (Note 16)	Shares classified as profit or loss from other comprehensive income of investments accounted for by equity method (Note 16)	Restricted reserve (Note 16)	Advanceaddividend payments (Net)	Retained earnings/ (Accumulaed losses)	Net profit/ loss for the period	Total	Non-controlling interests (Note 16)	Total equity
Balance at 1 January 2023	**220,000**	**3,593,057**	**(1,649,058)**	**90,839**	**1,269,746**	**-**	**(166,207)**	**-**	**42,961**	**1,872,992**	**102,219**	**3,853,130**	**(1,726,523)**	**10,494,805**	**17,964,626**	**35,962,587**	**421,712**	**36,384,299**
Transfers	-	-	-	-	-	-	-	-	-	-	-	**518,159**	-	**17,446,467**	**(17,964,626)**	-	-	-
Total comprehensive income (loss)	-	-	-	-	-	-	**(85,432)**	-	**2,108**	-	-	-	-	-	**5,697,915**	**5,614,591**	**29,550**	**5,644,141**
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,697,915	5,697,915	29,550	5,727,465
Other comprehensive income (loss)	-	-	-	-	-	-	(85,432)	-	2,108	-	-	-	-	-	-	(83,324)	-	(83,324)
Business combinations under common control	-	-	-	-	**(8,760,605)**	-	-	-	-	-	-	-	-	-	-	**(8,760,605)**	-	**(8,760,605)**
Advance dividend payments	-	-	-	-	-	-	-	-	-	-	-	-	**1,726,523**	-	-	**1,726,523**	-	**1,726,523**
Profit shares	-	-	-	-	-	-	-	-	-	-	-	-	-	**(5,614,589)**	-	**(5,614,589)**	-	**(5,614,589)**
Increase (decrease) through treasury shares transactions	-	-	**(127)**	-	-	-	-	-	-	-	-	**128**	-	**480,748**	-	**480,749**	-	**480,749**
Balances at 31 March 2023	**220,000**	**3,593,057**	**(1,649,185)**	**90,839**	**(7,490,859)**	**-**	**(251,639)**	**-**	**45,069**	**1,872,992**	**102,219**	**4,371,417**	**-**	**22,807,431**	**5,697,915**	**29,409,256**	**451,262**	**29,860,518**
Balance at 1 January 2024	**220,000**	**3,593,057**	**(472,546)**	**2,767,696**	**(7,450,113)**	**3,053,440**	**(196,034)**	**222,163**	**-**	**1,360,944**	**121,942**	**2,737,036**	**(3,313,288)**	**22,343,999**	**22,577,876**	**47,566,172**	**582,881**	**48,149,053**
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	**22,577,876**	**(22,577,876)**	-	-	-
Total comprehensive income (loss)	-	-	-	-	-	**1,724**	**(46,909)**	-	-	-	**21,781**	-	-	**(1,724)**	**2,976,646**	**2,951,518**	**18,141**	**2,969,659**
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,976,646	2,976,646	18,141	2,994,787
Other comprehensive income (loss)	-	-	-	-	-	1,724	(46,909)	-	-	-	21,781	-	-	(1,724)	-	(25,128)	-	(25,128)
Increase (decrease) through treasury shares transactions	-	-	**472,546**	**839,371**	-	-	-	-	-	-	-	**(472,546)**	-	**472,546**	-	**1,311,917**	-	**1,311,917**
Balance at 31 March 2024	**220,000**	**3,593,057**	**-**	**3,607,067**	**(7,450,113)**	**3,055,164**	**(242,943)**	**222,163**	**-**	**1,360,944**	**143,723**	**2,264,490**	**(3,313,288)**	**45,392,697**	**2,976,646**	**51,829,607**	**601,022**	**52,430,629**

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONDENSED CONSOLIDATED INTERIM PROFIT OR LOSS STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

	Notes	Reviewed 31 March 2024	Restated (*) 31 March 2023
A. CASH FLOWS FROM OPERATING ACTIVITIES:		**3,008,891**	**9,575,546**
Profit (loss) for the period		2,994,787	5,727,465
Adjustments to for profit (loss) for the period reconciliation:		**476,770**	**114,502**
Adjustments for depreciation and amortization expense	12, 13, 17, 24	409,369	332,541
Adjustments for impairment loss (reversal of impairment loss)		(60,068)	(9,171)
- Adjustments for impairement loss (reversal of impairment loss) of receivables		*(85)*	*(693)*
- Adjustments for impairment loss (reversal of impairment loss) of inventories	*10*	*(59,983)*	*(8,478)*
Adjustments for provisions		936,556	(27,960)
- Adjustments for (reversal of) provisions related with employee benefits		*44,374*	*73,920*
- Adjustments for (reversal of) lawsuit and/or penalty provision expenses		*10,183*	*27,888*
- Adjustments for (reversal of) warranty provisions		*475,437*	*155,054*
- Adjustments for (reversal of) other provisions		*406,562*	*(284,822)*
Adjustments for interest (income) and expense		(230,670)	180,062
- Adjustments for interest income	*19*	*(673,501)*	*(168,384)*
- Adjustments for interest expense	*19*	*442,831*	*348,446*
Adjustments for unrealized foreign exchange losses (gains)		531,904	365,946
Adjustments for fair value losses (gains)		(177,808)	(186,917)
- Adjustments for fair value losses (gains) of financial assets		*(177,808)*	*(186,917)*
Adjustments for undistributed profits of investments accounted for using equity method	11	(345,901)	(1,670,982)
Adjustments for tax (income) expenses	20	785,545	1,734,515
Adjustments for losses (gains) on disposal of non-current assets		(17,829)	(92,416)
- Adjustments for losses (gains) from sale of tangible assets	18	*(17,829)*	*(92,416)*
Monetary gain / (loss)		(1,354,328)	(511,116)
Changes in working capital		**2,855,884**	**4,153,138**
Adjustments for decrease (increase) in trade receivables		*5,102,061*	*(2,196,581)*
- Decrease (increase) in due from related parties		*2,795,750*	*(1,802,785)*
- Decrease (increase) in due from third parties		*2,306,311*	*(393,796)*
Adjustments for decrease (increase) in inventories		(2,559,303)	(3,747,033)
Adjustments for increase (decrease) in trade payables		2,610,061	3,242,425
- Increase (decrease) in due to related parties		*(1,098,660)*	*326,311*
- Increase (decrease) in due to third parties		*3,708,721*	*2,916,114*
Increase (decrease) in deferred income		44,477	99,586
Adjustments for other increase (decrease) in working capital		(2,341,412)	6,754,741
Cash flows from operations		**6,327,441**	**9,995,105**
Payments related with provisions for employee benefits		(12,755)	(150,120)
Payments related with other provisions		(3,187,773)	(150,742)
Income taxes refund (paid)		(118,022)	(118,697)
B. CASH FLOWS FROM INVESTING ACTIVITIES		**721,660**	**(8,893,854)**
Cash outflows arising from purchase of shares or capital increase of associates and/or joint ventures		-	(493,241)
Cash outflows for the acquisition of shares of other enterprises or funds or borrowing instruments		-	(8,760,604)
Proceeds from sales of property, plant, equipment and intangible assets		156,442	127,887
- Proceeds from sales of property, plant and equipment		*156,442*	*127,887*
Purchase of property, plant, equipment and intangible assets		(456,145)	(371,981)
- Purchase of property, plant and equipment	*12*	*(325,706)*	*(267,596)*
- Purchase of intangible assets		*(130,439*	*(104,385)*
Cash outflows for the purchase of investment properties		(275)	-
Dividends received		1,021,638	604,085
C. CASH FLOWS FROM FINANCING ACTIVITIES		**1,293,981**	**1,124,944**
Regarding the entity's acquisition of its own shares and other equity instruments cash outflows		1,630,782	480,747
Proceeds from borrowings	7	985,428	5,776,921
Repayments of borrowings	7	(1,366,640)	(1,070,232)
Cash outflows on debt payments from leasing agreements	7	(50,800)	(23,612)
Dividends paid		-	(3,888,066)
Interest paid		(578,290)	(319,198)
Interest received	19	673,501	168,384
INFLATION EFFECT ON CASH AND CASH EQUIVALENTS		**(657,790)**	**(617,313)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) EQUIVALENTS		**5,024,532**	**1,806,636**
D, EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**-**	**2,111**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C+D)		**4,366,742**	**1,191,434**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**8,795,012**	**6,414,277**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	5	**13,161,754**	**7,605,711**

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

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, Meiller, Scania, Scania vehicle and spare parts, 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". Additionally, sales and servicing of Novamarine brand boats and speedboats in Türkiye are offered. In addition, the Company operates in the field of operating a portfolio consisting of real estate projects and real estate-based assets and rights with Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş. ("Doğuş GYO").

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

The Company's subsidiaries as at 31 March 2024 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.

- Doğuş Gayrimenkul Yatırım Ortaklığı ("Doğuş GYO"): was established on 25 July 1997 within the framework of the provisions of the Capital Market Law. The Company's field of activity, which is traded on Borsa İstanbul A.Ş., is to create and manage a portfolio of real estate and real estate-based capital market instruments, to make changes in the portfolio when necessary, to minimize investment risk through portfolio diversification, to invest in real estate and real estate-based projects, to invest in real estate and real estate-based capital market instruments and to constantly monitor developments regarding real estate-based instruments, take necessary precuations regarding portfolio management and conduct research to protect and increase the value of the portfolio. The sale and transfer process for the purchase of 310,931,093.577 Group B shares, representing 93.6517% of Doğuş GYO's total equity, from Doğuş Holding A.Ş. was completed on March 9, 2023. Doğuş GYO became a subsidiary with the completion of the transaction regarding the purchase of all Group A shares representing 0.7845% of the company capital with a nominal value of full TL 2,604,451.09, which includes the privilege of nominating candidates in the Board of Directors election from Doğuş Holding A.Ş..

The Company and its subsidiaries (together referred to as the "Group") operate in a automotive and real estate 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.

Doğuş GYO is registered and operates in Turkey at the following address:

Maslak Mah, Ahi Evran Cad. No. 4 İç Kapı No. 7
Sarıyer İstanbul, Türkiye.

The average number of blue-collar employees of the Group for the period ended 31 March 2024 is 639 (31 December 2023: 672) whereas the average number of white-collar employees of the Group for the period ended 31 March 2024 is 1,393 (31 December 2023: 1,402).

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND APPLIED ACCOUNTING POLICIES

2.1 Basis of Presentation of Consolidated 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, The consolidated financial statements are presented in accordance with the formats specified in the “Announcement on TAS Taxonomy” published by POA on 4 October 2022 and the Financial Table Examples and User Guide published by the CMB.

(ii) Preparation and approval of financial statements

The consolidated financial statements of the Group as at 31 March 2024 have been approved by the Board of Directors on 31 May 2024, 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

Group has prepared its consolidated financial statements for the year dated 31 December 2023 and ending on the same date, by applying TAS 29 “Financial Reporting in Hyperinflationary Economies” standard, based on the announcement made by POA on 23 November 2023 and the “Implementation Guide on Financial Reporting in High Inflation Economies” published, In accordance with the said standard, financial statements prepared based on the currency of a hyperinflationary economy are prepared in the purchasing power of this currency at the balance sheet date and comparative information is expressed in terms of the current measurement unit at the end of the reporting period for the purpose of comparison in the financial statements of the previous period, Therefore, Group has presented its consolidated financial statements as of 31 March 2023 and 31 December 2023, in terms of purchasing power of TL at 31 March 2024.

In accordance with CMB’s decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards, starting from their annual financial reports for the accounting periods ending as of 31 December 2023 shall comply with the provisions of TAS 29 was decided to apply inflation accounting.

Restatements made in accordance with TAS 29 were made using the correction coefficient obtained from the Consumer Price Index in Turkey (“CPI”) published by the Turkish Statistical Institute (“TURKSTAT”), As of 31 March 2024, the indices and correction coefficients used in the correction of consolidated financial statements are as follows:

Date	Index	Correction coefficient	Three year compound inflation rate
31 March 2024	2,139.47	1.00000	211%
31 December 2023	1,859.38	1.15063	268%
31 March 2023	1,269.75	1.68495	152%

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND APPLIED ACCOUNTING POLICIES (Continued)

2.1 Basis of Presentation of Consolidated Financial Statements (Continued)

The main elements of the Group’s adjustment for financial reporting purposes in high-inflation economies are as follows:

- Current period consolidated financial statements prepared in TL are expressed with the purchasing power at the balance sheet date and the amounts from previous reporting periods are also expressed by adjusting according to the purchasing power at the end of the reporting period.

- Monetary assets and liabilities are not adjusted as they are currently expressed in current purchasing power at the balance sheet date, In cases where the inflation-adjusted values of non-monetary items exceed the recoverable amount or net relaizable value, the provisions of TAS 36 “Impairment of Assets” and TAS 2 “Inventories” were applied respectively.

- Non-monteary assets and liabilities and equity items that are not expressed in current purchasing power at the balance sheet date have been corrected using the relevant correction coefficients.

- All items in the statement of comprehensive income, except those that affect the statement of comprehensive income of non-monetary items in the balance sheet date, are indexed with coefficients calculated over the periods when the income and expense accounts are first reflected in the financial statements.

- Effect of inflation on the Group’s net monetary asset position in the current period is recorded in the net monetary position loss account in the consolidated income statement.

(iv) Basis of measurement

The consolidated 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 consolidated 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.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND APPLIED ACCOUNTING POLICIES (Continued)

2.2 Amendments and interpretations in the TAS / TFRS

The accounting policies adopted in preparation of the consolidated financial statements as at 31 March 2024 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 2024, The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) *The new standards, amendments and interpretations which are effective as at 31 March 2024* are as follows:

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

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

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

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

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

ii) Standards, amendments, and interpretations that are issued but not effective as of 31 March 2024:

The new standards, amendments and interpretations which are issued as of the approval date of the consolidated financial statements but which have not yet entered into force for the current reporting period neither early adopted are as follows, Unless otherwise is stated, the Group will make the necessary adjustments to its consolidated financial statements and notes after the new standards and interpretations become in effect.

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.

Effects of these amendmends on the consolidated financial statements of the group is being assessed.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED 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.

Mergers of Entities Under Common Control

Legal mergers between entities controlled by the Group are not considered within the scope of TFRS 3 “Business Combinations”, Therefore, goodwill is not calculated in such mergers.

In the accounting of share transfers under common control, assets and liabilities subject to business combination are included in the consolidated financial statements with their carrying values, Mergers between entities under common control are recognized by “Pooling of Interests” method, In applying the “Pooling of Interests” method, the consolidated financial statements are adjusted as if the acquisition was performed as of the beginning at the relevant reporting period in which the common control is carried out and they are presented comparatively as of the beginning of the relevant reporting period, As a result of these transactions, no goodwill or negotiable purchase effect is calculated (Note 3), Business combinations subject under common control are not within the scope of TFRS 3 “Business Combinations” and the Group does not recognize any goodwill with respect to such transactions, If the carrying amount of the acquired net assets on the date of the merger exceeds the transferred value, the difference is considered as the additional capital contributions of the shareholders and reflected to the Share Premiums, On the contrary, namely as a difference that occurs when the net value of the transferred assets exceeds the carrying amount of the net assets of the Company, on the date of the merger, the difference is reflected in the section “Effects of Mergers of Entities Under Common Control”.

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NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED 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 31 March 2024 and 31 December 2023:

	31 March 2024	**31 December 2023**
Doğuş Oto Pazarlama	96,20%	96,20%
Doğuş GYO	94,44%	94,44%
D-Charge	100,00%	100,00%

(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,

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND APPLIED ACCOUNTING POLICIES (Continued)

2.3 Basis of Consolidation (Continued)

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 31 March 2024 and 31 December 2023:

	31 March 2024	**31 December 2023**
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.

The table below sets out all the associates included in the scope of consolidation and shows the Group's share of control as at 31 March 2024 and 31 December 2023:

	31 March 2024	**31 December 2023**
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.

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND APPLIED ACCOUNTING POLICIES (Continued)

2.3 Basis of Consolidation (Continued)

(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 31 March 2024 comparatively with the consolidated statement of financial position as at 31 December 2023, 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 three month period ended 31 March 2024 comparative to the three month period ended 31 March 2023.

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 three months period ended 31 March 2024 with those consolidated financial statements for the year ended 31 December 2023. The condensed consolidated interim financial statements should be read together with the consolidated financial statements for the year ended 31 December 2023.

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:

Land, buildings and land improvements are shown at their fair values and other tangible/intangible assets are shown at their net values, which are calculated by deducting the indexed accumulated depreciation from the indexed acquisition cost. (Note 12)

NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND APPLIED ACCOUNTING POLICIES (Continued)

2.7 Accounting Estimates (Continued)

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 accounts for its investment properties at fair value, and the revalued amounts of these assets are determined by independent valuation institutions authorized by the Capital Markets Board and are taken as basis as the carrying value in the statement of financial position. (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).

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).

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.

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

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

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 and real estate sector and operating segments have been determined as automotive and real estates. 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, 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 and with Doğuş Marine Services business unit, it operates primarily in the field of Maritime Sector After-Sales Services and Spare Parts. Additionally, sales and servicing of Novamarine brand boats and speedboats in Türkiye are offered. The field of activity under the real estate operation is to operate a portfolio consisting of real estate based assets and rights.

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

Segment information presented to the Group management for the years ended 31 March is as follows:

31 March 2024	**Automotive segment**	**Real estate segment**	**Elimination between segments**	**Total**
Revenue from external customers	33,990,746	149,651	(20,293)	34,120,104
Cost of sales	(28,013,080)	(28,839)	-	(28,041,919)
Gross profit	**5,977,666**	**120,812**	**(20,293)**	**6,078,185**
General administration expenses	(978,376)	(13,009)	20,293	(971,092)
Marketing expenses	(686,423)	-	-	(686,423)
Depreciation expenses	(405,394)	(3,975)	-	(409,369)
Other income from operating activities, net	313,338	(13,485)	-	299,853
Operating income	**4,220,811**	**90,343**	**-**	**4,311,154**

31 March 2023	**Automotive segment**	**Real estate segment**	**Elimination between segments**	**Total**
Revenue from external customers	33,429,679	141,976	(23,264)	33,548,391
Cost of sales	(25,940,316)	(25,709)	-	(25,966,025)
Gross profit	**7,489,363**	**116,267**	**(23,264)**	**7,582,366**
General administration expenses	(314,360)	(12,266)	23,264	(303,362)
Marketing expenses	(556,586)	-	-	(556,586)
Depreciation expenses	(331,774)	(767)	-	(332,541)
Other income from operating activities, net	(90,078)	(5,198)	-	(95,276)
Operating income	**6,196,565**	**98,036**	**-**	**6,294,601**

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.

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

NOTE 5 - CASH AND CASH EQUIVALENTS

As at 31 March 2024 and 31 December 2023, cash and cash equivalents comprise the following:

	31 March 2024	**31 December 2023**
Cash on hand	40	63
Cash at banks	13,161,714	8,794,949
- Demand deposits	*5,218,982*	*6,262,373*
- Time deposits	*7,930,516*	*2,520,938*
- Other cash and cash equivalents	*12,216*	*11,638*
Total	**13,161,754**	**8,795,012**

As of 31 March 2024, average effective interest rate on TL and EUR denominated time deposits are 48.32% and 0.01% respectively (31 December 2023: TL 39.30% and EUR 0.01%-%0.45) As at 31 March 2024, the maturity range valid for TL and EUR time deposits are 3-32 days and 3 - 90 days (31 December 2023: TL 3-4 days and EUR 32-66 days).

There is no blocked deposit as at 31 March 2024 and 31 December 2023.

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 at 31 March 2024 and 31 December, short-term financial investments at fair value through income statement are as follows:

	31 March 2024	**31 December 2023**
FX protected time deposit	394,273	1,447,618
Total	**394,273**	**1,447,618**

6.2 Long-term financial investments

As at 31 March 2024 and 31 December 2023, long-term financial investments classified as available-for-sale financial assets at fair value through other comprehensive income are as follows:

	31 March 2024		**31 December 2023**	
	Ownership interest (%)	**Carrying amount**	**Ownership interest (%)**	**Carrying amount**
Doğuş Holding A.Ş. (“Doğuş Holding”)	3.69	3,878,786	3.69	3,878,786
Total		**3,878,786**		**3,878,786**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

NOTE 6 - FINANCIAL INVESTMENTS (Continued)

6.2 Long-term financial investments (Continued)

As of 31 December 2023, since Doğuş Holding is not 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 such as nominal values, net carrying amount, acquisition price and discounted cash flows for non-public companies under Doğuş Holding governance. Discounts were applied on the net asset value of Doğuş Holding.

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

	2024	2023
Balance at 1 January	**3,878,786**	**4,447,734**
Change in fair value of financial assets measured at fair value through other comprehensive income	-	-
Balance at 31 March	**3,878,786**	**4,447,734**

NOTE 7 - BORROWINGS

As at 31 March 2024 and 31 December 2023, financial liabilities with the annual weighted average effective interest rates, comprise the following:

	31 March 2024		31 December 2023	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Short-term bank borrowings:				
TL denominated interest borrowings	54.73	2,534,154	46.01	2,958,769
Total		**2,534,154**		**2,958,769**

	31 March 2024		31 December 2023	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Short term portion of long term borrowings:				
EUR denominated interest borrowings (*)	9.57	1,846,097	9.81	1,981,237
TL denominated interest borrowings	54.73	115,865	35.70	104,214
Total		**1,961,962**		**2,085,451**

	31 March 2024		31 December 2023	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Long-term bank borrowings:				
EUR denominated interest borrowings (*)	9.57	5,298,190	8.74	6,173,238
TL denominated interest borrowings	54.73	20,802	35.70	46,693
Total		**5,318,992**		**6,219,931**

(*) Green loans of nominal amounts of 10,500 EUR and 4,600 EUR were obtained from HSBC Bank on 21 March 2024 and 22 December 2022 respectively for the import of electric charging stations and the purchase of electric vehicles. The green loan of a nominal amount of 8,750 EUR that was used for the import of Porsche brand Taycan model vehicles was paid by 31 March 2024. Doğuş Holding is guarantor of Doğuş GYO company's foreign currency loan transactions.

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

NOTE 7 – BORROWINGS (Continued)

Doğuş Holding is the guarantor of Doğuş GYO's foreign currency loan transactions

The repayment schedule of long-term bank borrowings including their short-term portions as at 31 March 2024 is as follows:

Payment period	Original amount (TL)	Original amount (Avro)	TL Equivalent
2024	1,181,083	33,937	1,181,083
2025	1,627,088	46,752	1,627,088
2026	3,045,716	87,515	3,045,716
2027	1,010,097	29,024	1,010,097
2028	416,970	11,981	416,970
Total	**7,280,954**	**209,209**	**7,280,954**

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

The repayment schedule of long-term bank borrowings including their short-term portions as at 31 December 2023 is as follows:

Payment period	Original amount (TL)	Original amount (Avro)	TL Equivalent
2024	2,131,584	65,321	2,131,584
2025	1,601,934	49,090	1,601,934
2026	3,124,389	95,744	3,124,389
2027	1,009,428	30,933	1,009,428
2028	438,047	13,424	438,047
Total	**8,305,382**	**254,512**	**8,305,382**

Movements of financial borrowings as 31 March 2024 and 2023 are summarized below:

Bank Borrowings	2024	2023
Balance at 1 January	**12,309,530**	**8,161,039**
Additions during the period	985,428	5,776,921
Payments during the period	(1,366,640)	(1,070,232)
Foreign exchange (gains) / losses	531,904	365,414
Changes in interest accrual	(153,056)	8,830
Monetary gain / (loss)	(1,556,524)	(833,328)
Balance at 31 March	**10,750,642**	**12,408,644**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

NOTE 7 – BORROWINGS (Continued)

Lease transactions including annual weighted average effective interest rate information as 31 March 2024 and 31 December 2023 are summarized below:

	Minimum lease payments		**Present value of minimum lease payments**	
Lease Borrowings	**31 March 2024**	**31 December 2023**	**31 March 2024**	**31 December 2023**
In a year	186,908	201,292	180,230	195,583
Between two and five years	981,266	1,056,785	755,304	849,798
More than five years	-	-	-	-
Minus: Future financial expenses	(232.640)	(212.697)	-	-
Present value of the lease obligation	**935,534**	**1,045,381**	**935,534**	**1,045,381**
Minus: Payable within 12 months Debts (shown in the , short-term debts section)			(180,230)	(195,583)
Debts to be paid after 12 months			**755,304**	**849,798**

D-Ofis Maslak real estate was sold to Kuvey Türk Katılım Bankası A.Ş. on 23 January 2020 for 40,000 Euros with the sale and leaseback method, to be taken back at the end of the contract maturity, in order to partially pay off the existing loan debts of Doğuş GYO company and reduce financial expenses. In this regard, Doğuş GYO and Kuveyt Türk Katılım Bankası A.Ş. a financial leasing agreement was signed between. The monthly dividend rate is 0.39% (annual interest rate is 4.77%) and the maturity date of the last payment is 23 January 2030.

As of the balance sheet date, the fair value of the asset subject to financial leasing is 3,193,016 TL. (31 December 2023: 2,775,000 TL)

Lease transactions arising from TFRS 16 including annual weighted average effective interest rate information as 31 March 2024 and 31 December 2023 are summarized below:

	31 March 2024		**31 December 2023**	
	Interest rate (%)	**Amount**	**Interest rate (%)**	**Amount**
Short term portion of long term leases:				
TL leases	39.43	108,217	23.86	43,706
Avro leases	9.14	11,648	6.82	3,193
Total		**119,865**		**46,899**

	31 March 2024		**31 December 2023**	
	Interest rate (%)	**Amount**	**Interest rate (%)**	**Amount**
Long term leases:				
TL leases	39.43	86,619	23.86	46,975
Avro leases	9.14	192	6.82	973
Total		**86,811**		**47,948**

As at 31 March, the movement of the lease liability is as follows:

Lease Liability	**2024**	**2023**
Balance at 1 January	**94,846**	**97,909**
Additions	155,300	61,070
Payments	(50,800)	(23,612)
Disposals	-	(160)
Interest expenses	17,859	20,418
Foreign exchange gain / loss	884	532
Monetary gain / (loss)	(11,413)	2,057
Balance at o 31 March	**206,676**	**158,214**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

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 31 March 2024, TL 1,030,409 TL of trade receivables due from third parties are covered via letters of guarantee (31 December 2023: TL 1,128,792 TL) .

As at 31 March 2024, overdue trade receivables due from non-related parties that are not impaired amount to TL 688,257 TL (31 December 2023: TL 101,115 TL) 441,190 TL of such overdue receivables are covered via guarantee letters (31 December 2023: TL 7 TL).

As at 31 March 2024, the Group's average maturity of trade receivables due from third parties is 26 days (31 December 2023: 31 days).

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

8.2 Trade Payables

As at 31 March 2024 and 31 December 2023, trade payables to third parties consist of the following:

	31 March 2024	31 December 2023
Payables to OEM companies	9,156,083	4,711,063
Dealer premium accrual (*)	1,576,243	1,810,733
Other trade payables (**)	813,058	1,290,037
Other expense accruals	3,653	28,480
Total	**11,549,037**	**7,840,313**

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 5% per annum for trade payables not settled within 10 days (31 December 2023: 4.75% per annum)

(*) Group's payables to dealers consisted of bonus payables paid on periodical basis and 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.

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

NOTE 9 - OTHER RECEIVABLES

As at 31 March 2024 and 31 December 2023, other receivables due from third parties comprise of the following:

	31 March 2024	31 December 2023
Warranty claims and price difference receivables (*)	656,658	460,275
Receivables due to insurance claims	82,276	69,939
Other	316,129	24,405
Total	**1,055,063**	**554,619**

(*) Warranty receivables represent the receivable of the warranty expenses related to the vehicles imported by the Group, As at 31 March 2024, the other receivables that has not been billed are TL 695,743 (31 December 2023: TL 314,752 TL)

NOTE 10 - INVENTORIES

As at 31 March 2024 and 31 December 2023, inventories comprise of the following:

	31 March 2024	31 December 2023
Goods in transit (*)	10,243,050	5,655,234
Merchandise stocks - vehicles	3,311,408	5,595,722
Merchandise stocks - spare parts	1,346,089	1,090,287
	14,900,547	**12,341,243**
Provision for diminution in the value of inventories (-)	(27,447)	(87,430)
Total	**14,873,100**	**12,253,813**

(*) 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 27,806,350 for the period ended 31 March 2024 (31 March 2023: TL 25,708,046).

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:

	2024	2023
Balance at 1 January	**87,430**	**18,689**
Additions in the current period	(59,983)	(8,478)
Balance at 31 March	**27,447**	**10,211**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

NOTE 11 - INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

As at 31 March 2024 and 31 December 2023, investment in associates, joint ventures and the Group's share of control are as follows:

	31 March 2024		31 December 2023	
	Ownership (%)	**Carrying amount**	**Ownership (%)**	**Carrying amount**
Associates				
VDF Servis	48.79	6,389,610	48.79	6,412,538
Yüce Auto	50	891,267	50	1,715,978
Doğuş Sigorta	42	265,058	42	259,065
Doğuş Teknoloji	21.76	221,056	21.76	202,848
Total		**7,766,991**		**8,590,429**
Joint ventures				
TÜVTURK Kuzey – Güney	33.33	1,374,073	33.33	1,206,311
Total		**1,374,073**		**1,206,311**
Grand total		**9,141,064**		**9,796,740**

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

	2024	2023
Balance at 1 January	**9,796,740**	**5,983,117**
Shares in profits of associates, net	174,644	1,292,792
Shares in profits of joint ventures, net	171,257	378,190
Participation in capital increase of associates and joint ventures	-	493,241
Dividend income from associates	(1,021,638)	(604,085)
Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method	21,781	-
Shares of other comprehensive income of associates and joint ventures	(1,720)	(4,212)
Balance at 31 March	**9,141,064**	**7,539,043**

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(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

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

As at 31 March 2024, 31 December 2023 and 31 March 2023, total assets, liabilities and results of the periods of the Group's associates and joint ventures are presented below:

	31 March 2024						31 March 2024		
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Income	Expenses (-)	Net profit/(loss)
Investment in associates	26,423,030	18,598,748	45,021,778	28,669,441	315,275	28,984,716	14,685,207	(14,295,174)	390,033
Joint ventures	2,433,433	6,895,066	9,328,499	2,704,626	2,501,654	5,206,280	4,826,378	(4,312,556)	513,822

	31 December 2023						31 March 2023		
	Current Assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Income	Expenses (-)	Net profit/(loss)
Investment in associates	28,684,337	20,534,408	49,218,745	31,047,940	378.140	31,426,080	14,711,136	(12,055,442)	2,655,694
Joint ventures	2,185,265	6,861,070	9,046,335	2,767,009	2.660.394	5,427,403	5,213,004	(4,078,321)	1,134,683

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

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

As at 31 March 2024, 31 December 2023 and 31 March 2023, cash and cash equivalents, current and non-current liabilities, amortization and depreciation expenses, interest income and expenses are presented below:

	31 March 2024			31 March 2024				
	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	4,644,024	24,005,605	18,809	13,222,507	(152,276)	395,803	(256,457)	(693,429)
Joint ventures	1,622,919	22,112	74,473	4,674,365	(134,474)	141,857	(18,664)	(181,834)

	31 December 2023			31 March 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	5,770,205	23,303,686	155,528	13,649,793	(204,472)	223,439	(133,279)	(396,528)
Joint ventures	1,080,803	25,443	94,979	4,552,693	(121,238)	51,980	(16,302)	(212,812)

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

NOTE 12 – PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment and related accumulated depreciation for the period ended 31 March 2024 are as follows:

	1 January 2024	Additions	Disposals	Transfers(*)	31 March 2024
Cost:					
Land	4,734,754	-	-	67,000	4,801,754
Land improvements	99,719	-	(12,039)	-	87,680
Buildings	4,975,390	-	(80,412)	(66,791)	4,828,187
Machinery and equipments	568,457	5,257	(65)	4	573,653
Motor vehicles	3,991,664	232,557	(167,969)	-	4,056,252
Furniture and fixtures	818,727	16,291	(564)	10,756	845,210
Leasehold improvements	598,224	350	-	452	599,026
Constructions in progress	57,993	71,251	-	(11,640)	117,604
	15,844,928	**325,706**	**(261,049)**	**(219)**	**15,909,366**
Accumulated depreciation:					
Land improvements	-	(12,584)	-	-	(12,584)
Buildings	-	(23,609)	-	-	(23,609)
Machinery and equipments	(273,450)	(14,513)	2	-	(287,961)
Motor vehicles	(1,579,279)	(183,925)	122,185	-	(1,641,019)
Furniture and fixtures	(328,473)	(32,387)	249	-	(360,611)
Leasehold improvements	(174,743)	(16,077)	-	-	(190,820)
	(2,355,945)	**(283,095)**	**122,436**	**-**	**(2,516,604)**
Carrying amount	**13,488,983**				**13,392,762**

Total depreciation expense amounting to TL 283,095 has been allocated to general administrative expenses in the consolidated profit or loss statement for the period ended 31 March 2024 (31 March 2023: TL 231,737).

(*) As of 31 March 2024, TL 219 of transfers consists of transfers to intangible assets (31 March 2023: TL 6,773).

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

NOTE 12 – PROPERTY, PLANT AND EQUIPMENT (Continued)

The movements in property, plant and equipment and related accumulated depreciation for the period ended 31 March 2023 are as follows:

	1 January 2023	Additions	Disposals	Transfers(*)	31 March 2023
Cost:					
Land	2,472,745	-	-	-	2,472,745
Land improvements	94,340	-	-	-	94,340
Buildings	5,518,026	-	-	14,895	5,532,921
Machinery and equipments	565,617	6,981	(151)	248	572,695
Motor vehicles	3,069,965	226,487	(89,787)	422	3,207,087
Furniture and fixtures	671,890	9,477	(17,455)	15,029	678,941
Leasehold improvements	129,174	24,594	(725)	(40,502)	112,541
Constructions in progress	541,428	57	-	3,135	544,620
	13,063,185	**267,596**	**(108,118)**	**(6,773)**	**13,215,890**
Accumulated depreciation:					
Land improvements	(62,765)	(1,107)	-	-	(63,872)
Buildings	(914,177)	(28,069)	-	-	(942,246)
Machinery and equipments	(269,674)	(12,644)	137	-	(282,181)
Motor vehicles	(1,047,152)	(152,981)	58,652	-	(1,141,481)
Furniture and fixtures	(294,821)	(23,204)	13,858	-	(304,167)
Leasehold improvements	(212,567)	(13,732)	-	-	(226,299)
	(2,801,156)	**(231,737)**	**72,647**	**-**	**(2,960,246)**
Carrying amount	**10,262,029**				**10,255,644**

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NOTE 13 – INVESTMENT PROPERTY

Fair values of investment properties as of 31 March 2024 are as follows:

Real estate name	Valuation method	Valuation report date	31 March 2024	31 December 2023
Gebze Center Mall	"Discounted cash flow"	27 December 2023	4,629,239	4,628,964
Gebze Center Hotel	"Discounted cash flow"	27 December 2023	767,647	767,647
Gebze Center Showroom and Service Area	"Discounted cash flow"	27 December 2023	311,995	311,995
Gebze Land	"Market Approach"	27 December 2023	24,163	24,163
D-Ofis Maslak	"Discounted cash flow"	27 December 2023	3,193,016	3,193,016
Doğuş Center Maslak	"Discounted cash flow"	27 December 2023	885,742	885,742
Doğuş Center Etiler	"Discounted cash flow"	27 December 2023	322,546	322,546
Kartal Kule	"Cost Approach"	20 December 2023	1,137,220	1,137,220
Ankara Etimesgut	"Cost Approach"	27 December 2023	532,825	532,825
Kayseri Sağıroğlu	"Cost Approach"	26 December 2023	8,005	8,005
Total			**11,812,398**	**11,812,123**

Fair values of investment properties as of 31 March 2024 and 2023 are as follows:

	2024	2023
Cost		
Balance at 1 January	11,812,123	9,650,473
Addition	275	2,450
Balance date at 31 March	**11,812,398**	**9,652,923**

The rental income of 132,790 TL obtained by the company from its investment properties in the current period is shown in the revenue income in the consolidated statement of profit or loss (31 March 2023: 122,430TL).

There is a mortgage of EUR 100,000 on the investment properties (31 December 2023: EUR 100,000).

NOT 14 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

14.1 Provisions

31 March 2024 and 31 December 2023 other short term provisions are as follows

	31 March 2024	31 December 2023
Legal provisions	96,625	101,372
Warranty provisions	26,254	28,960
Other provisions (*)	425,602	3,118,294
Total	**548,481**	**3,248,626**

(*) It consists of socio-cultural contributions and other provisions in the form of donations to the Hatay region.

31 March 2024 and 31 December 2023 long term provisions are as follows

	31 March 2024	31 December 2023
Warranty provisions	213,580	249,437
Total	**213,580**	**249,437**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

NOT 14 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

14.2 Collaterals / Pledges / Mortgages / Bill of Guarantees Given

As at 31 March 2024, the Group's position related to letters of collaterals / pledges / mortgages / bill of guarantees guarantee given, pledges and mortgages ("CPMB") are as follows

	31 March 2024		
		Original balances	
	Total TL equivalent	Full TL	Full Euro
A. Total amount of CPMB given on behalf of own legal personality	14,806,581	5,194,466,124	276,191,938
B. Total amount of CPMB given in favor of partnerships which is consolidated	3,504,200	23,970,096	100,000,000
C. Total amount of CPMB given for assurance of third parties debts in order to conduct of usual business activities	261,017	-	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	**18,571,798**	**5,218,436,220**	**383.691.938**

Other GPMBs given by the Group as at 31 March 2024 are equivalent to 0% of the Company's equity (31 December 2023: 0%).

As at 31 March 2024, There is no CPMB amounting was given in favor of partnerships within the scope of consolidation is related to general loan agreements (31 December 2023: TL 29,917).

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

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

As at 31 December 2023, the Group's position related to letters of collaterals / pledges / mortgages / bill of guarantees guarantee given, pledges and mortgages ("CPMB") are as follows:

	31 December 2023		
		Original balances	
	Total TL equivalent	Full TL	Full Euro
A. Total amount of CPMB given on behalf of own legal personality	20,066,079	5,185,663,470	376,173,962
B. Total amount of CPMB given in favor of partnerships which is consolidated	54,872	47,688,196	-
C. Total amount of CPMB given for assurance of third parties debts in order to conduct of usual business activities	281,105	-	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	**20,402,056**	**5,233,351,666**	**383,673,962**

14.3 Collaterals / Pledges / Mortgages / Bill of Guarantees Received

As at 31March 2024 and 31December 2023, the Group's position related to letter of guarantees received are as follows:

	31 March 2024	31 December 2023
Letter of guarantees received from fleet customers	934,000	1,031,545
Letters of guarantees received from fixed asset and service suppliers	504,427	259,323
Letters of guarantee received from authorized dealers	309,930	376,539
Letters of guarantee received from lessees	57,012	65,565
Total	**1,805,369**	**1,732,972**

NOTE 15 – OTHER CURRENT LIABILITIES

As at 31 March 2024 and 31 December 2023, other current liabilities comprise of the following:

	31 March 2024	31 December 2023
VAT payable	1,030,062	1,570,288
Other current liabilities	5,268	12,486
Total	**1,035,330**	**1,582,774**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

NOTE 16 - EQUITY

Issued Capital

As at 31 March 2024, the registered capital of the Company is TL 220,000 (31 December 2023: 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 660,000 (31 December 2023: TL 660,000)

As at 31 March 2024 and 31 December 2023, the composition of the Company's shareholding structure is as follows:

	31 March 2024		31 December 2023	
Shareholders	**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	9.77
Publicly traded	75,900	34.50	69,815	24.73
Paid-in capital	**220,000**	**100.00**	**220,000**	**100.00**
Inflation adjustment difference	3,593,057		3,593,057	
Total	**3,813,057**		**3,813,057**	

(*) 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 and 6,085,007 shares corresponding to 2.77% capital in 2024 on the Borsa İstanbul using the special order method.

Restricted reserves appropriated from profits

The details of the Company's restricted reserves allocated from profit as of 31 March 2024 are as follows:

	PPI indexed legal records	CPI Indexed amounts	Differences followed in previous years' profit and loss
Capital adjustment differences	7,681,233	3,593,057	(4,088,176)
Premium / discount on shares	3,109,607	3,607,067	497,460
Restricted reserves allocated from profit	1,274,804	2,264,490	989,686
Total	**12,065,644**	**9,464,614**	**(2,601,030)**

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.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 31 March 2024, the legal reserves of the Group amounted to TL 2,264,490 (31 December 2023: TL 2,737,036).

NOTE 16 – EQUITY (Continued)

Treasury shares

The Group reacquired its own shares that are traded on Borsa Istanbul 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. 6,085,007 shares corresponding to 2.77% capital in 2024 on the Borsa İstanbul using the special order method The group recognised the profit generated from this sale in the share premiums/(discounts) account after offsetting all sales expenses.

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 and 6,085,007 shares corresponding to 2.77% capital in 2024 on the Borsa İstanbul using the special order method.

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 31 March 2024 retained earnings are TL 45,392,697 (31 December 2023: TL 22,343,999)

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 31 March 2024 gains (losses) on remeasuring and/or reclassification of financial assets measured at fair value through other comprehensive income of the Group amounted to TL 3,055,164 (31 December 2023: TL 3,053,440)

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 31 March 2024, the Group has no foreign currency translation differences (31 December 2023: None).

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

NOTE 16 – EQUITY (Continued)

Dividend

Publicly traded companies shall perform dividend distribution in accordance with the Communique 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 Communique, 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.

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 31 March 2024 and 31 December 2023 the related amounts in the “non-controlling interests” account in the consolidated financial statements are TL 601,022 TL 582,881 and TL 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.

NOTE 17 - MARKETING EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

The breakdown of operating expenses for the period ended 31 March is presented below:

	31 March 2024	31 March 2023
General administration expenses	1,380,461	635,903
Marketing expenses	686,423	556,586
Total	**2,066,884**	**1,192,489**

17.1 Marketing Expenses

The breakdown of marketing expenses for the period ended 31 March is presented below:

	31 March 2024	31 March 2023
Distribution expenses	341,311	235,516
Warranty expenses, net	151,313	154,862
Advertising expenses	122,215	55,420
Personnel expenses	39,051	87,919
Support expenses	16,515	9,734
Customer service expenses	16,018	13,135
Total	**686,423**	**556,586**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

NOTE 17 - MARKETING EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES (Continued)

17.2 General Administrative Expenses

The breakdown of general administration expenses for the period ended 31 March is presented below:

	31 March 2024	31 March 2023
Donation expenses	615,266	16,875
Depreciation and amortization expenses	409,369	332,541
Personnel expenses	95,827	39,386
Maintenance expenses	77,204	68,020
Building expenses	63,547	84,061
Insurance expenses	26,160	19,734
Consultancy expenses	17,354	13,503
Travelling expenses	11,012	6,014
Vehicle expenses	7,087	7,392
Communication expenses	1,925	2,320
Other	55,710	46,057
Total	**1,380,461**	**635,903**

NOTE 18 – INVESTMENT ACTIVITY INCOME AND EXPENSES

The breakdown of income from investment activities for the period ended 31March is presented below:

	31 March 2024	31 March 2023
Gain on interest and foreign exchange	177,808	186,917
Gain on sale of property and equipment	104,954	92,416
Total	**282,762**	**279,333**

The breakdown of expense from investment activities for the period ended 31 March is presented below:

	31 March 2024	31 March 2023
Loss on sale of property and equipment	87,125	-
Total	**87,125**	**-**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

NOTE 19 – FINANCE INCOME AND EXPENSES

The breakdown of finance expenses for the period ended 31 March is as follows

	31 March 2024	31 March 2023
Foreign exchange losses on borrowings, net	531,020	365,414
Interest expense on borrowings	425,234	328,028
Commission expenses on letters of guarantee	63,939	44,983
Interest expense on lease liabilities (Note 7)	17,597	20,418
Other	39,857	22,960
Total	**1,077,647**	**781,803**

As at 31 March, the details of finance income are as follows:

	31 March 2024	31 March 2023
Interest income	673,501	168,384
Total	**673,501**	**168,384**

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.

The Corporate Tax Law was amended by Law No.5520 dated 13 September 2006. Most of the articles of the new Corporate Tax Law in question, No.5520, have come into force effective from 1 January 2006. Corporation tax is payable at a rate of 25% for 31 March 2024 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).

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

NOTE 20 – TAX ASSET AND LIABILITIES (Continued)

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.

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.

According to Temporary Article 33 of the Tax Procedure Law, tax effects resulting from inflation adjustment of the financial statements dated 31 March 2024 are included in the deferred tax and corporate tax calculations as of 31 March 2024.

For the period ended 31 March, taxation charge comprise of the following

	31 March 2024	**31 March 2023**
Current tax income / (expense)	(1,286,720)	(1,482,156)
Deferred tax income / (expense)	501,175	(252,359)
Total tax expense	**(785,545)**	**(1,734,515)**

For the period ended 31 March, 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:

	31 March 2024	**31 March 2023**
Profit before tax	3,780,332	7,461,980
Income tax using the Company's domestic tax rate	(945,080)	(1,865,495)
Disallowable expenses	(12,662)	(5,269)
Corporate income exemption from real estate investment trusts	69,324	77,856
Share of profit in equity accounted investees exempt from deferred tax calculation	86,475	417,746
Other	16,398	(359,353)
Total	**(785,545)**	**(1,734,515)**

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.

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

NOTE 20 – TAX ASSET AND LIABILITIES (Continued)

Deferred taxes

As at 31 March 2024 and 31 December 2023, 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)	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Fair value change of available-for sale	-	-	(157,977)	(157,977)	(157,977)	(157,977)
Investment properties carried at fair value	-	-	(396,006)	(396,006)	(396,006)	(396,006)
Other tangible and intangible assets	-	-	(150,273)	(90,633)	(150,273)	(90,633)
Warranty provision, net	59,959	69,600	-	-	59,959	69,600
Legal provision	16,862	17,040	-	-	16,862	17,040
Provision for diminution in value of inventories	-		(8,936)	(56,532)	(8,936)	(56,532)
Employee termination benefit	71,604	53,577			71,604	53,577
Unused vacation liability	1,031	1,094	-	-	1,031	1,094
Dealer premium accrual	394,061	-	-	-	394,061	-
Other	161,888	36,121	-	-	161,888	36,121
Total deferred tax asset/(liabilities)	705,405	177,432	(713,192)	(701,148)	(7,787)	(523,716)
Net off tax	(575,991)	(54,495)	575,991	54,495	-	-
Total deferred tax assets/(liabilities)	**129,414**	**122,937**	**(137,201)**	**(646,653)**	(7,787)	**(523,716)**

The movements in temporary differences as at 31 March 2024 are as follows:

	1 January 2024	Recognized in the profit or loss	Recognized in other comprehensive income	31 March 2024
Fair value change of available-for sale	(157,977)	-	-	(157,977)
Investment properties carried at fair value	(396,006)	-	-	(396,006)
Other tangible and intangible assets	(90,633)	(59,640)	-	(150,273)
Warranty provision, net	69,600	(9,641)	-	59,959
Legal provision	17,040	(178)	-	16,862
Provision for diminution in value of inventories	(56,532)	47,596	-	(8,936)
Employee termination benefit	53,577	3,273	14,754	71,604
Unused vacation liability	1,094	(63)	-	1,031
Dealer premium accrual	-	394,061	-	394,061
Other	36,121	125,767	-	161,888
	(523,716)	**501,175**	**14,754**	**(7,787)**

The movements in temporary differences as at 31 March 2023 are as follows:

	1 January 2023	Recognized in the profit or loss	Recognized in other comprehensive income	31 March 2023
Fair value change of available-for sale	(219,469)	-	-	(219,469)
Investment properties carried at fair value	-	-	-	-
Other tangible and intangible assets	794,407	(411,853)	-	382,554
Warranty provision, net	43,613	7,651	-	51,265
Legal provision	18,066	6,346	-	24,412
Provision for diminution in value of inventories	(24,201)	(3,439)	-	(27,640)
Employee termination benefit	56,269	(12,614)	26,688	70,343
Unused vacation liability	16,868	(34,407)	-	(17,539)
Dealer premium accrual	-	198,041	-	198,041
Other	13,918	(2,084)	-	11,833
	699,471	**(252,359)**	**26,688**	**473,800**

As at 31 March 2024, current income tax liabilities amounting to TL 1,606,446 (31 December 2023: TL 217,481) is comprised by tax provision for the period ended 31 March 2024.

As of 31 March 2024 the Group has TL 689 period tax assets. (31 December 2023: TL 673).

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

NOT 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 31 March, earnings per share are calculated as follows:

	31 March 2024	31 December 2023
Net profit attributable to the equity holders of the Company	2,976,646	5,697,915
Number of basic shares	205,264,456	199,674,319
Basic / diluted earnings per share (in full TL)	**13.8355**	**28.7773**

NOTE 22 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES

22.1 Due from related parties

22.1.1 Due from associates

	31 March 2024	31 December 2023
Yüce Auto	81,528	59,290
VDF Servis	-	116
Total	**81,528**	**59,406**

22.1.2 Due from joint ventures

	31 March 2024	31 December 2023
TÜVTURK	245	69
Total	**245**	**69**

22.1.3 Due from other related parties

	31 March 2024	31 December 2023
VDF Faktoring Hizmetleri A.Ş. (“VDF Faktoring”)	6,980,955	9,399,807
Doğuş Otel Yatırımları ve Turizm A.Ş.	7,448	324
VDF Sigorta Aracılık Hizmetleri A.Ş.	5,245	12,698
VDF Filo Kiralama A.Ş.	3,320	409,673
Doğuş Yayın Grubu A.Ş.	-	12,092
Other	2,218	15,813
Total	**6,999,186**	**9,850,407**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

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

22.1 Due from related parties (Continued)

22.1.4 Due from shareholders

	31 March 2024	31 December 2023
Doğuş Holding	89,710	56,537
Total	**89,710**	**56,537**
Grand total	**7,170,669**	**9,966,419**

As of 31 March 2024, the Group imposes 4.60% interest charge on the receivables from related parties (31 December 2023: 2.37% per month).

22.2 Other receivables due from related parties

22.2.1 Other current receivables due from associates

	31 March 2024	31 December 2023
Doğuş Teknoloji	4,295	4,311
Total	**4,295**	**4,311**

22.2.2 Other current receivables from shareholders

	31 March 2024	31 December 2023
Doğuş Holding	2,651,988	-
Total	**2,651,988**	**-**

22.2.3 Other current receivables due from other related parties

	31 March 2024	31 December 2023
VDF Filo Kiralama A.Ş. (sublease receivables)	29,374	28,820
Total	**29,374**	**28,820**
Grand total	**2,685,657**	**33,131**

22.2.4 Other non-current receivables due from related parties

	31 March 2024	31 December 2023
VDF Filo Kiralama A.Ş. (sublease receivables)	17,773	27,211
Total	**17,773**	**27,211**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

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

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

	31 March 2024	31 December 2023
Doğuş Teknoloji	13,668	13,099
Total	**13,668**	**13,099**

22.3.1.2 Current prepaid expenses to other related parties

	31 March 2024	31 December 2023
Pozitif Arena Salon İşletmeleri A.Ş.	30,798	30,328
Antur Turizm A.Ş.	12,114	3,890
Doğuş Spor Kompleksi Yatırım ve İşletme A.Ş.	9,966	-
Diğer	480	867
Total	**53,358**	**35,085**

22.3.1.3 Current prepaid expenses to shareholders

	31 March 2024	31 December 2023
Doğuş Holding	1,150	1,658
Total	**1,150**	**1,658**
Grand Total	**68,176**	**49,842**

22.3.2 Non- Current prepaid expenses to related parties

22.3.2.1 Non-current prepaid expenses

	31 March 2024	31 December 2023
Pozitif Arena Salon İşletmeleri A.Ş.	4,390	-
Doğuş Teknoloji	2,925	4,333
Antur Turizm A.Ş.	-	1
Total	**7,315**	**4,334**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

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

22.4 Trade payables to related parties

22.4.1 Trade payables due to associates

	31 March 2024	31 December 2023
Doğuş Teknoloji	538,575	159,720
Yüce Auto	80,552	1,265,111
Total	**619,127**	**1,424,831**

22.4.2 Trade payables due to joint ventures

	31 March 2024	31 December 2023
TÜVTURK	8	-
Total	**8**	**-**

22.4.3 Trade payables due to other related parties

	31 March 2024	31 December 2023
Antur Turizm A.Ş.	38,143	113,773
Volkswagen Doğuş Finansman A.Ş.	31,201	-
VDF Filo Kiralama A.Ş.	5,025	6,200
Doğuş İnşaat ve Ticaret A.Ş.	3,545	8,721
VDF Faktoring	2,641	3,098
TDB Kalibrasyon Hizmetleri A.Ş.	2,137	1,919
Doğuş Verimlilik ve Merkezi Satın Alma Hizm. Tic. A.Ş.	86	17,027
Semanticum Bilişim Sanayi ve Ticaret A.Ş.	-	22
Other	2,856	225,740
Total	**85,634**	**376,500**

22.4.4 Trade payables due to shareholders

	31 March 2024	31 December 2023
Doğuş Holding	160,725	162,823
Total	**160,725**	**162,823**
Grand total	**865,494**	**1,964,154**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

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

22.5 Deferred Income from Related Parties

22.5.1 Deferred income from joint ventures

	31 March 2024	31 December 2023
Doğuş Holding	-	1,220
Total	**-**	**1,220**
Grand total	**-**	**1,220**

22.6 Related Party Transactions

As at and for the three-month periods ended 31 March, the amounts of transactions with related parties are as follows

22.6.1 Subsidiaries

Sales and other income generating transactions:	**31 March 2024**	**31 December 2023**
Other income	150,380	129,481
Sale of products and returns, net	16,441	26,516
Sale of services, net	1,034	841
Financial income	474	248
Total	**168,329**	**157,086**

Purchases and expenses incurring transactions:	**31 March 2024**	**31 December 2023**
Inventory purchase	1,336,227	1,628,351
Fixed asset purchases	144,380	108,539
Other purchases	120,130	95,165
Services rendered	56,942	44,601
Other expenses	5,949	4,285
Total	**1,663,628**	**1,880,941**

22.6.2 Joint ventures

Sales and other income generating transactions:	**31 March 2024**	**31 December 2023**
Sale of products and returns, net	383	1,842
Sale of service, net	127	47
Other income	-	-
Total	**510**	**1,889**

Purchases and expense creating transactions:	**31 March 2024**	**31 December 2023**
Inventory purchases	85	7,694
Service purchases	191	130
Total	**276**	**7,824**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

NOT 22 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

22.6 Related Party Transactions (Continued)

22.6.3 Other related party transactions

a) Income generated from other related parties

	31 March 2024					
	Sale of products	Sale of services	Other income from operating activities	Financial income	Sale of fixed asset	Total
VDF Filo	365,907	8,348	2,680	-	-	376,935
VDF	54	-	938	-	-	992
VDF Sigorta	-	2	11,956	-	-	11,958
VDF Faktoring	-	-	-	-	-	-
Other	34,109	509	275	-	-	34,893
	400,070	**8,859**	**15,849**	**-**	**-**	**424,778**

	31 March 2023					
	Sale of products	Sale of services	Other income from operating activities	Financial income	Sale of fixed asset	Total
VDF Filo	318,334	7,362	1,317	-	-	327,013
VDF	-	-	196	-		196
VDF Sigorta	5	-	-	-	-	-
VDF Faktoring	-	-	17,015	-	-	17,020
Other	4,810	408	368	-	12	5,598
	323,149	**7,770**	**18,896**	**-**	**12**	**349,827**

b) Expenses arising from transactions with other related parties

	31 March 2024							
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Consumer loan incentive expenses	Other expenses from operating activities	Total
VDF Filo	13,843	-	4,135	-	-	-	-	17,978
Antur Turizm	40,225	-	-	-	-	-	3,712	43,937
VDF Faktoring	-	-	-	8,904	-	-	-	8,904
VDF Sigorta	-	-	-	-	-	-	2	2
Other	4,971	3,400	1,269	-	73	98,242	58,075	166,030
	59,039	**3,400**	**5,404**	**8,904**	**73**	**98,242**	**61,789**	**236,851**

	31 March 2023						
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expense s	Other purchases	Other expenses from operating activities	Total
VDF Filo	13,449	-	69,607	-	-	-	83,056
Antur Turizm	20,662	-	5,601	-	-	4,961	31,224
VDF Faktoring	-	-	-	8,109	-	-	8,109
VDF Sigorta	-	-	-	-	-	-	-
Other	6,599	7	19	-	16	14,725	21,366
	40,710	**7**	**75,227**	**8,109**	**16**	**19,686**	**143,755**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

NOT 22 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

22.6 Related Party Transactions (Continued)

22.6.4 Transactions with shareholders

a) Income generated from shareholders

	31 March 2024				
	Sales of products	Sale of services	Financing income	Other income from operating activities	Total
Doğuş Holding	36,628	1,394	-	-	38,022
	36,628	**1,394**	**-**	**-**	**38,022**

	31 March 2023				
	Sale of products	Sale of services	Financing income	Other income from operating activities	Total
Doğuş Holding	30,969	1,951	7,275	-	40,195
	30,969	**1,951**	**7,275**	**-**	**40,195**

b) Expenses arising from transactions with shareholders

	31 March 2024				
	Services rendered	Purchase of fixes asset	Financing expenses	Other expenses from operating	Total
Doğuş Holding	10,042	-	21,377	445	31,864
	10,042	**-**	**21,377**	**445**	**31,864**

	31 March 2023				
	Services rendered	Purchase of fixes asset	Financing expenses	Other expenses from operating	Total
Doğuş Holding	9,293	-	13,503	957	23,753
	9,293	**-**	**13,503**	**957**	**23,753**

22.7 Key Management Personnel Compensation

	31 March 2024	31 March 2023
Salaries and other short-term employee benefits	348,367	40,530
Total	**348,367**	**40,530**

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 period ended 31 March 2024 and 2023 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 31 March 2024 and 31 December 2023:

	31 March 2024	31 December 2023
Total financial liabilities	10,957,318	12,404,379
Cash and cash equivalents	(13,161,754)	(8,795,012)
Total financial liabilities, net	**(2,204,436)**	**3,609,367**
Total equity	52,430,629	48,149,053
Financial liabilities / equity ratio	**(0.04)**	**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

	Receivables						
	Trade receivables		Other receivables				
31 March 2024	**Related parties**	**Other parties**	**Related parties**	**Other parties**	**Bank deposits**	**Derivative instruments**	**Other**
Exposure to maximum credit risk as at reporting date (A+B+C+D) (*)	7,170,669	2,546,780	2,703,430	1,055,481	13,161,714	-	-
- Guaranteed portion of the maximum exposure	-	1,030,409	-	-	-	-	-
A, Net carrying amount of financial assets which are neither impaired nor overdue (**)	6,757,686	1,858,523	2,703,430	1,055,481	13,161,714	-	-
B, Net carrying amount of financial assets which are overdue but not impaired (***)	412,983	688,257	-	-	-	-	-
C, Net carrying amount of impaired assets	-	-	-	-	-	-	-
- Past due (gross book value)	-	20,625	-	-	-	-	-
- Impairment (-)	-	(20,625)	-	-	-	-	-
- Guaranteed portion of net values (*)	-	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-		-	-	-
- Guaranteed portion of net values (*)	-	1,030,409	-		-	-	-
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 31 March 2024 and 31 December 2023, 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 31 March 2024 and 31 December 2023, 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 31 March 2024 and 31 December 2023, 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

	Receivables						
	Trade receivables		Other receivables				
31 December 2023	**Related parties**	**Other parties**	**Related parties**	**Other parties**	**Bank deposits**	**Derivative instruments**	**Other**
Exposure to maximum credit risk as at reporting date (A+B+C+D) (*)	9,966,419	4,853,015	60,342	555,079	8,794,949	-	-
- Guaranteed portion of the maximum exposure	-	1,128,792	-	-	-	-	-
A, Net carrying amount of financial assets which are neither impaired nor overdue (**)	9,965,495	4,751,900	60,342	555,079	8,794,949	-	-
B, Net carrying amount of financial assets which are overdue but not impaired (***)	924	101,115	-	-	-	-	-
C, Net carrying amount of impaired assets	-	-	-	-	-	-	-
- Past due (gross book value)	-	23,841	-	-	-	-	-
- Impairment (-)	-	(23,841)	-	-	-	-	-
- Guaranteed portion of net values (*)	-	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Guaranteed portion of net values (*)	-	1,128,792	-	-	-	-	-
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 31 March 2024 and 31 December 2023, 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 31 March 2024 and 31 December 2023, 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 31 March 2024 and 31 December 2023, maximum level of credit risk born in relation to letter of guarantees given in favor of related parties are indicated.

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 March 2024 unless otherwise indicated.)

NOTE 23 - FINANCIAL INSTRUMENTS (Continued)

Aging of past due receivables that are not impaired

As at 31 December, the aging of past due receivables that are not impaired are as follows:

	Receivables		Deposits on banks	Derivative instruments	Other
31 March 2024	**Trade receivables**	**Other receivables**			
Past due 1-30 days	1,101,240	-	-	-	-
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.	441,190	-	-	-	-

	Receivables		Deposits on banks	Derivative instruments	Other
31 December 2023	**Trade receivables**	**Other receivables**			
Past due 1-30 days	102,039	-	-	-	-
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.	7	-	-	-	-

(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 31 December 2023 the Group have lines of credit amounting to EUR 1,275,686, USD 349,000, CHF 5,000 and TL 4,177,500 (31 December 2023: 1,275,686 EUR, 317,000 USD 5,000 CHF ve TL 4,639,941). 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 276,100 equivalent to TL 9,608,915 (31 December 2023: EUR 276,100 equivalent to TL 10,348,424) 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 241,485, amounting to TL 8,404,231 are utilized (31 December 2023: EUR 123,025, amounting to TL 4,611,052 is used).

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NOTE 23 - FINANCIAL INSTRUMENTS (Continued)

The below tables show the financial liabilities of the Group according to their remaining maturities as at 31 March 2024:

	31 March 2024					
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	9,815,108	11,909,449	425,548	4,905,171	6,578,730	-
Trade payables to related parties	865,494	865,494	865,494	-	-	-
Other payables to third parties	18,557	18,557	18,557	-	-	-
Other payables to related parties	11,549,037	11,549,037	3,240,589	8,308,448	-	-
Employee benefit Obligations	960,892	960,892	960,892	-	-	-
Lease liabilities	1,142,210	1,552,380	50,147	302,791	1,100,028	99,414
Other current liabilities (*)	5,268	5,268	5,268	-	-	-
Total non-derivative financial liabilities	**24,356,576**	**26,861,086**	**5,566,504**	**13,516,410**	**7,678,758**	**99,414**

	31 December 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	11,264,151	13,497,324	2,011,158	3,780,117	7,706,049	-
Trade payables to related parties	1,964,154	1,964,154	1,964,154	-	-	-
Other payables to third parties	4,928	4,928	566	-	4,362	-
Other payables to related parties	7,840,313	7,840,316	3,324,671	4,515,645	-	-
Employee benefit obligations	253,074	253,074	253,074	-	-	-
Lease liabilities	1,140,228	1,385,592	67,568	195,860	1,108,506	13,658
Other current liabilities (*)	12,486	12,486	12,486	-	-	-
Total non-derivative financial liabilities	**22,479,334**	**24,957,874**	**7,633,677**	**8,491,622**	**8,818,917**	**13,658**

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

(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.

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NOTE 23 - FINANCIAL INSTRUMENTS (Continued)

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		
31 March 2024		
	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	1,616	(1,616)
2- USD risk averse portion (-)	-	-
3- Net USD effect (1+2)	**1,616**	**(1,616)**
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	551,266	(551,266)
5- Euro risk averse portion (-)	-	-
6- Net Euro effect (4+5)	**551,266**	**(551,266)**
TOTAL (3+6)	**552,882**	**(552,882)**

Currency sensitivity analysis		
31 December 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	(11,415)	11,415
2- USD risk averse portion (-)	-	-
3- Net USD effect (1+2)	**(11,415)**	**11,415**
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	458,963	(458,963)
5- Euro risk averse portion (-)	-	-
6- Net Euro effect (4+5)	**458,963**	**(458,963)**
TOTAL (3+6)	**447,548**	**(447,548)**

Currency sensitivity analysis		
31 March 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	(393)	393
2- USD risk averse portion (-)	-	-
3- Net USD effect (1+2)	**(393)**	**393**
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	105,915	(105,915)
5- Euro risk averse portion (-)	-	-
6- Net Euro effect (4+5)	**105,915**	**(105,915)**
TOTAL (3+6)	**105,522**	**(105,522)**

Foreign exchange rates for USD, EUR and CHF as at 31 March 2024, 31 December 2023 and 31 March 2023 are as follows:

	31 March 2024	**31 December 2023**	**31 March 2023**
USD	32.2854	29.4382	19.1532
EUR	34.8023	32.5739	20.8450
CHF	35.7269	34.9666	20.8615

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NOTE 23 - FINANCIAL INSTRUMENTS (Continued)

As at 31 March 2024, net position of the Group is resulted from foreign currency assets and liabilities as shown below:

	31 March 2024				
		Original balances			
	Total TL equivalent	USD	EUR	CHF	Other
Assets:					
Trade receivables	-	-	-	-	-
Monetary financial assets	5,818,901	20	167,173	3	20
Other monetary assets	11,053,658	486	317,162	-	-
Total assets	**16,872,559**	**506**	**484,335**	**3**	**20**
Trade payables	9,304,139	5	267,338	-	-
Financial liabilities	2,037,988	-	58,559	-	-
Other monetary liabilities	1,392	-	40	-	-
Current liabilities	**11,343,519**	**5**	**325,937**	**-**	**-**
Financial liabilities	6,053,686	-	173,945	-	-
Non-current liabilities	**6,053,686**	**-**	**173,945**	**-**	**-**
Total liabilities	**17,397,205**	**5**	**499,882**	**-**	**-**
Net foreign currency liability position of derivative financial liabilities off statement of financial position	**394,273**	**-**	**11,289**	**-**	**-**
Net foreign currency (liability)/asset position	**(130,373)**	**501**	**(4,258)**	**3**	**20**
Monetary items net foreign (liability)/asset position					
Sureties and letters of guarantee taken	166,780	495	4,333	-	-
Sureties and letters of guarantee given	13,353,364	-	383,692	-	-
Import	23,600,553	-	678,132	-	-

As at 31 December 2023, net position of the Group is resulted from foreign currency assets and liabilities as shown below:

	32 December 2023				
		Original balances			
	Total TL equivalent	USD	EUR	CHF	Other
Assets:					
Trade receivables	-	-	-	-	-
Monetary financial assets	5,407,357	16	144,252	3	8
Other monetary assets	6,195,877	582	164,782	-	5
Total assets	**11,603,234**	**598**	309,034	**3**	**13**
Trade payables	4,942,125	3,968	128,220	-	46
Financial liabilities	2,180,028	-	58,164	-	-
Other monetary liabilities	7,384	-	197	-	-
Current liabilities	**7,129,537**	**3,968**	186,581	**-**	**46**
Financial liabilities	7,023,997	-	187,403	-	-
Non-current liabilities	**7,023,997**	**-**	**187,403**	**-**	**-**
Total liabilities	**14,153,534**	**3,968**	**373,984**	**-**	**46**
Net foreign currency liability position of derivative financial liabilities off statement of financial position	**1,447,618**	**-**	**38,623**	**-**	**-**
Net foreign currency (liability)/asset position	**(1,102,682)**	**(3,370)**	**(26,327)**	**3**	**(33)**
Monetary items net foreign (liability)/asset position					
Sureties and letters of guarantee taken	167,664	495	4,026	-	-
Sureties and letters of guarantee given	10,632,303	-	283,674	-	-
Import	124,020,445	-	3,308,914	-	-

As at 31 March 2024, goods-in-transit of the Group amount to EUR 294,321 equivalent to TL 10,242,050 (31 December 2023: EUR 150,884 TL 5,655,234).

NOTE 23 - FINANCIAL INSTRUMENTS (Continued)

(d) Market risk

The Group is exposed to market risk through holding shares of Doğuş Holding,

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

Under the assumption of 10% increase/decrease in share prices as at 31 March 2024, all other variables held constant, the Group's equity would have been increased/decreased by TL 116,233 (31 December 2023: TL116,233).

(e) Interest rate risk

As of 31 March 2024 if interest rates on TL and Euro denominated floating rate borrowings had been higher/lower by100 basis points with all other variables held constant, profit before income taxes would have been TL 15,438 (31 December 2023: TL 178,677) higher/lower, mainly as a result of additional interest expense on floating rate borrowings.

(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.

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.

NOTE 23 - FINANCIAL INSTRUMENTS (Continued)

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)

As of 31 March 2024 and 31 December 2023, net carrying amounts and fair values of assets and liabilities as shown below:

31 March 2024	**Financial assets at amortised cost**	**Financial assets measured at fair value through other comprehensive income**	**Financial liabilities at amortised cost**	**Net carrying amount**	**Note**
Financial assets					
Cash and cash equivalents	13,161,754	-	-	13,161,754	5
Financial investments	-	4,273,059	-	4,273,059	6
Trade receivables from third parties	2,546,780	-	-	2,546,780	8
Other receivables from third parties	1,055,481	-	-	1,055,481	-
Trade receivables from related parties	7,170,669	-	-	7,170,669	22
Other receivables from related parties	2,703,430	-	-	2,703,430	22
Financial liabilities					
Trade payables to third parties	-	-	11,549,037	11,549,037	8
Other payables to third parties	-	-	18,557	18,557	-
Trade payables to related parties	-	-	865,494	865,494	22
Borrowings	-	-	9,815,108	9,815,108	7
Lease liabilities	-	-	1,142,210	1,142,210	7

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NOTE 23 - FINANCIAL INSTRUMENTS (Continued)

31 December 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
Financial assets					
Cash and cash equivalents	8,795,012	-	-	8,795,012	5
Financial investments		5,326,404	-	5,326,404	6
Trade receivables from third parties	4,853,015	-	-	4,853,015	8
Other receivables from third parties	555,078	-	-	555,078	-
Trade receivables from related parties	9,966,419	-	-	9,966,419	22
Other receivables from related parties	60,342	-	-	60,342	22
Financial liabilities					
Trade payables to third parties	-	-	7,840,313	7,840,3163	8
Other payables to related parties	-	-	4,928	4,928	-
Trade payables to related parties	-	-	1,964,154	1,964,154	22
Borrowings	-	-	11,264,151	11,264,151	7
Lease liabilities	-	-	1,140,228	1,140,228	7

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NOTE 23 - FINANCIAL INSTRUMENTS (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:

	31 March 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
FX protected time deposit	394,273	-	-	394,273
Financial assets measured at fair value through other comprehensive income (Note 6)	-	3,878,786	-	3,878,786
Total financial assets	**394,273**	**3,878,786**	**-**	**4,273,059**

	31 December 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
FX protected time deposit	1,447,618	-	-	1,447,618
Financial assets measured at fair value through other comprehensive income (Note 6)	-	3,878,786	-	3,878,786
Total financial assets	**1,447,618**	**3,878,786**	**-**	**5,326,404**

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NOTE 24 - RIGHT OF USE ASSET

As of 31 March 2024, the net book value of the right of use assets is TL 159,874 (31 March 2023: TL 164,505) As of 31 March 2024 and 2023 the balances of the right to use assets and the depreciation and amortization expenses during the period are as follows:

31 March 2024	Showroom and area leases	Motor vehicles	Total
Right of use asset - 1 January 2024	**35,598**	**37,271**	**72,869**
Additions	110,907	9,571	120,478
Disposals	-	-	-
Depreciation expenses	(18,823)	(14,649)	(33,472)
Right of use asset - 31 March 2024	**127,681**	**32,193**	**159,874**

31 March 2023	Showroom and area leases	Motor vehicles	Total
Right of use asset - 1 January 2023	**34,836**	**83,115**	**117,951**
Additions	64,764	12,600	77,364
Disposals	-	(315)	(315)
Depreciation expenses	(16,284)	(14,211)	(30,495)
Right of use asset - 31 March 2023	**83,316**	**81,189**	**164,505**

As of 31 March 2024, TL 33,472 depreciation expense arising from the usage rights is accounted under general administrative expenses (31 March 2023: TL 30,495)

NOTE 25 - SUBSEQUENT EVENTS

The Group decided to allocate its profit from 2023 activities shown on the profit allocation statement by considering the provisions of TTC, CMB legislation, our articles of association, our profit allocation policy, our long-term strategy, investment and financing policies, and profitability and cash positions, and determined the cash profit allocation is TRY11,500,000,000 (exact), and, offsetting the TRY2,500,000,000 (exact) advance dividend paid in 2023, allocated the remaining TRY9,000,000,000 (exact) as cash. Dividend payments started on 19 April 2024 and they are complete.

ABERG Service Sp. Zo.o and the Group signed a distribution contract that stipulates the Group will carry out the original spare part sales and services for the semi-trailer products of the Wielton Group brands (Wielton, Langendorf, Fruehauf).

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