

DOĐUŐ OTOMOTİV SERVİS VE TİCARET A.Ő.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2024
WITH AUDITOR’S REVIEW REPORT**

(ORIGINALLY ISSUED IN TURKISH)

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**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

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

Scope of review

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

Conclusion

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

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

Cihan Harman, SMMM
Independent Auditor

Istanbul, 11 November 2024

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DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 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 30 September 2024 unless otherwise indicated.)

		Reviewed	Audited
		30 September	31 December
	Notes	2024	2023
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,408,812	10,384,632
Financial investments	6	354,081	1,709,262
Trade receivables		12,006,067	17,497,913
<i>Trade receivables due from related parties</i>	22	7,340,472	11,767,759
<i>Trade receivables due from third parties</i>	8	4,665,595	5,730,154
Other receivables		2,926,077	693,980
<i>Other receivables due from related parties</i>	22	2,018,002	39,120
<i>Other receivables due from third parties</i>	9	908,075	654,860
Inventories	10	20,454,821	14,468,580
Prepayments		432,763	277,093
Assets related to current tax		1,034	795
Other current assets		25,841	93,022
Total current assets		37,609,496	45,125,277
NON-CURRENT ASSETS			
Financial investments		4,579,842	4,579,842
<i>- Financial assets measured at fair value through other comprehensive income</i>	6	4,579,842	4,579,842
Other receivables		2,027	32,671
<i>Other receivables due from related parties</i>	22	1,609	32,128
<i>Other receivables due from third parties</i>		418	543
Investments accounted for using equity method	11	9,070,514	11,567,413
Investment property	13	13,988,924	13,947,058
Property, plant and equipment	12	16,621,963	15,926,996
Right of use asset	24	134,933	86,039
Intangible assets		814,302	705,375
Prepayments		40,977	87,923
Deferred tax asset	20	182,524	145,157
Other non-current assets		346	404
Total non-current assets		45,436,352	47,078,878
TOTAL ASSETS		83,045,848	92,204,155

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 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 30 September 2024 unless otherwise indicated.)

		Reviewed 30 September 2024	Audited 31 December 2023
	Notes		
LIABILITIES			
CURRENT LIABILITIES			
Current borrowings	7	3,594,494	3,493,540
Short-term portion of long-term borrowings	7	2,289,260	2,748,686
Trade payables		14,350,423	11,576,540
<i>Trade payables to related parties</i>	22	1,336,966	2,319,158
<i>Trade payables to third parties</i>	8	13,013,457	9,257,382
Employee benefit obligations		130,239	298,815
Other payables		2,523	667
<i>Other payables to third parties</i>		2,523	667
Deferred income		673,185	984,171
Current tax liabilities	20	1,288,003	256,788
Current provisions		685,863	3,835,786
<i>Other current provisions</i>	14	685,863	3,835,786
Other current liabilities	15	635,465	1,868,845
Total current liabilities		23,649,455	25,063,838
NON-CURRENT LIABILITIES			
Long-term borrowings	7	5,991,397	8,404,133
Other payables		4,351	5,152
<i>Other payables to third parties</i>		4,351	5,152
Deferred income		705,473	563,042
Non-current provisions		645,680	552,899
<i>Non-current provisions for employee benefits</i>		373,358	258,378
<i>Other long-term provisions</i>	14	272,322	294,521
Deferred tax liabilities		154,626	763,530
Total non-current liabilities		7,501,527	10,288,756
TOTAL LIABILITIES		31,150,982	35,352,594
EQUITY			
Equity attributable to owners of parent		51,160,445	56,163,329
Issued capital	16	220,000	220,000
Inflation adjustment on capital	16	4,282,232	4,282,232
Treasury shares (-)	16	-	(557,954)
Share premium (discount)		4,258,954	3,267,932
Business combination under common control		(8,796,654)	(8,796,654)
Other accumulated comprehensive income (loss) that will not be reclassified in profit or loss		3,566,454	3,636,173
Gains (losses) on revaluation and remeasurement		3,304,138	3,373,857
<i>Property, plant and equipment revaluation increases(decreases)</i>		3,607,358	3,605,322
<i>Gains (losses) on remeasurements of defined benefit plans</i>		(303,220)	(231,465)
Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method		262,316	262,316
Other accumulated comprehensive income (loss) that will be reclassified in profit or loss		1,558,071	1,750,904
<i>Gains (losses) on revaluation and reclassification</i>	16	1,606,922	1,606,922
<i>Gain (loss) on revaluation and reclassification of financial assets held for sale</i>		1,606,922	1,606,922
<i>Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method</i>	16	(48,851)	143,982
Restricted reserves appropriated from profits		3,995,429	3,231,730
Advance dividend payments (net) (-)		(2,200,000)	(3,912,135)
Prior years' profit	16	38,308,198	26,382,476
Current Period Net Profit or Loss		5,967,761	26,658,625
Non-controlling interests	16	734,421	688,232
TOTAL EQUITY		51,894,866	56,851,561
TOTAL EQUITY AND LIABILITIES		83,045,848	92,204,155

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 30 September 2024 unless otherwise indicated.)

		Reviewed 1 January – 30 September 2024	Restated (*) 1 January – 30 September 2023	Reviewed 1 July – 30 September 2024	Restated (*) 1 July – 30 September 2023
	Notes				
Revenue		120,624,462	150,299,880	37,928,259	58,356,655
Cost of sales		(100,561,366)	(116,287,305)	(33,195,494)	(46,006,537)
GROSS PROFIT		20,063,096	34,012,575	4,732,765	12,350,118
General administrative expenses	17	(5,382,498)	(3,012,588)	(1,956,494)	(1,112,446)
Marketing expenses	17	(3,046,422)	(2,570,359)	(1,084,222)	(909,815)
Other income from operating activities		2,021,231	2,197,919	948,696	558,903
Other expenses from operating activities		(942,226)	(883,249)	(327,161)	(142,639)
PROFIT FROM OPERATING ACTIVITIES		12,713,181	29,744,298	2,313,584	10,744,121
Investment activity income	18	567,457	729,632	136,411	63,482
Investment activity expense	18	(107,182)	(45,305)	(740)	(19,174)
Share of profit (loss) from investments accounted for using equity method	11	(1,082,413)	4,101,401	(821,637)	1,365,164
PROFIT BEFORE FINANCING INCOME (EXPENSE)		12,091,043	34,530,026	1,627,618	12,153,593
Financial income	19	1,723,298	642,844	392,738	251,268
Financial expense	19	(3,452,553)	(6,044,717)	(1,327,941)	(979,833)
Net monetary position gains/(loses)		(716,335)	1,515,003	449,690	1,627,818
PROFIT FROM CONTINUING OPERATIONS, BEFORE TAX		9,645,453	30,643,156	1,142,105	13,052,846
Tax (expense) income, continuing operations		(3,631,503)	(8,374,439)	(858,239)	(4,345,912)
Current period tax expense	20	(4,257,174)	(8,223,412)	(1,293,536)	(4,437,262)
Deferred tax (expense) income	20	625,671	(151,027)	435,297	91,350
PROFIT FROM CONTINUING OPERATIONS		6,013,950	22,268,717	283,866	8,706,934
PROFIT FOR THE PERIOD		6,013,950	22,268,717	283,866	8,706,934
Profit (loss), attributable to					
Non-controlling interests		46,189	70,401	3,490	63,207
Owners of parent		5,967,761	22,198,316	280,376	8,643,727
Basic earnings per share					
Basic earnings (loss) per share from continuing operations	21	27,3235	110,9608	1,2837	42,3320
Diluted earnings per share					
Diluted earnings (loss) per share from continuing operations	21	27,3235	110,9608	1,2837	42,3320

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 30 September 2024 unless otherwise indicated.)

	Notes	Reviewed 1 January – 30 September 2024	Restated (*) 1 January – 30 September 2023	Reviewed 1 July – 30 September 2024	Restated (*) 1 July – 30 September 2023
PROFIT (LOSS)		6,013,950	22,268,717	283,866	8,706,934
Other comprehensive income					
Other comprehensive income that will not be reclassified to profit or loss		(71,755)	(101,175)	(22,397)	(20,540)
Gains (losses) on remeasurements of defined benefit plans		(82,110)	(114,117)	(23,608)	(26,229)
Shares of other comprehensive income of associates and joint ventures accounted for using the equity method that will not be reclassified to profit or loss		(10,245)	(15,883)	(4,625)	(5,330)
Defined benefit plans re-measurement gains/(losses) of investments valued by equity method		(10,245)	(15,883)	(4,625)	(5,330)
Taxes related to components of other comprehensive income that will not be reclassified to profit or loss		20,600	28,825	5,836	11,019
Tax effect on defined benefit plans re-measurement gains/(losses)	20	20,600	28,825	5,836	11,019
Other comprehensive income that will be reclassified to profit or loss		(192,833)	(50,726)	(24,413)	(59,293)
Currency translation differences related to the translation of foreign businesses		-	(50,726)	-	(59,293)
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss		(192,833)	-	(24,413)	-
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		(192,833)	-	(24,413)	-
OTHER COMPREHENSIVE EXPENSE		(264,588)	(151,901)	(46,810)	(79,833)
TOTAL COMPREHENSIVE INCOME		5,749,362	22,116,816	237,056	8,627,101
Total comprehensive income attributable to					
Non-controlling interests		46,189	70,401	3,490	63,207
Owners of parent		5,703,173	22,046,415	233,566	8,563,894

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 30 September 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)	Advance dividend payments	Retained earnings/ (Accumulated losses)	Net profit/ loss for the period	Non-controlling interests (Note 16)		Total equity
Balance at 1 January 2023	220,000	4,282,234	(1,947,110)	107,258	1,499,241	-	(196,247)	-	50,726	2,211,518	120,694	4,549,548	(2,038,578)	12,391,645	21,211,571	42,462,500	497,932	42,960,432
Transfers	-	-	-	-	-	-	-	-	-	-	-	574,765	-	20,636,806	(21,211,571)	-	-	-
Total comprehensive income (loss)	-	-	-	-	-	-	(101,175)	-	(50,726)	-	-	-	-	-	22,198,316	22,046,415	70,401	22,116,816
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,198,316	22,198,316	70,401	22,268,717
Other comprehensive income (loss)	-	-	-	-	-	-	(101,175)	-	(50,726)	-	-	-	-	-	-	(151,901)	-	(151,901)
Business combinations under common control	-	-	-	-	(10,182,083)	-	-	-	-	-	-	-	-	-	-	(10,182,083)	-	(10,182,083)
Advance dividend payments	-	-	-	-	-	-	-	-	-	-	-	-	2,038,578	-	-	2,038,578	-	2,038,578
Profit shares	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,017,565)	-	(6,017,565)	-	(6,017,565)
Increase (decrease) through treasury shares transactions	-	-	1,388,560	-	-	-	-	-	-	-	-	(1,388,560)	-	567,639	-	567,639	-	567,639
Balances at 30 September 2023	220,000	4,282,234	(558,550)	107,258	(8,682,842)	-	(297,422)	-	-	2,211,518	120,694	3,735,753	-	27,578,525	22,198,316	50,915,484	568,333	51,483,817
Balance at 1 January 2024	220,000	4,282,232	(557,954)	3,267,932	(8,796,654)	3,605,322	(231,465)	262,316	-	1,606,922	143,982	3,231,730	(3,912,135)	26,382,476	26,658,625	56,163,329	688,232	56,851,561
Transfers	-	-	-	-	-	2,036	-	-	-	-	-	1,321,653	-	25,334,936	(26,658,625)	-	-	-
Total comprehensive income (loss)	-	-	-	-	-	-	(71,755)	-	-	-	(192,833)	-	-	-	5,703,173	46,189	5,749,362	
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,967,761	5,967,761	46,189	6,013,950
Other comprehensive income (loss)	-	-	-	-	-	-	(71,755)	-	-	-	(192,833)	-	-	-	-	(264,588)	-	(264,588)
Advance dividend payments	-	-	-	-	-	-	-	-	-	-	-	(2,200,000)	-	-	-	(2,200,000)	-	(2,200,000)
Profit shares	-	-	-	-	-	-	-	-	-	-	-	-	3,912,135	(14,211,316)	-	(10,299,181)	-	(10,299,181)
Increase (decrease) through treasury shares transactions	-	-	557,954	991,022	-	-	-	-	-	-	-	(557,954)	-	802,102	-	1,793,124	-	1,793,124
Balances at 30 September 2024	220,000	4,282,232	-	4,258,954	(8,796,654)	3,607,358	(303,220)	262,316	-	1,606,922	(48,851)	3,995,429	(2,200,000)	38,308,198	5,967,761	51,160,445	734,421	51,894,866

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(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 30 September 2024 unless otherwise indicated.)

		Reviewed 30 September 2024	Restated (*) 30 September 2023
	Notes		
A. CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit (loss) for the period		1,473,996	20,389,436
Adjustments to for profit (loss) for the period reconciliation:		6,013,950	22,268,717
Adjustments for depreciation and amortization expense	12, 13, 17, 24	4,898,962	11,756,955
Adjustments for impairment loss (reversal of impairment loss)		1,502,232	1,206,991
-Adjustments for impairment loss (reversal of impairment loss) of receivables		(74,745)	1,670
-Adjustments for impairment loss (reversal of impairment loss) of inventories	10	(467)	(14)
Adjustments for provisions		(74,278)	1,684
-Adjustments for (reversal of) provisions for employee benefits		4,287,397	3,130,976
-Adjustments for (reversal of) lawsuit and/or penalty provision expenses		155,807	152,420
-Adjustments for (reversal of) warranty provisions		41,370	47,681
-Adjustments for (reversal of) other provisions		570,169	554,499
Adjustments for interest (income) and expense		3,520,051	2,376,376
-Adjustments for interest income	19	(20,243)	836,777
-Adjustments for interest expense	19	(1,723,298)	(642,844)
Adjustments for unrealized foreign exchange losses (gains)		1,703,055	1,479,621
Adjustments for fair value losses (gains)		1,410,331	4,226,058
Related to fair value losses (gains) of financial assets		(239,380)	(729,632)
Adjustments for undistributed profits of investments accounted for using equity method	11	(239,380)	(729,632)
Adjustments for tax (income) expenses	20	1,082,413	(4,101,401)
Adjustments for losses (gains) on disposal of non-current assets		3,631,503	8,374,439
-Adjustments for losses (gains) from sale of tangible assets	18	(220,895)	45,305
Monetary gain / (loss)		(220,895)	45,305
		(6,459,651)	(1,234,228)
Changes in working capital		(2,052,302)	(8,255,742)
Adjustments for decrease (increase) in trade receivables		5,492,303	(9,775,698)
-Decrease (increase) in due from related parties		4,427,287	(8,495,950)
-Decrease (increase) in due from third parties		1,065,016	(1,279,748)
Adjustments for decrease (increase) in inventories		(5,911,963)	(9,141,830)
Adjustments for increase (decrease) in trade payables		581,318	6,143,008
-Increase (decrease) in due to related parties		(982,192)	4,969,280
-Increase (decrease) in due to third parties		1,563,510	1,173,728
Increase (decrease) in deferred income		(168,555)	579,754
Adjustments for other increase (decrease) in working capital		(2,045,405)	3,939,024
Cash flows from operations		8,860,610	25,769,930
Payments related with provisions for employee benefits		(31,371)	(252,178)
Payments related with other provisions		(4,129,045)	(1,318,873)
Income taxes refund (paid)		(3,226,198)	(3,809,443)
B. CASH FLOWS FROM INVESTING ACTIVITIES		(800,520)	(9,436,434)
Cash outflows arising from purchase of shares or capital increase of associates and/or joint ventures		-	(596,348)
Cash outflows for the acquisition of shares of other enterprises or funds or borrowing instruments		-	(10,182,081)
Proceeds from sales of property, plant, equipment and intangible assets		441,568	1,486,267
-Proceeds from sales of property, plant and equipment		441,568	1,486,267
Purchase of property, plant, equipment and intangible assets		(2,411,631)	(1,329,903)
-Purchase of property, plant and equipment	12	(1,960,807)	(990,752)
-Purchase of intangible assets		(450,824)	(339,151)
Cash outflow by acquisition of property, plant and equipment and intangible assets		(41,865)	-
Dividends received		1,211,408	1,185,631
C. CASH FLOWS FROM FINANCING ACTIVITIES		(11,377,342)	(1,978,903)
Regarding the entity's acquisition of its own shares and other equity instruments cash outflows		1,793,124	3,728,312
Proceeds from borrowings	7	2,513,804	7,385,216
Repayments of borrowings	7	(3,121,700)	(4,442,289)
Cash outflows on debt payments from leasing agreements	7	(171,194)	(145,467)
Dividends paid		(12,499,181)	(7,891,123)
Interest paid		(1,615,493)	(1,256,396)
Interest received	19	1,723,298	642,844
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(10,703,866)	8,974,099
D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		-	(50,725)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		(10,703,866)	8,923,374
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		10,384,632	7,573,600
INFLATION EFFECT ON CASH AND CASH EQUIVALENTS		1,728,046	(3,823,980)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	5	1,408,812	12,672,994

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 30 September 2024 unless otherwise indicated.)

NOTE 1 – ORGANISATION AND NATURE OF OPERATIONS

The parent company, Doğuş Otomotiv Servis ve Ticaret A.Ş. (“Doğuş Otomotiv” or the “Company”), was established on November 24, 1999, as a distributor of Volkswagen AG and operates within the Volkswagen Group, importing, marketing, and selling vehicles and spare parts of VW, Audi, Seat, Cupra, Porsche, Bentley, Lamborghini, Meiller, Scania, Scania Power Solutions, Thermoking cooling systems, and Wielton semi-trailers. Additionally, through its Doğuş Marine Services division, it operates primarily in the field of After-Sales Services and Spare Parts for the Maritime Sector. The Company also operates in the used vehicle sector across Turkey under the DOD brand through authorized dealers. Furthermore, it provides sales and service for Novamarine brand boats, speedboats and Aerofoil brand e-foil products in Turkey. Additionally, through Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş. (“Doğuş GYO”), it operates in the field of managing a portfolio consisting of real estate and real estate-based assets and rights.

The Company’s shares have been traded on Borsa İstanbul A.Ş. since June 17, 2004.

As of September 30, 2024, the Company’s subsidiaries are as follows:

- Doğuş Oto Pazarlama ve Ticaret A.Ş. (“Doğuş Oto Pazarlama”): An authorized dealer of the brands within Doğuş Otomotiv and Yüce Auto Motorlu Araçlar Ticaret A.Ş.
- Doğuş Şarj Sistemleri Pazarlama ve Ticaret A.Ş. (“D-Charge”): Established on May 16, 2023, to operate in the installation, operation, and provision of charging units, charging stations, and charging networks.
- Doğuş Gayrimenkul Yatırım Ortaklığı (“Doğuş GYO”): Established on July 25, 1997, under the provisions of the Capital Markets Law. The Company, traded on Borsa İstanbul A.Ş., operates in the field of creating, managing, and diversifying a portfolio of real estate and real estate-based capital market instruments, minimizing investment risk, investing in real estate and real estate-based projects, continuously monitoring developments related to real estate and real estate-based instruments, taking necessary measures related to portfolio management, and conducting research to protect and increase the value of the portfolio. The sale and transfer of 310,931,093.577 B Group shares, representing 93.6517% of Doğuş GYO’s total capital, from Doğuş Holding A.Ş. was completed on March 9, 2023. On November 21, 2023, the transaction for the purchase of all A Group shares, representing 0.7845% of the company’s capital with a nominal value of 2,604,451.09 full TL, which include the privilege of nominating candidates for the Board of Directors, from Doğuş Holding A.Ş. was completed, making Doğuş GYO a subsidiary.

The Company and its subsidiaries (collectively referred to as the “Group”) operate in a single sector.

The Company, Doğuş Oto Pazarlama, and D-Charge are registered in Turkey, with their headquarters located 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 Türkiye 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 30 September 2024 is 651 (31 December 2023: 672) whereas the average number of white-collar employees of the Group for the period ended 30 September 2024 is 1,397 (31 December 2023: 1,402).

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 30 September 2024 unless otherwise indicated.)

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

2.1 Basis of Presentation of Condensed Consolidated Interim Financial Statements

(i) Statement of compliance to TAS

The accompanying consolidated financial statements are based in accordance with Turkish Accounting Standards (“TAS”) issued by Public Oversight Accounting and Auditing Standards Authority of Türkiye (“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 condensed consolidated interim financial statements of the Group as at 30 September 2024 have been approved by the Board of Directors on 11 November 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 30 September 2023 and 31 December 2023, in terms of purchasing power of TL at 30 September 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 Türkiye (“CPI”) published by the Turkish Statistical Institute (“TURKSTAT”), As of 30 September 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
30 September 2024	2,526.16	1,00000	343%
31 December 2023	1,859.38	1,35860	268%
30 September 2023	1,691.04	1,49385	254%

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 30 September 2024 unless otherwise indicated.)

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

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

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 realizable value, the provisions of TAS 36 “Impairment of Assets” and TAS 2 “Inventories” were applied respectively.
- Non-monetary 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 condensed consolidated interim financial statements have been prepared based on the historical cost, except for the financial assets, investment properties and land and buildings included in tangible fixed assets measured at fair value through other comprehensive income that measured at fair value.

(v) Functional and presentation currency

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

The Company and its affiliates registered in Türkiye 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.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 30 September 2024 unless otherwise indicated.)

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

2.2 Amendments and interpretations in the TAS / TFRS

New and amended standards and interpretations

The accounting policies adopted in preparation of the condensed interim consolidated financial statements as at September 30, 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 January 1, 2024. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

Standards, amendments and interpretations applicable as at 30 September 2024;

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

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

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

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

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

However, in the Board Decision of the KGK published in the Official Gazette dated 29 December 2023, it was announced that certain businesses will be subject to mandatory sustainability reporting as of 1 January 2024. Within the scope of the “Board Decision on the Scope of Application of the Turkish Sustainability Reporting Standards (TSRS)” dated 5 January 2024, businesses that fall within the scope of sustainability application are counted for the purpose of determining the businesses that will be subject to sustainability reporting.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 30 September 2024 unless otherwise indicated.)

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

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

Standards, amendments and interpretations that are issued but not effective as at 30 September 2024:

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

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

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

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

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

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

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

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

The impacts of the new standards, amendments and improvements on the financial position and performance of the Group is being assessed.

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 30 September 2024 unless otherwise indicated.)

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

2.3 Basis of Consolidation (Continued)

“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”.

(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.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

2.3 Basis of Consolidation (Continued)

The table below sets out all the subsidiaries included in the scope of consolidation and shows the Group's share of control as at 30 September 2024 and 31 December 2023:

	30 September 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.

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

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

Joint ventures are recognized as investments measured through equity method. The table below sets out all joint ventures and the Group's share of control as at 30 September 2024 and 31 December 2023.

	30 September 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%

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

2.3 Basis of Consolidation (Continued)

(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 30 September 2024 and 31 December 2023:

	30 September 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.

(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.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

2.5 Comparative Information

The Group has prepared the condensed consolidated interim statement of financial position as at 30 September 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 nine month period ended 30 September 2024 comparative to the nine month period ended 30 September 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 nine months period ended 30 September 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.

In line with the decision promulgated in official gazette No. 32676 dated 28 September 2024 and in the official gazette dated 2 August 2024 regarding the application of corporate income tax exemptions to the earnings of real estate investment trusts and real estate investment funds , it was decided 50% of the earnings obtained from immovables will be distributed as dividends and the minimum corporate income tax of 10% will be applied to the earnings real estate investment trusts and real estate investment funds obtain from immovables as of 1 January 2025.

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 revised and in any future periods affected.

Information about uncertainty and 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 presented at their fair values and other tangible/intangible assets are presented at their net values, which are calculated by deducting the indexed accumulated depreciation from the indexed acquisition cost. (Note 12)

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

2.7 Accounting Estimates (Continued)

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)

When calculating inventory impairment, data related to discounted list prices of inventories are used. If the estimated 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".

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 Türkiye through its dealer network under the brand name DOD and with Doğuş Marine Services business unit, it operates in the sales and service of Novamarine brand boats, speedboats and Aerofoil brand e-foil products in Turkey, as well as in the maritime sector after-sales services and spare parts field. The field of activity under the real estate operation is to operate a portfolio consisting of real estate-based assets and rights.

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NOTE 4 – OPERATING SEGMENTS (Continued)

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 30 September is as follows:

1 January - 30 September 2024	Automotive segment	Real estate segment	Elimination between segments	Total
Revenue from external customers	120,142,861	559,314	(77,713)	120,624,462
Cost of sales	(100,466,036)	(95,330)	-	(100,561,366)
Gross profit	19,676,825	463,984	(77,713)	20,063,096
General administration expenses	(3,911,747)	(46,232)	77,713	(3,880,266)
Marketing expenses	(3,046,422)	-	-	(3,046,422)
Depreciation expenses	(1,498,466)	(3,766)	-	(1,502,232)
Other income from operating activities, net	1,105,002	(25,997)	-	1,079,005
Operating income	12,325,192	387,989	-	12,713,181
1 January - 30 September 2023	Automotive Segment	Real estate segment	Elimination between segments	Total
Revenue from external customers	149,827,949	560,467	(88,536)	150,299,880
Cost of sales	(116,199,821)	(87,484)	-	(116,287,305)
Gross profit	33,628,128	472,983	(88,536)	34,012,575
General administration expenses	(1,841,593)	(52,540)	88,536	(1,805,597)
Marketing expenses	(2,570,359)	-	-	(2,570,359)
Depreciation expenses	(1,202,566)	(4,425)	-	(1,206,991)
Other income from operating activities, net	1,340,607	(25,937)	-	1,314,670
Operating income	29,354,217	390,081	-	29,744,298
1 July - 30 September 2024	Automotive Segment	Real estate segment	Elimination between segments	Total
Revenue from external customers	37,772,079	186,109	(29,929)	37,928,259
Cost of sales	(33,163,900)	(31,594)	-	(33,195,494)
Gross profit	4,608,179	154,515	(29,929)	4,732,765
General administration expenses	(1,443,481)	(16,867)	29,929	(1,430,419)
Marketing expenses	(1,084,222)	-	-	(1,084,222)
Depreciation expenses	(524,833)	(1,242)	-	(526,075)
Other income from operating activities, net	623,139	(1,604)	-	621,535
Operating income	2,178,782	134,802	-	2,313,584

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NOTE 4 – OPERATING SEGMENTS (Continued)

1 July - 30 September 2023	Automotive Segment	Real estate segment	Elimination between segments	Total
Revenue from external customers	58,288,474	112,818	(44,637)	58,356,655
Cost of sales	(45,982,947)	(23,590)	-	(46,006,537)
Gross profit	12,305,527	89,228	(44,637)	12,350,118
General administration expenses	(739,657)	(5,377)	44,637	(700,397)
Marketing expenses	(909,815)	-	-	(909,815)
Depreciation expenses	(411,701)	(348)	-	(412,049)
Other income from operating activities, net	425,068	(8,804)	-	416,264
Operating income	10,669,422	74,699	-	10,744,121

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, investing income/expense. Finance income and costs are not allocated to segments, as this type of activity is driven by the central finance function of the Group.

NOTE 5 – CASH AND CASH EQUIVALENTS

As at 30 September 2024 and 31 December 2023, cash and cash equivalents comprise the following:

	30 September 2024	31 December 2023
Cash on hand	23	75
Cash at banks	1,408,789	10,384,557
- Demand deposits	1,233,176	7,394,241
- Time deposits	165,912	2,976,575
- Other cash and cash equivalents	9,701	13,741
Total	1,408,812	10,384,632

As of 30 September 2024, weighted average interest rate on TL and EUR denominated time deposits are 45.26% and 0.001% respectively (31 December 2023: TL 39.30% and EUR 0.01%-0.45%) As at 30 September 2024, the maturity range valid for TL and EUR time deposits are 1 days and 1 days (31 December 2023: TL 3-4 days and EUR 3-87 days).

There is no blocked deposit as at 30 September 2024 and 31 December 2023.

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

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NOTE 6 – FINANCIAL INVESTMENTS

6.1 Short-term financial investments

As of 30 September 2024 and 31 December 2023, short-term financial investments measured at fair value through income statement are as follows:

	30 September 2024	31 December 2023
FX protected time deposit	354,081	1,709,262
Total	354,081	1,709,262

6.2 Long-term financial investments

As of 30 September 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:

	30 September 2024		31 December 2023	
	Ownership interest (%)	Carrying amount	Ownership interest (%)	Carrying amount
Doğuş Holding A.Ş. ("Doğuş Holding")	3.69	4,579,842	3.69	4,579,842
Total		4,579,842		4,579,842

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. A discount was 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	4,579,842	5,251,622
Change in fair value of financial assets measured at fair value through other comprehensive income	-	-
Balance at 30 September	4,579,842	5,251,622

NOTE 7 – BORROWINGS

As at 30 September 2024 and 31 December 2023, financial liabilities with the annual weighted average effective interest rate, comprise the following:

	30 September 2024		31 December 2023	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Short-term bank borrowings:				
TL denominated interest borrowings	55.52	3,594,494	46.01	3,493,540
Total		3,594,494		3,493,540

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NOTE 7 – BORROWINGS (Continued)

	30 September 2024		31 December 2023	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Short term portion of long term borrowings:				
EUR denominated interest borrowings (*)	9.67	1,885,489	9.81	2,339,328
TL denominated interest borrowings	46.57	138,152	35.70	123,050
Total		2,023,641		2,462,378
	30 September 2024		31 December 2023	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Long-term bank borrowings:				
EUR denominated interest bearing borrowings (*)	9.67	5,167,272	8.74	7,288,996
TL denominated interest borrowings	46.57	-	35.70	55,132
Total		5,167,272		7,344,128

- (*) A green loan of 10,500 Euros on 21 March 2024 and 4,600 Euros on 22 December 2022 was used from HSBC Bank for the import of electric charging stations and electric vehicles. The green loan used for the import of Porsche brand Taycan model vehicles with a nominal amount of EUR 8,750 on February 17, 2022 was paid as of February 16, 2024. Doğuş Holding is the guarantor of Doğuş GYO company's foreign currency loan transactions.

The repayment schedule of long-term bank borrowings including their short-term portions as at 30 September 2024 is as follows:

Payment period	TL equivalent
2024	159,310
2025	1,894,293
2026	3,491,314
2027	1,163,096
2028	482,900
Total	7,190,913

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	TL equivalent
2024	2,516,848
2025	1,891,469
2026	3,689,095
2027	1,191,873
2028	517,221
Total	9,806,506

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NOTE 7 – BORROWINGS (Continued)

Movements of short-term and long-term loans and lease liabilities as 30 September 2024 and 2023 are summarized below:

Bank Borrowings	2024	2023
Balance at 1 January	14,534,370	9,636,074
Additions during the period	2,513,804	7,385,216
Payments during the period	(3,121,700)	(4,442,289)
Foreign exchange (gains) / losses	1,408,239	4,221,789
Changes in interest accrual	35,364	200,201
Monetary gain / (loss)	(3,637,185)	(3,251,979)
Balance at 30 September	11,732,892	13,749,012

Lease transactions including annual weighted average effective interest rate information as 30 September 2024 and 31 December 2023 are summarized below:

Lease Borrowings	Minimum lease payments		Present value of minimum lease payments	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
In a year	205,002	237,674	199,201	230,933
Between two and five years	922,508	1,247,790	748,284	1,003,391
More than five years	-	-	-	-
Minus: Future financial expenses	(180,025)	(251,141)	-	-
Present value of the lease obligation	947,485	1,234,323	947,485	1,234,324
Minus: Payable within 12 months Debts (shown in the , short-term debts section)			(199,201)	(230,933)
Debts to be paid after 12 months			748,284	1,003,391

D-Ofis Maslak real estate was sold to Kuveyt 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 3,770,125 TL (31 December 2023: 3,770,125 TL).

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NOTE 7 – BORROWINGS (Continued)

Lease transactions arising from TFRS 16 including annual weighted average effective interest rate information as 30 September 2024 and 31 December 2023 are summarized below:

	30 September 2024		31 December 2023	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Short term portion of long term leases:				
TL leases	39.13	63,685	23.89	51,605
EUR leases	9.36	2,733	6.82	3,770
Total		66,418		55,375
	30 September 2024		31 December 2023	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Long term leases:				
TL leases	39.13	70,807	23.89	55,465
EUR leases	9.36	5,034	6.82	1,149
Total		75,841		56,614

As at 30 September, the movement of the lease liability is as follows:

Lease Liabilities	2024	2023
Balance at 1 January	111,988	115,606
Additions	180,570	123,208
Payments	(169,299)	(145,208)
Disposals	(16,036)	(919)
Prepaid expenses	(1,895)	(259)
Interest expenses	52,198	23,024
Foreign exchange gain / loss	2,092	4,269
Monetary gain / (loss)	(17,359)	(15,933)
Balance at 30 September	142,259	103,788

NOTE 8 – TRADE RECEIVABLES AND PAYABLES

8.1 Trade Receivables

Guarantees received for trade receivables due from third parties

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

As at 30 September 2024, TL 1,457,972 of trade receivables due from third parties are covered via letters of guarantee (31 December 2023: TL: 1,332,811).

As at 30 September 2024, overdue trade receivables due from non-related parties that are not impaired amount to TL 1,053,605 (31 December 2023: TL 120,482), TL 1,003,421 of such overdue receivables are covered via guarantee letters. (31 December 2023: TL 10)

As at 30 September 2024, the Group's average maturity of trade receivables due from third parties is 27 days (31 December 2023: 31 days).

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

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NOTE 8 – TRADE RECEIVABLES AND PAYABLES (Continued)

8.2 Trade Payables

As at 30 September 2024 and 31 December 2023, trade payables to third parties consist of the following:

	30 September 2024	31 December 2023
Payables to OEM companies	9,982,393	5,562,545
Dealer premium accrual (*)	2,192,565	-
Dealer trade payables	-	2,138,007
Other trade payables (**)	836,954	1,523,202
Other expense accruals	1,545	33,628
Total	13,013,457	9,257,382

OEM's provide a credit option to the Group up to 1 year, which is free from interest for 10 days. The OEM's charge the Group an interest of 4.86% per annum for trade payables exceeding 10 days (31 December 2023: 4.75% per annum).

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

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

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

NOTE 9 – OTHER RECEIVABLES

As at 30 September 2024 and 31 December 2023, other receivables due from third parties comprise of the following:

	30 September 2024	31 December 2023
Warranty claims and price difference receivables (*)	807,439	543,466
Receivables due to insurance claims	81,429	82,580
Other	19,207	28,814
Total	908,075	654,860

(*) Warranty receivables represent the portion of warranty expenses related to imported vehicles that will be covered by the manufacturer. As at 30 September 2024, the other receivables that has not been billed are TL 587,400 (31 December 2023: TL 371,640).

NOTE 10 – INVENTORIES

As at 30 September 2024 and 31 December 2023, inventories comprise of the following:

	30 September 2024	31 December 2023
Goods in transit (*)	12,192,752	6,677,367
Merchandise stocks – vehicles	6,635,205	6,607,099
Merchandise stocks – spare parts	1,655,818	1,287,346
	20,483,775	14,571,812
Provision for diminution in the value of inventories (-)	(28,954)	(103,232)
Total	20,454,821	14,468,580

(*) 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.

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NOTE 10 – INVENTORIES (Continued)

The cost of inventories recognized as expense and included in cost of sales amounted to TL 99,666,631 for the period ended 30 September 2024 (30 September 2023: TL 115,361,724).

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	103,232	22,066
Change in the current period	(74,278)	1,684
Balance at 30 September	28,954	23,750

NOTE 11 – INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

As at 30 September 2024 and 31 December 2023, investment in associates, joint ventures and the Group’s share of control are as follows:

	30 September 2024		31 December 2023	
	Ownership (%)	Carrying amount	Ownership (%)	Carrying amount
<u>Associates</u>				
VDF Servis	48.79	5,446,000	48.79	7,571,547
Yüce Auto	50	1,216,872	50	2,026,127
Doğuş Sigorta	42	305,260	42	305,888
Doğuş Teknoloji	21.76	315,045	21.76	239,510
Total		7,283,177		10,143,072
<u>Joint ventures</u>				
TÜVTURK Kuzey – Güney	33.33	1,787,337	33.33	1,424,341
Total		1,787,337		1,424,341
Grand total		9,070,514		11,567,413

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

	2024	2023
Balance at 1 January	11,567,413	7,064,510
Shares in profits of associates, net	(1,783,253)	3,581,301
Shares in profits of joint ventures, net	700,840	520,100
Participation in capital increase of associates and joint ventures	-	596,348
Dividend income from associates	(879,288)	(913,592)
Dividend income from joint ventures	(332,120)	(272,039)
Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method	(192,833)	-
Shares of other comprehensive income of associates and joint ventures	(10,245)	(15,883)
Balance at 30 September	9,070,514	10,560,745

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

As at 30 September 2024, 31 December 2023 and 30 September 2023, total assets, liabilities and results of the periods of the Group's associates and joint ventures are presented below:

	30 September 2024						30 September 2024		
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Income	Expenses (-)	Net profit/(loss)
Investment in associates	33,380,957	16,361,137	49,742,094	32,489,883	2,438,458	34,928,341	45,525,582	(48,955,833)	(3,430,251)
Joint ventures	2,387,549	7,942,200	10,329,749	2,983,870	1,983,868	4,967,738	16,455,320	(14,352,590)	2,102,730
	31 December 2023						30 September 2023		
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Income	Expenses (-)	Net profit/(loss)
Investment in associates	33,868,775	24,245,820	58,114,595	36,659,578	446,486	37,106,064	37,830,191	(31,945,877)	5,884,314
Joint ventures	2,580,232	8,101,147	10,681,379	3,267,120	3,141,238	6,408,358	16,661,166	(15,100,714)	1,560,452

As at 30 September 2024, 31 December 2023 and 30 September 2023, cash and cash equivalents, current and non-current liabilities, amortization and depreciation expenses, interest income and expenses are presented below:

	30 September 2024			30 September 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	5,818,806	25,121,251	1,516,244	42,772,949	(494,112)	1,013,548	(2,054,875)	(1,917,301)
Joint ventures	1,605,991	89,928	212,655	15,928,451	(473,531)	474,491	(56,175)	(83,766)
	31 December 2023			30 September 2023				
	Cash and cash equivalents	Short-term financial liabilities	Long-term financial liabilities	Revenues	Amortization and depreciation expenses	Interest income	Interest expense	Tax expense
Investment in associates	6,813,117	27,515,618	183,639	35,714,906	(399,649)	1,192,763	(1,146,015)	(2,409,747)
Joint ventures	1,276,148	30,041	112,146	16,343,913	(434,413)	269,610	(73,246)	(796,014)

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NOTE 12 – PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment and related accumulated depreciation for the period ended 30 September 2024 are as follows:

	1 January 2024	Additions	Disposals	Transfers (*)	30 September 2024
Cost:					
Land	5,590,519	-	-	79,110	5,669,629
Land improvements	117,742	602	(14,245)	-	104,099
Buildings	5,874,647	8,410	(94,917)	(74,515)	5,713,625
Machinery and equipments	671,200	33,472	(418)	55	704,309
Motor vehicles	4,713,122	1,141,655	(484,162)	-	5,370,615
Furniture and fixtures	966,701	108,526	(23,832)	14,646	1,066,041
Leasehold improvements	706,351	413	(893)	26,663	732,534
Constructions in progress	68,475	667,729	(4,427)	(47,841)	683,936
	18,708,757	1,960,807	(622,894)	(1,882)	20,044,788
Accumulated depreciation:					
Land improvements	-	(49,739)	-	-	(49,739)
Buildings	-	(85,156)	-	-	(85,156)
Machinery and equipments	(322,873)	(52,103)	29	-	(374,947)
Motor vehicles	(1,864,720)	(689,383)	384,045	-	(2,170,058)
Furniture and fixtures	(387,842)	(114,063)	17,873	-	(484,032)
Leasehold improvements	(206,326)	(53,346)	779	-	(258,893)
	(2,781,761)	(1,043,790)	402,726	-	(3,422,825)
Carrying amount	15,926,996				16,621,963

Total depreciation expense amounting to TL 1,043,790 has been allocated to general administrative expenses in the condensed consolidated profit or loss statement for the period ended 30 September 2024 (30 September 2023: TL 824,430).

(*) As of 30 September 2024, TL 1,882 of transfers consists of transfers to intangible assets (30 September 2023: TL 47,925).

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NOTE 12 – PROPERTY, PLANT AND EQUIPMENT (Continued)

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

	1 January 2023	Additions	Disposals	Transfers (*)	30 September 2023
Cost:					
Land	2,919,672	-	(660,428)	1,403	2,260,647
Land improvements	111,391	-	(113)	1,989	113,267
Buildings	6,515,360	-	(705,479)	21,495	5,831,376
Machinery and equipments	667,847	57,428	(118,430)	1,300	608,145
Motor vehicles	3,624,835	724,933	(177,187)	499	4,173,080
Furniture and fixtures	793,328	70,892	(121,636)	96,801	839,385
Leasehold improvements	639,287	1,816	(236,930)	4,667	408,840
Constructions in progress	152,521	135,683	(1,085)	(176,079)	111,040
	15,424,241	990,752	(2,021,288)	(47,925)	14,345,780
Accumulated depreciation:					
Land improvements	(74,109)	(3,805)	78	-	(77,836)
Buildings	(1,079,406)	(94,723)	143,853	-	(1,030,276)
Machinery and equipments	(318,415)	(45,156)	55,696	-	(307,875)
Motor vehicles	(1,236,416)	(550,115)	112,580	-	(1,673,951)
Furniture and fixtures	(348,106)	(86,404)	74,795	-	(359,715)
Leasehold improvements	(250,986)	(44,227)	102,714	-	(192,499)
	(3,307,438)	(824,430)	489,716	-	(3,642,152)
Carrying amount	12,116,803				10,703,628

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NOTE 13 – INVESTMENT PROPERTY

Fair values of investment properties as of 30 September 2024 are as follows:

Real estate name	Valuation method	Valuation report date	30 September 2024	31 December 2023
Gebze Center Mall	“Discounted cash flow”	27 December 2023	5,507,474	5,465,608
Gebze Center Hotel	“Discounted cash flow”	27 December 2023	906,392	906,392
Gebze Center Showroom and Service Area	“Discounted cash flow”	27 December 2023	368,385	368,385
Gebze Land	“Market Approach”	27 December 2023	28,530	28,530
D-Ofis Maslak	“Discounted cash flow”	27 December 2023	3,770,125	3,770,125
Doğuş Center Maslak	“Discounted cash flow”	27 December 2023	1,045,832	1,045,832
Doğuş Center Etiler	“Discounted cash flow”	27 December 2023	380,844	380,844
Kartal Kule	“Cost Approach”	20 December 2023	1,342,762	1,342,762
Ankara Etimesgut	“Cost Approach”	27 December 2023	629,128	629,128
Kayseri Sağıroğlu	“Cost Approach”	26 December 2023	9,452	9,452
Total			13,988,924	13,947,058

Fair values of investment properties as of 30 September 2024 and 2023 are as follows:

	2024	2023
Cost		
Balance at 1 January	13,947,059	11,394,710
Addition	41,865	4,081
Balance at 30 September	13,988,924	11,398,791

The rental income of 492,746 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 (30 September 2023: 483,871 TL).

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

NOTE 14 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

14.1 Provisions

30 September 2024 and 31 December 2023 other short term provisions are as follows:

	30 September 2024	31 December 2023
Legal provisions	119,270	119,694
Warranty provisions	34,348	34,195
Other provisions (*)	532,245	3,681,897
Total	685,863	3,835,786

(*) As of 30 September 2024 balance consists of socio-cultural contributions and other provisions in the form of donations to the Hatay region.

30 September 2024 and 31 December 2023 long term provisions are as follows

	30 September 2024	31 December 2023
Warranty provisions	272,322	294,521
Total	272,322	294,521

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

14.2 Collaterals / Pledges / Mortgages / Bill of Guarantees Given

As at 30 September 2024, the Group's position related to letters of collaterals / pledges / mortgages / bill of guarantees guarantee given, pledges and mortgages ("CPMB") are as follows:

	30 September 2024		
	Total TL equivalent	Original balances	
		Full TL	Full Euro
A. Total amount of CPMB given on behalf of own legal personality	16,695,881	5,209,469,531	300,916,686
B. Total amount of CPMB given in favor of partnerships which is consolidated	3,839,939	22,799,306	100,000,000
C. Total amount of CPMB given for assurance of third parties debts in order to conduct of usual business activities	286,286	-	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	20,822,106	5,232,268,837	408,416,686

Other CPMBs given by the Group as at 30 September 2024 are equivalent to 0% of the Company's equity (31 December 2023: 0%).

As of 30 September 2024, there is no collateral for the general loan agreements given in favor of the partnerships within the scope of consolidation (31 December 2023: TL 35,324).

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		
	Total TL equivalent	Original balances	
		Full TL	Full Euro
A. Total amount of CPMB given on behalf of own legal personality	23,692,842	7,045,260,049	376,173,962
B. Total amount of CPMB given in favor of partnerships which is consolidated	64,789	64,789,345	-
C. Total amount of CPMB given for assurance of third parties debts in order to conduct of usual business activities	331,912	-	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	24,089,543	7,110,049,394	383,673,962

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

14.3 Collaterals / Pledges / Mortgages / Bill of Guarantees Received

As at 30 September 2024 and 31 December 2023, the Group's position related to CPMB received are as follows:

	30 September 2024	31 December 2023
Letter of guarantees received from fleet customers	1,129,000	1,217,987
Letters of guarantees received from fixed asset and service suppliers	657,996	306,194
Letter of guarantees received from authorized dealers	380,734	444,595
Letters of guarantee received from lessees	107,363	77,415
Total	2,275,093	2,046,191

NOTE 15 – OTHER CURRENT LIABILITIES

As at 30 September 2024 and 31 December 2023, other current liabilities comprise of the following:

	30 September 2024	31 December 2023
VAT payable	518,896	1,854,104
Other current liabilities	116,569	14,741
Total	635,465	1,868,845

NOTE 16 – EQUITY

Issued Capital

As at 30 September 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 nominal value of TL 1,000,000 (31 December 2023: nominal value of TL 1,000,000).

As at 30 September 2024 and 31 December 2023, the composition of the Company's shareholding structure is as follows:

Shareholders	30 September 2024		31 December 2023	
	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	4,282,232		4,282,232	
Total	4,502,232		4,502,232	

(*) 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.

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NOTE 16 – EQUITY (Continued)

Restricted reserves appropriated from profits

The details of the Company's restricted reserves allocated from profit as of 30 September 2024 are as follows:

	PPI indexed legal records	CPI Indexed amounts	Differences followed in previous years' profit and loss
Capital adjustment differences	8,404,026	4,282,232	(4,121,794)
Premium / discount on shares	4,785,148	4,258,954	(526,194)
Restricted reserves allocated from profit	3,084,382	3,995,429	911,047
Total	16,273,556	12,536,615	(3,736,941)

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 be presented under "restricted reserves appropriated from profits". As at 30 September 2024, the legal reserves of the Group amounted to TL 3,995,429 (31 December 2023: TL 3,231,730).

Treasury shares

The Group reacquired its own shares that are traded on Borsa İstanbul A.Ş in accordance with the Communique on Buy Backed Shares (II-22.1) announced by CMB. In this context, as of 31 December 2016, the Group reacquired its own 22,000,000 units of registered shares that are equivalent to 10% portion of its issued capital at an amount of TL 220,274 and accounted as "Treasury shares" under the equity. Additionally, the Group classified "Treasury share reserve" in the amount of the value of the reacquired shares under "Restricted reserves appropriated from profits" in accordance with the relevant communique. The group sold 514,993 of its shares, corresponding to 0.23% of its capital, for 140 full TL/per share in 2022, and 15,400,000 of its shares, corresponding to 7% of the company capital, for 262.50 full TL/per share in 2023 was through special order on the Borsa İstanbul. 6,085,007 shares corresponding to 2.77% capital in 2024 on the Borsa İstanbul using the special order method The group recognized the profit generated from this sale in the share premiums/(discounts) account after offsetting all sales expenses.

In accordance with CMB legislation, the Group bought back 22,000,000 shares in exchange for 10% of its capital in 2016. In 2022, it sold 514,993 shares in exchange for 0.23% of its capital on the stock exchange through a special order method. In 2023, 15,400,000 shares representing 7% of the company's capital were sold on Borsa İstanbul through a special order method. In 2024, all of its 6,085,007 shares representing 2.77% of the company's capital were sold on Borsa İstanbul through a special order method.

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NOTE 16 – EQUITY (Continued)

Gains (Losses) on remeasurements of defined benefit plans

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

Retained earnings / (Accumulated losses)

Accumulated profits other than net current year profit and extraordinary reserves are classified under retained earnings. As at 30 September 2024, retained earnings are TL 38,308,198 (31 December 2023: TL 26,382,476).

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

Financial assets and land and buildings measured at fair value through other comprehensive income are recognized in consolidated financial statements at their fair values. The valuation differences above the inflation realized at the reporting date in carrying amount of the financial assets, land and buildings are recognized in “gains (losses) on remeasuring and/or reclassification of financial assets measured at fair value through other comprehensive income” and “Gains (Losses) on Revaluation of Property, Plant and Equipment” account under equity in the consolidated financial statements respectively. As at 30 September 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 5,214,280 (31 December 2023: TL 5,212,244).

Foreign currency translation differences

Foreign currency translation differences comprise the foreign currency exchange rate differences arising from the translation of the financial statements on foreign currencies from functional currency to the presentation currency of the Group. As at 30 September 2024, the foreign currency translation differences of the Group amounted to does not exist (31 December 2023: does not exist).

Dividend

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

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

Additionally, dividends can be paid in equal or different installments, and cash dividend advances can be distributed based on the profit in the interim financial statements.

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NOTE 16 – EQUITY (Continued)

After the total cash dividend distribution from the profit the group gained as a result of its activities in 2023 was determined to be nominal value of full TL 11,500,000 (exact), the group distributed, in cash, a total dividend consisting of the nominal value of full TL 9,000,000 (exact) that remained after offsetting a total dividend advance payment of a nominal value of full TL 2,500,000 (exact) paid in 2023.

Within the scope of the authority granted to the Board of Directors at the General Assembly held on 16 April 2024, the Group decided to distribute TL 2,200,000 of the interim net profit obtained after deducting the reserve funds that must be set aside according to the relevant laws from the interim net profit of the Company in the period of 1 January 2024 – 30 June 2024, as a dividend advance with a nominal value, and the payment was made.

Non-controlling interests

Equity in a subsidiary that is not attributable, directly or indirectly, to a parent is classified under the “non-controlling interests” in the consolidated financial statements. As at 30 September 2024 and 31 December 2023, the related amounts in the “non-controlling interests” account in the consolidated financial statements are TL 734,421 and TL 688,232 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

As at 30 September, the details of operating expenses for the nine and three month periods ended 30 September are as follows:

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
General administrative expenses	5,382,498	3,012,588	1,956,494	1,112,446
Marketing expenses	3,046,422	2,570,359	1,084,222	909,815
Total	8,428,920	5,582,947	3,040,716	2,022,261

17.1 Marketing Expenses

As at 30 September, the details of marketing expenses for the nine and three month periods ended 30 September are as follows:

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Distribution expenses	1,170,067	1,027,898	387,660	431,560
Advertising expenses	662,671	357,216	194,064	146,524
Warranty expenses, net	570,169	567,455	220,005	99,954
Personnel expenses	497,684	515,018	231,762	195,223
Support expenses	77,524	44,236	22,974	12,961
Customer service expenses	68,307	58,536	27,757	23,593
Total	3,046,422	2,570,359	1,084,222	909,815

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

17.2 General Administrative Expenses

As at 30 September, the details of general administration expenses for the nine and three month periods ended 30 September are as follows:

	1 January – 30 September 2024	1 January – 30 September 2023	1 July – 30 September 2024	1 July – 30 September 2023
Donation expenses	1,841,944	145,331	582,719	1,544
Depreciation and amortization expenses	1,502,232	1,206,991	526,075	412,049
Personnel expenses	1,058,208	781,295	478,546	386,581
Maintenance expenses	278,572	236,746	94,739	75,787
Building expenses	218,309	241,592	80,161	71,283
Insurance expenses	94,537	70,241	33,923	23,174
Consultancy expenses	64,336	55,596	19,418	19,305
Travelling expenses	41,620	38,299	16,538	15,497
Vehicle expenses	31,508	34,553	13,582	14,176
Communication expenses	5,151	8,766	422	2,794
Other	246,081	193,178	110,371	90,256
Total	5,382,498	3,012,588	1,956,494	1,112,446

NOTE 18 – INVESTMENT ACTIVITY INCOME AND EXPENSES

As at 30 September, the details of investment activities for the nine and three month periods ended 30 September are as follows:

	1 January – 30 September 2024	1 January – 30 September 2023	1 July – 30 September 2024	1 July – 30 September 2023
Gain on sale of interest and foreign exchange	239,380	729,632	18,223	95,805
Gain on sale of property and equipment	328,077	-	118,188	(32,323)
Total	567,457	729,632	136,411	63,482

The breakdown of expense from investment activities for the period ended 30 September is presented below:

	1 January – 30 September 2024	1 January – 30 September 2023	1 July – 30 September 2024	1 July – 30 September 2023
Loss on sale of property and equipment	107,182	45,305	740	19,174
Total	107,182	45,305	740	19,174

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NOTE 19 – FINANCE INCOME AND EXPENSES

As at 30 September, the details of finance expense for the nine and three month periods ended 30 September are as follows:

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Interest expense on borrowings	1,650,857	1,456,597	523,350	486,955
Foreign exchange losses on borrowings, net	1,408,239	4,221,789	685,288	352,823
Commission expenses on letters of guarantee	199,686	220,472	57,184	91,890
Interest expense on lease liabilities (Note 7)	52,198	23,024	13,610	5,909
Other	141,573	122,835	48,509	42,256
Total	3,452,553	6,044,717	1,327,941	979,833

As at 30 September, the details of finance income for the nine and three month periods ended 30 September are as follows:

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Interest income	1,723,298	642,844	392,738	251,268
Total	1,723,298	642,844	392,738	251,268

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 30 September 2024 on the total income of the Company and its subsidiaries registered in Türkiye 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 Türkiye, 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).

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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 30 September 2024 are included in the deferred tax and corporate tax calculations as of 30 September 2024.

In line with the decision promulgated in official gazette No. 32676 dated 28 September 2024 and in the official gazette dated 2 August 2024 regarding the application of corporate income tax exemptions to the earnings of real estate investment trusts and real estate investment funds , it was decided 50% of the earnings obtained from immovables will be distributed as dividends and the minimum corporate income tax of 10% will be applied to the earnings real estate investment trusts and real estate investment funds obtain from immovables as of 1 January 2025.

As at 30 September, the details of taxation charge for the nine and three month periods ended 30 September are as follows:

	1 January – 30 September 2024	1 January – 30 September 2023	1 July – 30 September 2024	1 July – 30 September 2023
Current tax income / (expense)	(4,257,174)	(8,223,412)	(1,293,536)	(4,437,262)
Deferred tax income / (expense)	625,671	(151,027)	435,297	91,350
Total	(3,631,503)	(8,374,439)	(858,239)	(4,345,912)

The reconciliation of the current period tax expense in the consolidated profit or loss statements as of September 30 with the tax expense calculated using the current tax rate on pre-tax profit is as follows:

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NOTE 20 – TAX ASSET AND LIABILITIES (Continued)

	1 January - 30 September 2024	1 January - 30 September 2023
Profit before tax	9,645,453	30,643,156
Income tax using the Company's domestic tax rate	(2,411,363)	(7,660,789)
Disallowable expenses	(86,936)	(138,319)
Corporate income exemption from real estate investment trusts	184,821	99,543
Share of profit in equity accounted investees exempt from deferred tax calculation	(270,603)	1,025,350
Inflation accounting adjustments on which no deferred tax is calculated	(1,069,163)	(1,802,569)
Other	21,741	102,345
Total	(3,631,503)	(8,374,439)
	1 July - 30 September 2024	1 July - 30 September 2023
Profit before tax	1,142,105	13,052,846
Income tax using the Company's domestic tax rate	(285,527)	(4,142,727)
Disallowable expenses	19,426	(132,474)
Corporate income exemption from real Estate investment trusts	23,324	204,255
Share of profit in equity accounted investees exempt from deferred tax calculation	(205,409)	478,102
Inflation accounting adjustments on which no deferred tax is calculated	(581,605)	(901,180)
Other	171,552	148,112
Total	(858,239)	(4,345,912)

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

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NOTE 20 – TAX ASSET AND LIABILITIES (Continued)

Deferred taxes

As at 30 September 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)	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023
Fair value change of available-for sale	-	-	(186,530)	(186,530)	(186,530)	(186,530)
Investment properties carried at fair value	-	-	(823,788)	(467,581)	(823,788)	(467,581)
Other tangible and intangible assets	72,417	-	-	(107,014)	72,417	(107,014)
Warranty provision, net	76,668	82,179	-	-	76,668	82,179
Legal provision	20,067	20,119	-	-	20,067	20,119
Provision for diminution in value of inventories	-	-	(35,639)	(66,750)	(35,639)	(66,750)
Employee termination benefit	91,804	63,261	-	-	91,804	63,261
Unused vacation liability	3,486	1,292	-	-	3,486	1,292
Dealer premium accrual	548,141	-	-	-	548,141	-
Other provisions	263,116	-	-	-	263,116	-
Other	-	42,651	(1,844)	-	(1,844)	42,651
Total deferred tax asset/(liabilities)	1,075,699	209,502	(1,047,801)	(827,875)	27,898	(618,373)
Net off tax	(893,175)	(64,345)	893,175	64,345	-	-
Total deferred tax assets/(liabilities)	182,524	145,157	(154,626)	(763,530)	27,898	(618,373)

The movements in temporary differences as at 30 September 2024 are as follows:

	1 January 2024	Recognized in the profit or loss	Recognized in other comprehensive income	30 September 2024
Fair value change of available for sale financial assets	(186,530)	-	-	(186,530)
Investment properties carried at fair value	(467,581)	(356,207)	-	(823,788)
Other tangible and intangible assets	(107,014)	179,431	-	72,417
Warranty provision, net	82,179	(5,511)	-	76,668
Legal provision	20,119	(52)	-	20,067
Stock related adjustments	(66,750)	31,110	-	(35,640)
Employee termination benefit	63,261	7,943	20,600	91,804
Unused vacation liability	1,292	2,194	-	3,486
Sales incentive bonus	-	548,141	-	548,141
Other provisions	-	263,116	-	263,116
Other	42,651	(44,494)	-	(1,843)
	(618,373)	625,671	20,600	27,898

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NOTE 20 – TAX ASSET AND LIABILITIES (Continued)

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

	1 January 2023	Recognized in the profit or loss	Recognized in other comprehensive income	30 September 2023
Fair value change of available for sale financial assets	(259,138)	-	-	(259,138)
Investment properties carried at fair value	13,411	(61,337)	-	(47,926)
Other tangible and intangible assets	924,578	(607,610)	-	316,968
Warranty provision, net	51,497	18,687	-	70,184
Legal provision	21,332	9,653	-	30,985
Stock related adjustments	(28,576)	(105,233)	-	(133,809)
Employee termination benefit	66,439	(19,850)	28,825	75,414
Unused vacation liability	19,917	(29,507)	-	(9,590)
Dealer premium accrual	-	594,094	-	594,094
Other	16,432	50,076	-	66,508
	825,892	(151,027)	28,825	703,690

As at 30 September 2024, current income tax liabilities amounting to TL 1,288,003 (31 December 2023: TL 256,788) is comprised by tax provision for the period ended 30 September 2024.

As of September 30, 2024, the Group has a current tax asset of TL 1,034 (31 December 2023: 795).

NOTE 21 – EARNINGS PER SHARE

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

	1 January – 30 September 2024	1 January – 30 September 2023	1 July – 30 September 2024	1 July – 30 September 2023
Net profit attributable to the equity holders of the Company	5,974,031	20,780,225	286,647	7,225,636
Number of basic shares	218,411,686	200,055,442	218,411,686	204,189,164
Basic / diluted earnings per share (in full TL)	27,3522	103,8723	1,3124	35,3870

NOTE 22 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES

22.1 Due from related parties

22.1.1 Due from associates

	30 September 2024	31 December 2023
Yüce Auto	131,516	70,006
VDF Servis	-	137
Total	131,516	70,143

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

22.1 Due from related parties (Continued)

22.1.2 Due from joint ventures

	30 September 2024	31 December 2023
TÜVTURK	41	82
Total	41	82

22.1.3 Due from other related parties

	30 September 2024	31 December 2023
VDF Faktoring Hizmetleri A.Ş.		
("VDF Faktoring")	7,013,528	11,098,738
Doğuş Otel Yatırımları ve Turizm A.Ş.	8,161	-
Pozitif Arena Konser Salon İşletmeleri A.Ş.	25,002	-
VDF Sigorta Aracılık Hizmetleri A.Ş.	5,894	14,994
VDF Filo Kiralama A.Ş.	6,812	483,717
Doğuş Yayın Grubu A.Ş.	-	14,278
D Otel Marmaris Turizm İşletmeciliği Tic. ve San. A.Ş.	3	383
Volkswagen Doğuş Finansman A.Ş. ("VDF")	136	7516
Other	722	11,153
Total	7,060,258	11,630,779

22.1.4 Due from shareholders

	30 September 2024	31 December 2023
Doğuş Holding	148,657	66,755
Total	148,657	66,755
Grand total	7,340,472	11,767,759

As of 30 September 2024, the Group imposes 4.29% 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

	30 September 2024	31 December 2023
Doğuş Teknoloji	5,749	5,090
Total	5,749	5,090

22.2.2 Other current receivables from shareholders

	30 September 2024	31 December 2023
Doğuş Holding	1,981,046	-
Total	1,981,046	-

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

22.2 Other receivables due from related parties (Continued)

22.2.3 Other current receivables due from other related parties

	30 September 2024	31 December 2023
VDF Filo Kiralama A.Ş. (sublease receivables)	31,207	34,030
Total	31,207	34,030
Grand total	2,018,002	39,120

22.2.4 Other non-current receivables due from related parties

	30 September 2024	31 December 2023
VDF Filo Kiralama A.Ş. (sublease receivables)	1,609	32,128
Total	1,609	32,128

22.3 Current prepayments due from related parties

22.3.1 Current prepaid expenses to related parties

22.3.1.1 Current prepaid expenses to associates

	30 September 2024	31 December 2023
Doğuş Teknoloji	15,234	15,466
Total	15,234	15,466

22.3.1.2 Current prepaid expenses to other related parties

	30 September 2024	31 December 2023
Pozitif Arena Salon İşletmeleri A.Ş.	21,985	35,810
Doğuş Spor Kompleksi Yatırım ve İşletme A.Ş.	3,937	-
Antur Turizm A.Ş.	39,554	4,593
Other	4,557	1,023
Total	70,033	41,426

22.3.1.3 Current prepaid expenses to shareholders

	30 September 2024	31 December 2023
Doğuş Holding	232	1,958
Total	232	1,958
Grand total	85,499	58,850

22.3.2 Non-Current prepaid expenses to related parties

22.3.2.1 Non-current prepaid expenses

	30 September 2024	31 December 2023
Doğuş Teknoloji	4,964	5,117
Antur Turizm A.Ş.	-	1
Total	4,964	5,118

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

22.4 Trade payables to related parties

22.4.1 Trade payables due to associates

	30 September 2024	31 December 2023
Yüce Auto	806,410	1,493,768
Doğuş Teknoloji	105,974	188,588
Total	912,384	1,682,356

22.4.2 Trade payables due to joint ventures

	30 September 2024	31 December 2023
TÜVTURK	8	-
Total	8	-

22.4.3 Trade payables due to other related parties

	30 September 2024	31 December 2023
Volkswagen Doğuş Finansman A.Ş.	116,763	258,966
Antur Turizm A.Ş.	69,270	134,336
Galataport İstanbul Liman İşletmeciliği ve Yatırımları A.Ş.	9,922	-
Doğuş İnşaat ve Ticaret A.Ş.	9,219	10,297
VDF Filo Kiralama A.Ş.	4,653	7,320
VDF Faktoring	7,889	3,657
TDB Kalibrasyon Hizmetleri A.Ş.	2,046	2,266
Other	5,306	27,708
Total	225,068	444,550

22.4.4 Trade payables due to shareholders

	30 September 2024	31 December 2023
Doğuş Holding	199,506	192,252
Total	199,506	192,252
Grand total	1,336,966	2,319,158

22.5 Deferred Income from Related Parties

22.5.1 Deferred income from joint ventures

	30 September 2024	31 December 2023
Doğuş Holding	-	1,440
Total	-	1,440

22.5.2 Deferred income from other related parties

	30 September 2024	31 December 2023
Günaydın Üretim Lojistik A.Ş.	240	-
Total	240	-
Grand Total	240	1,440

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

22.6 Related Party Transactions

As at and for the nine-month periods ended 30 September, the amounts of transactions with related parties are as follows:

22.6.1 Subsidiaries

	1 January – 30 September 2024	1 January – 30 September 2023	1 July – 30 September 2024	1 July – 30 September 2023
Sales and other income generating transactions:				
Other income	561,508	411,686	200,792	136,445
Sale of products and returns, net	179,738	144,349	50,987	13,191
Sale of services, net	3,545	3,295	1,190	1,157
Financial income	1,872	930	680	353
Total	746,663	560,260	253,649	151,146
Purchases and expenses incurring transactions:				
Inventory purchase	5,262,987	6,958,913	1,944,447	2,221,577
Fixed asset purchases	487,372	355,957	168,806	115,022
Other purchases	436,005	411,808	164,277	172,971
Services rendered	195,151	149,444	64,946	47,022
Other expenses	18,456	18,013	5,681	6,166
Total	6,399,971	7,894,135	2,348,157	2,562,758

22.6.2 Joint ventures

	1 January – 30 September 2024	1 January – 30 September 2023	1 July – 30 September 2024	1 July – 30 September 2023
Sales and other income generating transactions:				
Sale of products and returns, net	15,427	9,621	172	6,918
Sale of services, net	304	390	65	234
Other income	39	11	1	11
Total	15,770	10,022	238	7,163
Purchases and expenses incurring transactions:				
Inventory purchase	7,913	16,022	563	4,947
Services purchases	428	445	112	131
Other purchases	-	4	-	2
Total	8,341	16,471	675	5,080

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NOTE 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**

1 January - 30 September 2024						
	Sale of products	Sale of services	Sale of fixed asset	Other income from operating activities	Financial income	Total
VDF Filo	1,010,613	32,145	-	6,413	-	1,049,171
VDF	59	-	-	2,671	-	2,730
VDF Sigorta	1	2	-	43,560	-	43,563
VDF Faktoring	-	-	-	-	-	-
Other	120,199	1,191	-	2,704	-	124,094
	1,130,872	33,338	-	55,348	-	1,219,558
1 January - 30 September 2023						
	Sale of products	Sale of services	Sale of fixed asset	Other income from operating activities	Financial income	Total
VDF Filo	2,343,451	27,663	-	7,963	-	2,379,077
VDF	-	-	-	595	-	595
VDF Sigorta	5	4	-	61,337	-	61,346
VDF Faktoring	-	-	-	-	-	-
Other	116,722	1007	15	1,236	-	118,980
	2,460,178	28,674	15	71,131	-	2,559,998
1 July - 30 September 2024						
	Sale of products	Sale of services	Sale of fixed asset	Other income from operating activities	Financial income	Total
VDF Filo	474,274	12,478	-	1,761	-	488,513
VDF	-	-	-	729	-	729
VDF Sigorta	-	-	-	15,109	-	15,109
VDF Faktoring	-	-	-	-	-	-
Other	27,230	209	-	381	-	27,820
	501,504	12,687	-	17,980	-	532,171
1 July - 30 September 2023						
	Sale of products	Sale of services	Sale of fixed asset	Other income from operating activities	Financial income	Total
VDF Filo	1,594,733	8,301	-	3,350	-	1,606,384
VDF	-	-	-	-	-	-
VDF Sigorta	-	-	-	17,847	-	17,847
VDF Faktoring	-	-	-	-	-	-
Other	28,350	170	-	365	-	28,885
	1,623,083	8,471	-	21,562	-	1,653,116

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

22.6 Related Party Transactions (Continued)

b) Expenses arising from transactions with other related parties

1 January - 30 September 2024								
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Consumer loan incentive expenses	Other expenses from operating activities	Total
Antur Turizm	232,116	-	3,022	-	6	-	46,520	281,664
VDF Sigorta	17	-	-	-	-	-	25	42
VDF Filo	45,325	-	74,578	-	-	-	-	119,903
VDF Faktoring	-	-	-	33,003	4	-	-	33,007
Other	46,141	16,105	5,218	-	415,439	726,296	60,774	1,269,973
	323,599	16,105	82,818	33,003	415,449	726,296	107,319	1,704,589

	1 January - 30 September 2023							
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Consumer loan incentive expenses	Other expenses from operating activities	Total
Antur Turizm	160,032	-	6,049	-	11	-	18,783	184,875
VDF Sigorta	830	-	-	-	1	-	6	837
VDF Filo	44,491	-	195,273	-	2	-	-	239,766
VDF Faktoring	-	-	-	31,948	-	-	-	31,948
Other	32,901	5,519	8,598	-	25	-	49,083	96,126
	238,254	5,519	209,920	31,948	39	-	67,872	553,552

1 July - 30 September 2024								
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Consumer loan incentive expenses	Other expenses from operating activities	Total
Antur Turizm	71,942	-	2,665	-	-	-	24,921	99,528
VDF Sigorta	-	-	-	-	-	-	18	18
VDF Filo	13,964	-	62,175	-	4	-	-	76,143
VDF Faktoring	-	-	-	13,577	-	-	-	13,577
Other	25,929	6,375	1,599	-	301,767	385,192	18,919	739,781
	111,835	6,375	66,439	13,577	301,771	385,192	43,858	929,047

1 July - 30 September 2023								
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other Purchases	Consumer loan incentive expenses	Other expenses from operating activities	Total
Antur Turizm	58,929	-	(365)	-	1	-	5400	63,965
VDF Sigorta	(59)	-	-	-	1	-	6	(52)
VDF Filo	13,007	-	54,649	-	1	-	-	67,657
VDF Faktoring	-	-	-	12,690	-	-	-	12,690
Diğer	6,229	2,584	7,677	-	1	-	15,710	32,201
	78,106	2,584	61,961	12,690	4	-	21,116	176,461

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NOTE 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**

1 January - 30 September 2024					
	Sales of products	Sale of services	Financing income	Other income from operating activities	Total
Doğuş Holding	175,422	4,914	665,458	-	845,794
	175,422	4,914	665,458	-	845,794
1 January - 30 September 2023					
	Sale of products	Sale of services	Financing income	Other income from operating activities	Total
Doğuş Holding	140,288	6,934	7,783	-	155,005
	140,288	6,934	7,783	-	155,005
1 July - 30 September 2024					
	Sale of products	Sale of services	Financing income	Other income from operating activities	Total
Doğuş Holding	65,267	1,900	260,204	-	327,371
	65,267	1,900	260,204	-	327,371
1 July - 30 September 2023					
	Sale of products	Sale of services	Financing income	Other income from operating activities	Total
Doğuş Holding	31,011	3,287	-	-	34,298
	31,011	3,287	-	-	34,298

b) Expenses arising from transactions with shareholders

1 January - 30 September 2024						
Doğuş Holding	Services rendered	Purchase of fixes asset	Purchase of inventory	Finance expenses	Other expenses from operating	Total
	33,617	-	-	79,209	1,733	114,559
	33,617	-	-	79,209	1,733	114,559
1 January - 30 September 2023						
Doğuş Holding	Services rendered	Purchase of fixes asset	Purchase of inventory	Finance expenses	Other expenses from operating	Total
	31,251	-	687	48,266	3,027	83,231
	31,251	-	687	48,266	3,027	83,231

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

22.6 Related Party Transactions (Continued)

1 July - 30 September 2024						
	Services rendered	Purchase of fixes asset	Purchase of inventory	Finance expenses	Other expenses from operating	Total
Doğuş Holding	10,440	-	-	26,214	516	37,170
	10,440	-	-	26,214	516	37,170
1 July - 30 September 2023						
	Services rendered	Purchase of fixes asset	Purchase of inventory	Finance expenses	Other expenses from operating	Total
Doğuş Holding	11,862	-	(48)	15,197	879	27,890
	11,862	-	(48)	15,197	879	27,890

22.7 Key management personnel compensation

	1 January – 30 September 2024	1 January – 30 September 2023	1 July – 30 September 2024	1 July – 30 September 2023
Salaries and other short- term employee benefits	1,153,015	739,942	375,746	325,847
Total	<u>1,153,015</u>	<u>739,942</u>	<u>375,746</u>	<u>325,847</u>

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 30 September 2024 and 2023 includes salaries, health insurance and employer shares of Social Security Institution.

NOTE 23 – FINANCIAL INSTRUMENTS

Financial instruments and financial 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.

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NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

The following table sets out the Group's financial liability to equity ratio as at 30 September 2024 and 31 December 2023:

	30 September 2024	31 December 2023
Total financial liabilities	11,875,151	14,646,359
Cash and cash equivalents	(1,408,812)	(10,384,632)
Total financial liabilities, net	10,466,339	4,261,727
Total equity	51,894,866	56,851,561
Financial liabilities / equity ratio	0,20	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 remaining 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).

30 September 2024	Receivables				Bank deposits	Derivative instruments	Other
	Trade receivables		Other receivables				
	Related parties	Other parties	Related parties	Other parties			
Exposure to maximum credit risk as at reporting date (A+B+C+D) (*)	7,340,472	4,665,595	2,019,611	908,493	1,408,789	-	-
- Guaranteed portion of the maximum exposure	-	1,457,972	-	-	-	-	-
A. Net carrying amount of financial assets which are neither impaired nor overdue (**)	7,338,611	3,613,851	2,019,611	908,493	1,408,789	-	-
B. Net carrying amount of financial assets which are overdue but not impaired (***)	1,861	1,051,744	-	-	-	-	-
C. Net carrying amount of impaired assets	-	-	-	-	-	-	-
- Past due (gross book value)	-	20,232	-	-	-	-	-
- Impairment (-)	-	(20,232)	-	-	-	-	-
- Guaranteed portion of net values (*)	-	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Guaranteed portion of net values (*)	-	1,457,972	-	-	-	-	-
D. Off financial statement items with credit risks (****)	-	-	-	-	-	-	-

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

(**) As at 30 September 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 30 September 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 30 September 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)

31 December 2023	Receivables				Bank deposits	Derivative instruments	Other
	Trade receivables		Other receivables				
	Related parties	Other parties	Related parties	Other parties			
Exposure to maximum credit risk as at reporting date (A+B+C+D) (*)	11,767,759	5,730,154	71,248	655,403	10,384,557	-	-
- Guaranteed portion of the maximum exposure	-	1,332,811	-	-	-	-	-
A. Net carrying amount of financial assets which are neither impaired nor overdue (**)	11,766,668	5,610,763	71,248	655,403	10,384,557	-	-
B. Net carrying amount of financial assets which are overdue but not impaired (***)	1,091	119,391	-	-	-	-	-
C. Net carrying amount of impaired assets	-	-	-	-	-	-	-
- Past due (gross book value)	-	28,150	-	-	-	-	-
- Impairment (-)	-	(28,150)	-	-	-	-	-
- Guaranteed portion of net values (*)	-	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Guaranteed portion of net values (*)	-	1,332,811	-	-	-	-	-
D. Off financial statement items with credit risks (****)	-	-	-	-	-	-	-

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

(**) As at 30 September 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 30 September 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 30 September 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.

Aging of past due receivables that are not impaired

As at 30 September 2024 and 31 December 2023, the aging of receivables that are past due but not impaired is as follows:

30 September 2024	Receivables		Deposits on banks	Derivative instruments	Other
	Trade receivables	Other receivables			
Past due 1-30 days	1,053,605	-	-	-	-
Past due 1-3 months	-	-	-	-	-
Past due 3-12 months	-	-	-	-	-
Past due 1-5 years	-	-	-	-	-
More than 5 years	-	-	-	-	-
Portion of assets overdue secured by guarantee etc,	1,003,421	-	-	-	-

31 December 2023	Receivables		Deposits on banks	Derivative instruments	Other
	Trade receivables	Other receivables			
Past due 1-30 days	120,482	-	-	-	-
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,	10	-	-	-	-

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NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

(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 capacity of one month's cash out flow including cash and cash equivalent, available line of credit and factoring capacity. In this context, as at 30 September 2024 the Group have lines of credit amounting to EUR 1,140,686, USD 489,000, CHF 5,000 and TL 6,427,500 (31 December 2023: 1,275,686 EUR, 317,000 USD 5,000 CHF ve TL 5,478,568). 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 300,600 equivalent to TL 11,474,323 (31 December 2023: EUR 276,100 equivalent to TL 12,218,809) that enables the Group to perform credit purchases from original equipment manufacturers with an option to pay up to one year. The Group's credit purchase limit amounting to EUR 252,171, equivalent to TL 9,625,707 are utilized (31 December 2023: EUR 123,025 equivalent to TL 5,444,458 is used).

As of September 30, 2024, and December 31, 2023, the maturity distribution of financial liabilities is as follows:

Contractual maturities	30 September 2024					
	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	10,785,407	12,773,424	1,685,016	4,903,741	6,184,667	-
Trade payables to related parties	1,336,966	1,336,966	1,336,966	-	-	-
Other payables to third parties	13,013,457	13,013,457	3,575,176	9,438,281	-	-
Trade payables to third parties	6,874	6,874	6,874	-	-	-
Employee benefit obligations	130,239	130,239	130,239	-	-	-
Lease liabilities	1,089,744	2,762,324	339,967	358,363	1,958,630	105,364
Other current liabilities (*)	116,569	116,569	116,569	-	-	-
Total non-derivative financial liabilities	26,479,256	30,139,853	7,190,807	14,700,385	8,143,297	105,364

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NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

Contractual maturities	31 December 2023					
	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	13,300,046	15,936,844	2,374,657	4,463,339	9,098,848	-
Trade payables to related parties	2,319,158	2,319,158	2,319,158	-	-	-
Other payables to third parties	5,819	5,820	669	-	-	-
Trade payables to third parties	9,257,382	9,257,380	3,925,576	5,331,804	5,151	-
Employee benefit obligations	298,815	298,815	298,815	-	-	-
Lease liabilities	1,346,313	1,636,025	79,780	231,260	1,308,858	16,127
Other current liabilities (*)	14,742	14,742	14,742	-	-	-
Total non-derivative financial liabilities	26,542,275	29,468,784	9,013,397	10,026,403	10,412,857	16,127

(*) 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 conversion 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 when necessary.

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

Currency sensitivity analysis		
30 September 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	(831)	831
2- USD risk averse portion (-)	-	-
3- Net USD effect (1+2)	(831)	831
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	(351,971)	351,971
5- Euro risk averse portion (-)	-	-
6- Net Euro effect (4+5)	(351,971)	351,971
TOTAL (3+6)	(352,802)	352,802

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NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

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	(13,479)	13,479
2- USD risk averse portion (-)	-	-
3- Net USD effect (1+2)	(13,479)	13,479
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	541,917	(541,917)
5- Euro risk averse portion (-)	-	-
6- Net Euro effect (4+5)	541,917	(541,917)
TOTAL (3+6)	528,438	(528,438)

Currency sensitivity analysis		
30 September 2023		
	Profit/loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against TL		
1- Net USD asset/liability	(3,436)	3,436
2- USD risk averse portion (-)	-	-
3- Net USD effect (1+2)	(3,436)	3,436
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	871,676	(871,676)
5- Euro risk averse portion (-)	-	-
6- Net Euro effect (4+5)	871,676	(871,676)
TOTAL (3+6)	868,240	(868,240)

Foreign exchange rates for USD, Euro and CHF as at 30 September 2024, 31 December 2023 and 30 September 2023 are as follows:

	30 September 2024	31 December 2023	30 September 2023
USD	34.1210	29.4382	27.3767
EUR	38.1714	32.5739	29.0305
CHF	40.3765	34.9666	29.9837

As at 30 September 2024, net position of the Group is resulted from foreign currency assets and liabilities as shown below:

	30 September 2024				
	Total TL equivalent	Original balances			
		USD	EUR	CHF	Other
Assets:					
Trade receivables	17,292	-	453	-	-
Monetary financial assets	42,695	3	1,110	3	5
Other monetary assets	13,175,534	361	344,845	-	-
Total assets	13,235,521	364	346,408	3	5
Trade payables	10,055,362	607	262,884	-	-
Financial liabilities	1,888,225	-	49,467	-	-
Other monetary liabilities	1,527	-	40	-	-
Current liabilities	11,945,114	607	312,391	-	-
Financial liabilities	5,172,301	-	135,502	-	-
Non-current liabilities	5,172,301	-	135,502	-	-
Total liabilities	17,117,415	607	447,893	-	-
Net foreign currency liability position of derivative financial liabilities off statement of financial position	354,081	-	9,276	-	-
Net foreign currency (liability)/asset position	(3,527,813)	(243)	(92,209)	3	5
Monetary items net foreign (liability)/asset position					
Sureties and letters of guarantee taken	187,394	280	4,659	-	-
Sureties and letters of guarantee given	15,589,849	-	408,417	-	-
Import	89,242,367	-	2,337,938	-	-

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NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

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

	Total TL equivalent	31 December 2023			
		Original balances			
		USD	EUR	CHF	Other
Assets:					
Trade receivables	-	-	-	-	-
Monetary financial assets	6,384,689	16	144,252	3	8
Other monetary assets	7,315,726	582	164,782	-	5
Total assets	13,700,415	598	309,034	3	13
Trade payables	5,835,370	3,968	128,220	-	46
Financial liabilities	2,574,048	-	58,164	-	-
Other monetary liabilities	8,718	-	197	-	-
Current liabilities	8,418,136	3,968	186,581	-	46
Financial liabilities	8,293,522	-	187,403	-	-
Non-current liabilities	8,293,522	-	187,403	-	-
Total liabilities	16,711,658	3,968	373,984	-	-
Net foreign currency liability position of derivative financial liabilities off statement of financial position	1,709,262	-	38,623	-	-
Net foreign currency (liability)/asset position	(1,301,981)	(3,370)	(26,327)	3	(33)
Monetary items net foreign (liability)/asset position					
Sureties and letters of guarantee taken	197,968	495	4,026	-	-
Sureties and letters of guarantee given	12,553,996	-	283,674	-	-
Import	146,436,027	-	3,308,914	-	-

As at 30 September 2024, goods-in-transit of the Group amount to EUR 319,421 equivalent to TL 12,192,752 (31 December 2023: EUR 204,991 equivalent to TL 6,677,367).

(d) Market risk

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

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

Under the assumption of 10% increase/decrease in share prices as at 30 September 2024, all other variables held constant, the Group's equity would have been increased/decreased by TL 148,531 (31 December 2023: TL 148,531).

(e) Interest rate risk

As of 30 September 2024 if interest rates on TL and Euro denominated floating rate borrowings had been higher/lower by 100 basis points with all other variables held constant, profit before income taxes would have been 57,406 TL higher/lower, mainly as a result of additional interest expense on floating rate borrowings (31 December 2023: TL 210,971).

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NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

(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.

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. Consequently, 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 converge 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 converge 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 converge its fair value.

Financial liabilities

Short-term TL denominated bank borrowings are assumed to converge to its fair value. Some of long-term borrowings, denominated in foreign currency and TL are assumed to converge 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 converge their fair values. If available, estimated fair value of financial instruments is determined by the Group whom using the existing market information or appropriate valuation methods.

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

30 September 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
<u>Financial assets</u>					
Cash and cash equivalents	1,408,812	-	-	1,408,812	5
Financial investments	-	4,933,923	-	4,933,923	6
Trade receivables from third parties	4,665,595	-	-	4,665,595	8
Other receivables from third parties	908,493	-	-	908,493	-
Trade receivables from related parties	7,340,472	-	-	7,340,472	22
Other receivables from related parties	2,019,611	-	-	2,019,611	22
<u>Financial liabilities</u>					
Trade payables to third parties	-	-	13,013,457	13,013,457	8
Other payables to third parties	-	-	6,874	6,874	-
Trade payables to related parties	-	-	1,336,966	1,336,966	22
Borrowings	-	-	10,785,407	10,785,407	7
Lease liabilities	-	-	1,089,744	1,089,744	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
<u>Financial assets</u>					
Cash and cash equivalents	10,384,632	-	-	10,384,632	5
Financial investments		6,289,104	-	6,289,104	6
Trade receivables from third parties	5,730,154	-	-	5,730,154	8
Other receivables from third parties	655,403	-	-	655,403	-
Trade receivables from related parties	11,767,759	-	-	11,767,759	22
Other receivables from related parties	71,248	-	-	71,248	22
<u>Financial liabilities</u>					
Trade payables to third parties	-	-	9,257,382	9,257,382	8
Other payables to related parties	-	-	5,819	5,819	-
Trade payables to related parties	-	-	2,319,158	2,319,158	22
Borrowings	-	-	13,300,046	13,300,046	7
Lease liabilities	-	-	1,346,313	1,346,313	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:

	30 September 2024			
	Level 1	Level 2	Level 3	Total
Financial assets:				
FX protected time deposit	354,081	-	-	354,081
Financial assets measured at fair value through other comprehensive income (Note 6)	-	4,579,842	-	4,579,842
Total financial assets	354,081	4,579,842	-	4,933,923
	31 December 2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
FX protected time deposit	1,709,262	-	-	1,709,262
Financial assets measured at fair value through other comprehensive income (Note 6)	-	4,579,842	-	4,579,842
Total financial assets	1,709,262	4,579,842	-	6,289,104

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NOTE 24 – RIGHT OF USE ASSET

As of 30 September 2024, the net book value of the right of use assets is TL 134,933 (30 September 2023: TL 130,810). As of 30 September 2024 and 2023, the balances of the right to use assets and the depreciation and amortization expenses during the period are as follows:

2024	Showroom and area leases	Motor vehicles	Total
Right of use asset – 1 January	42,032	44,007	86,039
Additions	154,789	9,519	164,308
Disposals	-	(246)	(246)
Depreciation expenses	(72,616)	(42,553)	(115,169)
Right of use asset – 30 September	124,204	10,729	134,933

2023	Showroom and area leases	Motor vehicles	Total
Right of use asset – 1 January	41,132	98,137	139,269
Additions	92,521	17,663	110,184
Disposals	-	(2,650)	(2,650)
Depreciation expenses	(64,187)	(51,806)	(115,993)
Right of use asset – 30 September	69,466	61,344	130,810

As of 30 September 2024, TL 115,169 depreciation expense arising from the usage rights is accounted under general administrative expenses (30 September 2023: TL 115,993).

NOTE 25 – SUBSEQUENT EVENTS

Does not exist.

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