

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

**Interim Condensed Consolidated Financial Statements  
As of March 31, 2024**

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

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

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(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of March 31, 2024, unless otherwise stated)

	Notes	Unaudited Current Period 31 March 2024	Audited Prior Period 31 December 2023
<b>ASSETS</b>			
<b>Current Assets</b>		<b>11.584.948.738</b>	<b>12.807.038.146</b>
Cash and Cash Equivalents	4	1.978.027.303	4.216.966.919
Trade Receivables		3.538.483.608	3.388.348.238
<i>Trade Receivables from Related Parties</i>	7-23	101.936.711	118.888.312
<i>Trade Receivables from Third Parties</i>	7	3.436.546.897	3.269.459.926
Other Receivables		23.898.180	117.243.900
<i>Other Receivables from Third Parties</i>		23.898.180	117.243.900
Inventories	9	4.736.535.059	4.225.875.182
Derivative Instruments	8	38.891.765	99.884.042
Prepaid Expenses	16	1.221.057.430	690.656.618
Other Current Assets		48.055.393	68.063.247
<b>Non-Current Assets</b>		<b>9.272.678.629</b>	<b>9.169.540.520</b>
Financial Investments	5	12.703.059	16.884.422
Other Receivables		3.642	4.193
<i>Other Receivables from Third Parties</i>		3.642	4.193
Property, Plant and Equipment	10	7.384.269.179	7.390.551.208
Right of Use Assets	12	88.398.483	95.146.198
Intangible Assets		1.784.668.410	1.665.815.881
<i>Goodwill</i>		122.253.029	122.253.029
<i>Other Intangible Assets</i>	11	1.662.415.381	1.543.562.852
Prepaid Expenses	16	2.635.856	1.138.618
<b>TOTAL ASSETS</b>		<b>20.857.627.367</b>	<b>21.976.578.666</b>

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

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

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(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of March 31,2024, unless otherwise stated)

	Notes	Unaudited Current Period 31 March 2024	Audited Prior Period 31 December 2023
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>9.360.375.647</b>	<b>10.638.098.825</b>
Current Borrowings		2.247.966.098	4.349.981.367
<i>Current Borrowings from Third Parties</i>	6	2.247.966.098	4.349.981.367
<i>Bank Loans</i>	6	2.247.966.098	4.349.981.367
Current Portions of Non-Current Borrowings		1.106.475.492	805.454.589
<i>Current Portions of Non-Current Borrowings from Third Parties</i>	6	1.106.475.492	805.454.589
<i>Bank Loans</i>	6	1.064.059.586	751.584.631
<i>Lease Liabilities</i>	6	42.415.906	53.869.958
Trade Payables		5.133.021.662	4.289.243.249
<i>Trade Payables to Related Parties</i>	7-23	2.493.946.876	2.397.814.414
<i>Trade Payables to Third Parties</i>	7	2.639.074.786	1.891.428.835
Other Payables		29.334.162	46.967.858
<i>Other Payables to Related Parties</i>	23	9.109	10.481
<i>Other Payables to Third Parties</i>		29.325.053	46.957.377
Derivative Instruments	8	23.269.314	38.177.876
Employee Benefits Obligations		108.630.962	111.352.871
Liabilities Arising from Contracts with Customers	16	20.485.857	20.759.270
Deferred Income	16	375.628.258	573.578.955
Provisions for Income Taxes and Other Legal Liabilities		12.541.261	304.159
Current Provisions		303.022.581	402.278.631
<i>Current Provisions for Employee Benefits</i>	15	51.744.553	136.250.713
<i>Other Current Provisions</i>	14	251.278.028	266.027.918
<b>Non-Current Liabilities</b>		<b>1.602.353.319</b>	<b>1.840.983.276</b>
Non-Current Borrowings		627.447.844	908.333.103
<i>Non-Current Borrowings from Third Parties</i>		627.447.844	908.333.103
<i>Bank Loans</i>	6	335.337.871	577.307.907
<i>Lease Liabilities</i>	6	292.109.973	331.025.196
			29.320.974
Provisions for employee benefits		38.648.697	
Liabilities Arising from Contracts with Customers	16	216.620.569	222.634.655
Deferred Income	16	90.984.940	82.354.777
Non-Current Provisions for Employee Benefits	15	45.620.292	55.011.361
Deferred Tax Liabilities	21	583.030.977	543.328.406
<b>EQUITY</b>		<b>9.894.898.401</b>	<b>9.497.496.565</b>
<b>Equity Attributable to Equity Holders of the Parent</b>	<b>17</b>	<b>9.894.898.401</b>	<b>9.497.496.565</b>
Issued Capital		252.000.000	252.000.000
Adjustments to Share Capital		2.064.460.695	2.064.460.695
Revaluation and Remeasurement Earnings/Losses that will not be Reclassified in Profit or Loss		2.193.205.633	2.193.205.633
<i>Gain on Revaluation of Property, Plant and Equipment</i>		2.260.867.478	2.260.867.478
<i>Gain/Loss on Remeasurement of Defined Benefit Plans</i>		(67.661.845)	(67.661.845)
Restricted Reserves Appropriated from Profits		366.188.059	366.188.059
Prior Years' Profit/Losses		4.621.642.178	2.764.265.179
Current Period Net Profit or Losses		397.401.836	1.857.376.999
<b>TOTAL LIABILITIES</b>		<b>20.857.627.367</b>	<b>21.976.578.666</b>

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

**ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 MARCH 2024 AND 31 MARCH 2023**

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of March 31, 2024, unless otherwise stated)

	Notes	Unaudited 1 January- 31 March 2024	Unaudited 1 January- 31 March 2023
<b>PROFIT OR LOSS</b>			
Revenue	18	4.499.706.631	3.931.348.987
Cost of Sales (-)	18	(3.834.459.871)	(3.293.440.875)
<b>GROSS PROFIT (LOSS)</b>		<b>665.246.760</b>	<b>637.908.112</b>
General Administrative Expenses (-)		(147.466.937)	(132.887.667)
Marketing Expenses (-)		(283.784.857)	(263.896.645)
Research and Development Expenses (-)		(35.855.955)	(33.392.792)
Other Income from Operating Activities	19	126.846.345	93.253.902
Other Expenses from Operating Activities (-)	19	(261.592.596)	(163.483.391)
<b>PROFIT (LOSS) FROM OPERATING ACTIVITIES</b>		<b>63.392.760</b>	<b>137.501.519</b>
Income from Investing Activities		7.765.102	9.400.291
Expense from Investing Activities		-	(29.923.619)
<b>PROFIT/LOSS BEFORE FINANCE EXPENSE</b>		<b>71.157.862</b>	<b>116.978.191</b>
Finance Income	20	384.121.144	258.540.173
Finance Expenses (-)	20	(446.095.352)	(365.783.815)
Monetary Gain/(Loss)		440.842.158	414.708.164
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAX</b>		<b>450.025.812</b>	<b>424.442.713</b>
<b>Tax Income/(Expense) From Continuing Operations</b>		<b>(52.623.976)</b>	<b>55.671.946</b>
Current Tax (Expense) Income		(26.719.707)	(47.080.605)
Deferred Tax (Expense) Income		(25.904.269)	102.752.551
<b>PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>397.401.836</b>	<b>480.114.659</b>
<b>PROFIT (LOSS) FOR THE YEAR</b>		<b>397.401.836</b>	<b>480.114.659</b>
<b>Profit (Loss) for the Year Attributable to:</b>		<b>397.401.836</b>	<b>480.114.659</b>
Owners of The Parent		<b>397.401.836</b>	<b>480.114.659</b>
<b>Earnings/(Losses) Per 100 Share from Continuing Operations</b>		<b>1,5770</b>	<b>5,7157</b>
<b>OTHER COMPREHENSIVE INCOME (EXPENSE)</b>		<b>397.401.836</b>	<b>480.114.659</b>
<b>TOTAL COMPREHENSIVE INCOME (EXPENSE)</b>		<b>397.401.836</b>	<b>480.114.659</b>
Owners of The Parent		<b>397.401.836</b>	<b>480.114.659</b>

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

**ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE PERIODS ENDED 31 MARCH 2024 AND 31 MARCH 2023**

*(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of March 31, 2024, unless otherwise stated)*

Prior Period	Notes	Issued Capital	Adjustments to Share Capital	Gain / Loss on Revaluation and Remeasurement That Will Not Be Reclassified to Profit or Loss			Retained Earnings		Total Equity
				Gain on Revaluation of Property, Plant and Equipment	Gain/Loss on Remeasurement of Defined Benefit Plans	Restricted Reserves Appropriated from Profits	Prior Years' Profits/Losses	Current Period Net Profit or Losses	
<b>Balances as of 1 January 2022 (Beginning of the Period)</b>	17	84.000.000	2.039.152.758	1.484.533.963	(81.167.359)	315.898.078	2.434.546.609	902.452.736	7.179.416.785
<b>Total Comprehensive Income (Expense)</b>		-	-	-	-	-	-	480.114.661	480.114.661
Profit for the Period		-	-	-	-	-	-	480.114.661	480.114.661
Transfers		-	-	-	-	-	902.452.736	(902.452.736)	-
<b>Balances as of 31 March 2023 (End of the Period)</b>	17	84.000.000	2.039.152.758	1.484.533.963	(81.167.359)	315.898.078	3.336.999.345	480.114.661	7.659.531.446
<b>Current Period</b>									
<b>Balances as of 1 January 2023 (Beginning of the Period)</b>	17	252.000.000	2.064.460.695	2.260.867.478	(67.661.845)	366.188.059	2.764.265.179	1.857.376.999	9.497.496.565
<b>Total Comprehensive Income (Expense)</b>		-	-	-	-	-	-	397.401.836	397.401.836
Profit for the Period		-	-	-	-	-	-	397.401.836	397.401.836
Transfers	17	-	-	-	-	-	1.857.376.999	(1.857.376.999)	-
<b>Balances as of 31 March 2024 (End of the Period)</b>		252.000.000	2.064.460.695	2.260.867.478	(67.661.845)	366.188.059	4.621.642.178	397.401.836	9.894.898.401

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

**ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY  
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE PERIODS ENDED 31 MARCH 2024 AND 31 MARCH 2023**

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of March 31, 2024, unless otherwise stated)

	Notes	Unaudited 1 January- 31 March 2024	Unaudited 1 January- 31 March 2023
<b>Cash Flows from Operating Activities</b>		<b>(164.326.574)</b>	<b>(899.021.223)</b>
<b>Current Period Net Profit or Losses</b>	<b>22</b>	<b>397.401.836</b>	<b>480.114.661</b>
<b>Adjustments to Reconcile Profit (Loss) for The Year</b>		<b>(21.570.920)</b>	<b>524.860.093</b>
Adjustments Related to Depreciation and Amortization Expenses	<b>10-11-12</b>	128.007.521	119.169.734
Adjustments Related to Provision for Employee Benefits (Released)	<b>15</b>	25.538.484	22.121.035
Adjustments Related to Tax (Income) Expense		52.623.976	(55.671.946)
Adjustments Related to Provisions for Litigations	<b>14</b>	11.891.170	-
Adjustments Related to Doubtful Receivables	<b>7</b>	-	1.211.200
Adjustments Related to Interest Income	<b>20</b>	(292.320.019)	(142.664.037)
Adjustments Related to Interest Expenses	<b>20</b>	340.041.897	141.865.401
Adjustments Related to Unrealized Currency Translation Differences		24.640.621	38.021.377
Adjustments Related to Fair Value Losses (Gains)		46.083.715	(6.197.332)
Other Adjustments to Profit/(Loss) Reconciliation		36.938.491	14.243.394
Adjustments Related to Other Provisions (Released)	<b>14</b>	85.536.000	66.811.841
Adjustments Related to Loss (Gain) on Disposal of Property, Plant and Equipment		(7.765.102)	(4.238.687)
Monetary Gain/(Loss)		(472.787.674)	330.188.113
<b>Changes in Working Capital</b>		<b>(427.871.641)</b>	<b>(1.732.089.811)</b>
Adjustments Related to Decrease (Increase) in Trade Receivables	<b>7</b>	(157.540.021)	(374.253.260)
Adjustments Related to Decrease (Increase) in Inventories	<b>9</b>	(510.659.877)	(830.624.725)
Adjustments Related to Decrease (Increase) in Other Receivables from Operations		(417.047.423)	(554.114.058)
Adjustments Related to Increase (Decrease) in Trade Payables	<b>7</b>	852.794.657	6.527.244
Adjustments Related to Increase (Decrease) in Other Payables from Operations		(218.057.678)	36.230.758
Adjustments Related to Increase (Decrease) in Other Working Capital from Operations		22.638.701	(15.855.770)
<b>Cash Flows from Operating Activities</b>		<b>(52.040.725)</b>	<b>(727.115.057)</b>
Income Tax Returns (Paid)		(14.178.446)	(980.016)
Payments Related to Other Provisions	<b>14</b>	(77.349.855)	(60.122.302)
Payments to Provision of Employee Benefits	<b>15</b>	(20.757.548)	(110.803.848)
<b>Cash Flows from Investing Activities</b>		<b>(219.630.053)</b>	<b>71.293.274</b>
Proceeds from Sale of Property, Plant and Equipment	<b>10</b>	29.167.492	5.799.333
Payments for Purchase of Property, Plant and Equipment	<b>10</b>	(65.121.462)	(48.140.793)
Payments for Purchase of Intangible Assets	<b>11</b>	(185.645.624)	(124.266.824)
Payments for Goodwill		-	(122.252.778)
Other Cashoutflows		1.969.541	360.154.336
<b>Cash Flows from Financing Activities</b>		<b>(1.809.650.235)</b>	<b>150.150.720</b>
Interest Received		326.611.104	126.226.566
Interest Paid	<b>6</b>	(361.676.073)	(94.528.302)
Proceeds from Loans	<b>6</b>	886.795.251	1.584.464.658
Cash Outflows from Repayment of Loans	<b>6</b>	(2.150.873.826)	(899.815.111)
Cash Outflows Related to Debt Payments Arising from Lease Agreements	<b>6</b>	(27.505.954)	10.253.432
Effect of Monetary Loss/Gain on Cash and Cash Equivalents		(483.000.737)	(576.450.523)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>		<b>(2.193.606.862)</b>	<b>(677.577.229)</b>
<b>Cash and Cash Equivalents at The Beginning of The Year</b>		<b>4.132.625.032</b>	<b>2.798.976.805</b>
<b>Cash and Cash Equivalents at The End of The Year</b>	<b>4</b>	<b>1.939.018.170</b>	<b>2.121.399.576</b>

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

**ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY** **Page No:6**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2024**

*(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira (“TRY”) as of March 31, 2024, unless otherwise stated)*

**NOTE 1 – ORGANIZATION AND OPERATIONS OF THE GROUP**

Anadolu Isuzu Otomotiv Sanayi ve Ticaret Anonim Şirketi (the “Company”) was established in 1980. Principal activities of the Company are comprised mainly of manufacturing, assembling, import and sales of commercial vehicles and also procure and sales of related spare parts regarding to after sales service. The Company is registered to Capital Markets Board of Turkey and the percentage of 15 of the Company’s shares have been traded on Borsa Istanbul A.Ş. since 1997.

The Company carries out its operations as a partnership formed by Isuzu Motors Ltd. Itochu Corporation and Anadolu Group Companies. The Company runs its manufacturing operations in a factory which is established in Çayırova/Kocaeli. The average number of employees as of 31 March 2024 is 1.269 (31 December 2023: 1.083).

The Company has been registered in Turkey, and the address of the Company is Fatih Sultan Mehmet Mahallesi Balkan Caddesi No: 58 Buyaka E Blok Tepeüstü Ümraniye, İstanbul.

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

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

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

**Approval of Financial Statements**

Condensed consolidated financial statements for the period 1 January – 31 March 2024 approved by the Board of Directors on 17 May 2024 and signed by Independent Member of the Board of Director Barış TAN (Audit Committee Chairman) and Münür Yavuz (Audit Committee Member), General Manager Yusuf Tuğrul ARIKAN and Finance Director Neşet Fatih VURAL.

The Company and its subsidiary will be referred as (the “Group”) in the condensed consolidated financial statements and notes to the consolidated financial statements.

**NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

**2.1 Basis of Presentation**

**2.1.1 Basis of Preparation and Presentation of Interim Condensed Consolidated Interim Financial Statements**

The Group companies, that operate in Turkey, keep their accounting books and their statutory financial statements in Turkish Lira in accordance with the Generally Accepted Accounting Principles in Turkey accepted by the Capital Markets Board (CMB), Turkish Commercial Code, Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The foreign subsidiaries and joint ventures keep their accounting books and statutory financial statements in their local currencies and in accordance with the rules and regulations of the countries in which they operate

Consolidated financial statements are based on the statutory financial statements of the Group’s subsidiaries and joint ventures and presented in TRL in accordance with CMB Financial Reporting Standards with certain adjustments and reclassifications for the purpose of fair presentation. Such adjustments are primarily related to application of consolidation accounting, accounting for business combinations, accounting for deferred taxes on temporary differences, accounting for employment termination benefits on an actuarial basis and accruals for various expenses. Except for the financial assets and liabilities, derivative instruments carried from their fair values and assets and liabilities included in business combinations application, financial statements are prepared on historical cost basis

In accordance with the CMB's "Communiqué on Financial Reporting in Capital Market" Numbered II-14.1 (Communiqué), promulgated in the Official Gazette numbered 28676 dated June 13, 2013, effective from interim periods beginning after September 30, 2013, listed companies are required to prepare their financial statements in conformity with Turkey Accounting/Financial Reporting Standards (TAS/TFRS) as prescribed in the CMB Communiqué. The financial statements and explanatory notes are presented using the compulsory standard formats as published by the Communiqué.



**ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY** **Page No:7**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2024**

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira (“TRY”) as of March 31,2024, unless otherwise stated)

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

**2.1 Basis of Presentation (cont’d)**

**2.1.1 Basis of Preparation and Presentation of Interim Condensed Consolidated Financial Statements (cont’d)**

In accordance with the TAS, the entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with TAS 34, “Interim Financial Reporting”. In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim periods and prepared the aforementioned interim condensed consolidated financial statements in compliance with CMB Financial Reporting Standards. Furthermore, in accordance with the Communiqué and announcements regarding the explanations of the Communiqué, guarantee pledge mortgage table, foreign currency position table, total export and total import amounts and hedging amount of total foreign currency liabilities are presented in the interim condensed consolidated financial statement disclosures.

The Group's condensed consolidated financial statements does not include all necessary disclosures and notes which are shown in the year-ended consolidated financial statements, the accompanying summary financial statements should be read together with the 31 December 2023 financial statements and attached notes.

**Functional and Reporting Currency**

The financial statements of the Group’s each entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of the each entity are expressed in TL, which is the functional currency of the Company and the currency used for presenting consolidated financial statements.

**2.1.2 Consolidation principles**

**Subsidiaries**

Subsidiaries, including structured entities, are companies in the Group's control. The Group's control is provides for exposure to variable returns from these companies, being eligible for these benefits, and the power to direct them. Subsidiaries are consolidated using the full consolidation method starting from the date when the control is transferred to the Group. They are excluded from the scope of consolidation as of the date when the control is lost.

The purchasing method is used in accounting for group business combinations. The cost of acquisition includes the fair value of the assets transferred at the acquisition date, the liabilities incurred by the former owner of the company, and costs, consisting of equity instruments issued by the Group. The acquisition cost includes the fair value of the assets and liabilities transferred as a result of the contingent acquisition agreement.

The identifiable assets, liabilities, and contingent liabilities taken over during a business combination are measured at their fair value on the acquisition date. For each purchase, non-controlling shares of the acquired company are recognised either at their fair value or according to their proportional share in the net assets of the acquired company.

The table below sets out the subsidiaries and their ownership interests as of 31 March 2024 and 31 December 2023

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

**2.1.3 Adjustment of Financial Statements during High Inflation Periods**

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

Year End	Index	Conversion Factor	Three-year Inflation Rate
31 March 2024	1.879,04	1.00000	211%
31 December 2023	1.633,04	1,15064	268%
31 March 2023	1.115,19	1,68495	156%

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

**2.1.3 Adjustment of Financial Statements during High Inflation Periods (cont’d)**

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

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

**2.1.4 Offsetting**

The financial assets and liabilities in the consolidated financial statements are shown at their net value when a legal system that allows clarification of relevant values and there is an intention to demonstrate the values clearly or the realization of the asset and the settlement of the debt are at the same time.

**2.1.5 Comparatives and Adjustment of Prior Periods’ Financial Statements**

The Group's consolidated financial statements for the current period are prepared in comparison with the previous periods in order to be able to determine the financial position and performance trends. The comparative information is reclassified when necessary with the aim of ensuring consistency with the presentation of the current period's consolidated financial statements and significant differences are disclosed.

**2.1.6 Amendments in Standards and Interpretations**

a) Standards, amendments, and interpretations applicable as of 31 March 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.

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

**2.1.6 Amendments in Standards and Interpretations (cont’d)**

**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.

The group management has evaluated that these changes do not have any impact on the consolidated financial statements of the Group.

b) Standards, amendments, and interpretations that are issued but not effective as of 31 March 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.

**2.2 Effects of Revised Accounting Policies**

Accounting policy changes resulting from the first application of a new standard, if any, are applied retrospectively or prospectively in accordance with the transition terms. Changes without any transition requirement, optional significant changes in accounting policies or significant accounting errors are applied retrospectively and the previous period's consolidated financial statements are restated. Changes in accounting estimates are applied in the current period if the change is related to only one period, and if they are related to future periods, they are applied both in the period in which the change is made and prospectively.

**2.3 Summary of Significant Accounting Policies**

Interim condensed consolidated financial statements for the period ending on March 31, 2022 prepared in accordance with the TMS 34 standard for the preparation of the tables. The interim condensed consolidated financial statements for the period ending on 31 March 2024 have been prepared by applying accounting policies consistent with the accounting policies applied during the preparation of the consolidated financial statements for the year ended 31 December 2023. Therefore, these interim condensed consolidated financial statements should be evaluated together with the consolidated financial statements for the year ended 31 December 2023.

**2.4 Changes in Accounting Estimates and Errors**

Accounting estimates are made based on reliable information and using appropriate estimation methods. However, if new or additional information becomes available or the circumstances, which the initial estimates based on, change, then the estimates are reviewed and revised, if necessary. If the change in the accounting estimates is only related to a sole period, then only that period’s financial statements are adjusted. If the amendments are related to the current as well as the forthcoming periods, then both current and forthcoming periods’ financial statements are adjusted.

Significant accounting errors are applied retrospectively and the consolidated financial statements of the previous period are restated.

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

**2.5 Other Accounting Estimates**

In instances where the accounting estimates affect both current and forthcoming periods, then description and monetary value of the estimate is disclosed in the notes to the financial statements except instances where the estimation of the effect related to upcoming periods are not possible.

a) Deferred Tax:

There are previous year losses, research and development expenditures and investment incentive certificates that the Group can gain tax advantage in the future. Deferred tax assets can only be recognized if it is probable that sufficient taxable profit will be generated in future periods. In each reporting period, the Group management evaluates the taxable profit that may occur in the future periods, and during its evaluations, future profit projections and unused losses are taken into account within the scope of tax legislation.

b) Warranty Cost Provisions

The Group determined the warranty provision based on warranty costs for each vehicle model in previous years and the remaining warranty periods for each vehicle.

c) Useful lives of property, plant and equipment:

The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. The Company may shorten or prolong the useful lives and related depreciation of property, plant and equipment by taking into consideration the intended use of property, plant and equipment, technological progress according to their types and other factors.

d) Revaluation of land improvements and buildings:

Land improvements, evaluation of buildings and machinery have been made by taking into consideration the current market conditions. As a result of the revaluation, provision for impairment of the fixed assets with fair value lower than the cost value is made.

The Group's land improvements and buildings have been revalued at 5 February 2018 by independent appraisals accredited by the Capital Markets Board. The Group's land improvements and buildings have been revalued by independent appraisals accredited by the Capital Markets Board. The revaluation fund which is composed of the difference between the book value and the fair value is offset with deferred tax and shown under the equity as revaluation fund. Revaluation is performed periodically.

e) Provision for Employment Termination Benefits

Provision for employment termination benefits is calculated by taking into account the severance pay ceiling and actuarial informations recognized into the consolidated financial statements. Provision for employment termination benefits represents the estimated present value of the amount of retirement pay liability that the Group is liable to pay in the future.

**NOTE 3 –SEGMENT REPORTING**

The field of activity of the Group established in Turkey is the manufacture, assembly, import and sale of motor vehicles and spare parts. The field of activity of the Group, the nature and economic properties of products, production processes, classification according to customer risks and methods used in the distribution of products are similar. Moreover, the Group is structured on an activity basis rather than being managed under separate divisions including different activities. Thus, the operations of the Group are considered as a single activity division, and the outputs of the Group's activities, determination of the resources to be allocated to these activities, and review of the performance of these activities are evaluated accordingly.

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**NOTE 4 - CASH AND CASH EQUIVALENTS**

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

	<b><u>31 March 2024</u></b>	<b><u>31 December 2023</u></b>
Banks-Demand Deposits	205.389.426	152.086.795
Banks-Time Deposits (up to 3 months)	1.770.699.823	4.061.078.272
Other Liquid Assets (*)	1.938.054	3.801.852
<b>Total</b>	<b><u>1.978.027.303</u></b>	<b><u>4.216.966.919</u></b>

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

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

Cash and cash equivalents presented in the consolidated cash flow statements as of 31 March 2024 and 31 December 2023 are as follows:

	<b><u>31 March 2024</u></b>	<b><u>31 December 2023</u></b>
Liquid Assets	1.978.027.303	4.216.966.919
Interest Accruals (-)	(39.009.133)	(84.341.887)
<b>Total (Excluding interest accruals)</b>	<b><u>1.939.018.170</u></b>	<b><u>4.132.625.032</u></b>

The details of time deposits are as follows:

	<b><u>31 March 2024</u></b>		<b><u>31 December 2023</u></b>	
	<b><u>Amount</u></b> <b><u>(TL Equivalent)</u></b>	<b><u>Annual Average</u></b> <b><u>Interest Rate (%)</u></b>	<b><u>Amount</u></b> <b><u>(TL Equivalent)</u></b>	<b><u>Annual Average</u></b> <b><u>Interest Rate (%)</u></b>
TL	1.461.136.981	38,50	3.942.308.660	38,50
EUR	309.562.842	2,70	118.769.612	2,70
<b>Total</b>	<b><u>1.770.699.823</u></b>		<b><u>4.061.078.272</u></b>	

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

**NOTE 5- FINANCIAL INVESTMENTS**

Financial investments as of the end of the period are presented below:

	<b><u>31 March 2024</u></b>			<b><u>31 December 2023</u></b>		
	<b><u>Carrying</u></b> <b><u>Amount</u></b>	<b><u>Interest</u></b> <b><u>Accrual</u></b>	<b><u>Fair Value</u></b>	<b><u>Carrying</u></b> <b><u>Amount</u></b>	<b><u>Interest</u></b> <b><u>Accrual</u></b>	<b><u>Fair Value</u></b>
Currency Protected Deposit	-	-	12.703.059	-	-	16.884.422
<b>Total</b>	<b>-</b>	<b>-</b>	<b><u>12.703.059</u></b>	<b>-</b>	<b>-</b>	<b><u>16.884.422</u></b>

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED STATEMENTS

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## NOTES 6- FINANCIAL LIABILITIES

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

a) Short-term Borrowings

## Bank Loans

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TL Including Interest</u>	
	<u>31 March 2024</u>	<u>31 December 2023</u>	<u>31 March 2024</u>	<u>31 December 2023</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
TL	38,15	16,58	2.247.966.098	3.780.500.944	2.247.966.098	4.349.981.367
<b>Total</b>					<b>2.247.966.098</b>	<b>4.349.981.367</b>

b) Short-term Portions of Long-term Borrowings

## Bank Loans

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TL Including Interest</u>	
	<u>31 March 2024</u>	<u>31 December 2023</u>	<u>31 March 2024</u>	<u>31 December 2023</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
EUR	7,50	4,38	1.848.232	4.782.233	64.322.715	179.241.494
USD	-	4,25	-	5.583.593	-	189.131.146
TL	39,20	17,52	999.736.871	333.043.565	999.736.871	383.211.991
<b>Total</b>					<b>1.064.059.586</b>	<b>751.584.631</b>

## Finance Lease Liabilities

## Short-term Finance Lease Payables

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TL Including Interest</u>	
	<u>31 March 2024</u>	<u>31 December 2023</u>	<u>31 March 2024</u>	<u>31 December 2023</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
TL	34,00	34,00	18.742.592	24.031.730	18.742.592	27.651.779
<b>Total</b>					<b>18.742.592</b>	<b>27.651.779</b>

## Short-term Lease Payables Arising from Operating Leases

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TL Including Interest</u>	
	<u>31 March 2024</u>	<u>31 December 2023</u>	<u>31 March 2024</u>	<u>31 December 2023</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Avro	3,20	3,20	215.526	215.526	9.587.910	8.078.081
TL	28,05	28,05	15.765.277	15.765.277	14.085.404	18.140.098
<b>Total</b>					<b>23.673.314</b>	<b>26.218.179</b>

c) Long-term Borrowings

## Bank Loans

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TL Including Interest</u>	
	<u>31 March 2024</u>	<u>31 December 2023</u>	<u>31 March 2024</u>	<u>31 December 2023</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Avro	7,50	5,45	7.170.700	7.729.431	249.556.851	289.704.569
TL	36,25	15,34	85.781.020	287.603.338	85.781.020	287.603.338
<b>Total</b>					<b>335.337.871</b>	<b>577.307.907</b>

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**NOTES 6- FINANCIAL LIABILITIES (cont'd)**

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

	<u>31 March 2024</u>	<u>31 December 2023</u>
1 to 2 years	128.409.046	333.520.089
2 to 3 years	63.475.362	71.306.824
3 to 4 years	52.236.555	60.066.683
4 to 5 years	65.263.402	82.268.299
More than 5 years	25.953.506	30.146.012
<b>Total</b>	<b>335.337.871</b>	<b>577.307.907</b>

**Finance Lease Liabilities**

**Long Term Finance Lease Payables**

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TL Including Interest</u>	
	<u>31 March</u>	<u>31 December</u>	<u>31 March</u>	<u>31 December</u>	<u>31 March</u>	<u>31 December</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
TL	35,58	35,46	256.279.096	248.726.260	256.279.096	286.193.447
<b>Total</b>					<b>256.279.096</b>	<b>286.193.447</b>

**Long-term Lease Payables Arising from Operating Leases**

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TL Including Interest</u>	
	<u>31 March</u>	<u>31 December</u>	<u>31 March</u>	<u>31 December</u>	<u>31 March</u>	<u>31 December</u>
	<u>2024</u>	<u>2022</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
EUR	3,20	3,20	100.425	96.272	3.495.005	3.608.327
TL	28,05	28,05	32.335.872	41.223.422	32.335.872	41.223.422
<b>Total</b>					<b>35.830.877</b>	<b>44.831.749</b>

Financial net debt reconciliation as of 31 March 2024 and 31 March 2023 is as follows:

	<u>31 March 2024</u>	<u>31 March 2023</u>
<b>Opening balance</b>	<b>6.063.769.058</b>	<b>3.825.227.472</b>
Interest expense	316.179.642	958.364.121
Cash outflows from debt payments arising from lease agreements	(27.505.954)	(46.686.112)
TFRS 16 changes in lease liabilities	(25.939.175)	375.796.143
Interest paid	(361.676.073)	(668.579.963)
Newly obtained credits	886.795.251	11.067.939.704
Loans repaid	(2.150.873.826)	(7.336.234.143)
Exchange difference	24.640.621	405.339.922
Inflation effect	(743.500.110)	(2.517.398.085)
<b>Closing balance</b>	<b>3.981.889.434</b>	<b>6.063.769.058</b>

**NOTE 7- TRADE RECEIVABLES AND PAYABLES**

Trade receivables at period ends are as follows:

**a) Short-term Trade Receivables**

	<u>31 March 2024</u>	<u>31 December 2023</u>
Trade Receivables from Third Parties	3.483.321.939	3.308.830.319
Trade Receivables from Related Parties	101.936.711	118.888.312
Rediscount Expenses (-)	(46.775.042)	(39.370.391)
Doubtful Receivables	189.907	218.514
Allowance for Doubtful Receivables (-)	(189.907)	(218.514)
<b>Total</b>	<b>3.538.483.608</b>	<b>3.388.348.240</b>

As of 31 March 2024, the average term for trade receivables is 80 days (31 December 2023: 82 days).

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**NOTE 7- TRADE RECEIVABLES AND PAYABLES (cont'd)**

Movements of provision for doubtful receivables are as follows:

	<u>31 March 2024</u>	<u>31 December 2023</u>
<b>Opening Balance</b>	<b>218.514</b>	<b>910.126</b>
Provisions in the Period	-	-
Provisions for Uncollectible Provisions	-	(132.476)
Collections in the Period	-	(201.361)
Inflation Effect	(28.607)	(357.775)
<b>Closing Balance</b>	<b>189.907</b>	<b>218.514</b>

Trade payables at period ends are as follows:

**b) Short-term Trade Payables**

	<u>31 March 2024</u>	<u>31 December 2023</u>
Trade Payables to Third Parties	2.692.606.008	1.942.649.382
Trade Payables to Related Parties	2.493.946.876	2.397.814.414
Rediscount Incomes(-)	(53.531.222)	(51.220.547)
<b>Total</b>	<b>5.133.021.662</b>	<b>4.289.243.249</b>

As of 31 March 2024, the average term for trade payables is 112 days (31 December 2023: 115 days).

**NOTE 8- DERIVATIVE INSTRUMENTS**

**Foreign Currency Forward Transactions**

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

	<u>31 March 2024</u>			<u>31 December 2023</u>		
	Nominal Value	<u>Fair Value</u>		Nominal Value	<u>Fair Value</u>	
		Assest	Liability		Assest	Liability
Forward Contracts	1.826.772.727	38.891.765	(23.269.314)	2.570.801.872	99.884.042	(38.177.876)
<b>Total</b>	<b>1.826.772.727</b>	<b>38.891.765</b>	<b>(23.269.314)</b>	<b>2.570.801.872</b>	<b>99.884.042</b>	<b>(38.177.876)</b>

**NOTE 9- INVENTORIES**

Inventory balances as of period ends are as follows:

	<u>31 March 2024</u>	<u>31 December 2023</u>
Raw Materials	2.664.349.307	2.615.363.553
Work in Process Goods	126.123.333	123.371.755
Finished Goods	576.958.223	435.545.679
Trade Goods	417.899.123	335.693.224
Other Inventory	34.320.996	71.954.692
Goods in Transit	916.884.077	643.946.279
<b>Total Inventories</b>	<b>4.736.535.059</b>	<b>4.225.875.182</b>

As of 31 March 2024, total cost of sales which recognized in statement of profit or loss is TL 3.456.469.107 TL (31 March 2023: TL 3.008.311.337).



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**NOTE 10- PROPERTY, PLANT AND EQUIPMENT**

**31 March 2024**

<b>Cost Value</b>	<b>Land</b>	<b>Land Improvements</b>	<b>Buildings</b>	<b>Plant, Machinery and Equipment</b>	<b>Vehicles</b>	<b>Furniture and Fixtures</b>	<b>Other Tangible Fixed Assets</b>	<b>Construction in Progress</b>	<b>Total</b>
<b>Opening Balance as at 1 January 2024</b>	<b>5.149.452.556</b>	<b>184.003.658</b>	<b>1.427.275.782</b>	<b>3.374.313.599</b>	<b>66.237.830</b>	<b>57.193.710</b>	<b>12.306.294</b>	<b>176.906.054</b>	<b>10.447.689.483</b>
Additions	-	-	-	18.581.374	6.746.860	486.811	-	39.306.417	<b>65.121.462</b>
Disposals	-	-	-	(690.399)	-	-	-	(21.089.073)	<b>(21.779.472)</b>
<b>Closing Balance as at 31 March 2024</b>	<b>5.149.452.556</b>	<b>184.003.658</b>	<b>1.427.275.782</b>	<b>3.392.204.574</b>	<b>72.984.690</b>	<b>57.680.521</b>	<b>12.306.294</b>	<b>195.123.398</b>	<b>10.491.031.473</b>

**Accumulated Depreciation**

<b>Opening Balance as at 1 January 2024</b>	-	<b>(149.373.041)</b>	<b>(251.626.551)</b>	<b>(2.562.567.984)</b>	<b>(37.815.786)</b>	<b>(43.462.290)</b>	<b>(12.292.623)</b>	-	<b>(3.057.138.275)</b>
Charge for the year	-	(1.211.491)	(6.132.449)	(39.710.392)	(2.001.079)	(944.124)	(1.566)	-	<b>(50.001.101)</b>
Disposals	-	-	-	377.082	-	-	-	-	<b>377.082</b>
<b>Closing Balance as at 31 March 2024</b>	-	<b>(150.584.532)</b>	<b>(257.759.000)</b>	<b>(2.601.901.294)</b>	<b>(39.816.865)</b>	<b>(44.406.414)</b>	<b>(12.294.189)</b>	-	<b>(3.106.762.294)</b>

**Net Book Value**

<b>Opening Balance as at 1 January 2024</b>	<b>5.149.452.556</b>	<b>34.630.617</b>	<b>1.175.649.231</b>	<b>811.745.615</b>	<b>28.422.044</b>	<b>13.731.420</b>	<b>13.671</b>	<b>176.906.054</b>	<b>7.390.551.208</b>
<b>Closing Balance as at 31 March 2024</b>	<b>5.149.452.556</b>	<b>33.419.126</b>	<b>1.169.516.782</b>	<b>790.303.280</b>	<b>33.167.825</b>	<b>13.274.107</b>	<b>12.105</b>	<b>195.123.398</b>	<b>7.384.269.179</b>

As of 31 March 2024 , TL 40.001.445 of the depreciation expenses has been charged to cost of sales and TL 916.137 to research and development expenses and TL 1.450.874 to marketing expenses, TL 4.480.593 to general administrative expenses and TL 3.152.052 to development capitalization.

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of March 31,2024, unless otherwise stated)

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

**31 March 2023**

<u>Cost Value</u>	Land	Land Improvements	Buildings	Plant, Machinery and Equipment	Vehicles	Furniture and Fixtures	Other Tangible Fixed Assets	Construction in Progress	Total
<b>Opening Balance as at 1 January 2023</b>	<b>4.383.894.327</b>	<b>181.459.367</b>	<b>1.184.951.280</b>	<b>3.103.529.748</b>	<b>52.456.278</b>	<b>48.715.691</b>	<b>12.306.287</b>	<b>33.824.068</b>	<b>9.001.137.046</b>
Additions	-	202.919	7.519.328	35.554.861	1.521.699	950.536	-	2.391.450	<b>48.140.793</b>
Disposals	-	-	-	(23.808)	(4.605.201)	-	-	-	<b>(4.629.009)</b>
<b>Closing Balance as at 31 March 2023</b>	<b>4.383.894.327</b>	<b>181.662.286</b>	<b>1.192.470.609</b>	<b>3.139.060.801</b>	<b>49.372.775</b>	<b>49.666.227</b>	<b>12.306.287</b>	<b>36.215.518</b>	<b>9.044.648.829</b>

**Accumulated Depreciation**

<b>Opening Balance as at 1 January 2023</b>	-	(144.651.242)	(239.169.111)	(2.535.198.368)	(39.396.230)	(40.480.744)	(12.286.430)	-	(3.011.182.125)
Charge for the year	-	(1.473.477)	(4.726.373)	(34.874.178)	(779.837)	(790.624)	(2.357)	-	<b>(42.646.846)</b>
Disposals	-	-	-	20.182	3.048.181	-	-	-	<b>3.068.363</b>
<b>Closing Balance as at 31 March 2023</b>	-	<b>(146.124.719)</b>	<b>(243.895.484)</b>	<b>(2.570.052.364)</b>	<b>(37.127.886)</b>	<b>(41.271.368)</b>	<b>(12.288.787)</b>	-	<b>(3.050.760.608)</b>

**Net Book Value**

<b>Opening Balance as at 1 January 2023</b>	<b>4.383.894.327</b>	<b>36.808.124</b>	<b>945.782.169</b>	<b>568.331.380</b>	<b>13.060.048</b>	<b>8.234.947</b>	<b>19.857</b>	<b>33.824.068</b>	<b>5.989.954.921</b>
<b>Closing Balance as at 31 March 2023</b>	<b>4.383.894.327</b>	<b>35.537.566</b>	<b>948.575.125</b>	<b>569.008.437</b>	<b>12.244.889</b>	<b>8.394.859</b>	<b>17.500</b>	<b>36.215.518</b>	<b>5.993.888.221</b>

As of 31 March 2023 TL 34.985.577 of the depreciation expenses has been charged to cost of sales and TL , 665.644 to research and development expenses and TL 1.606.187 to marketing expenses, TL 3.450.433 to general administrative expenses and TL 1.939.004 to development capitalization.

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of March 31, 2024, unless otherwise stated)

**NOTE 11 – INTANGIBLE ASSETS**

**31 March 2024**

<b>Cost Value</b>	<b>Rights</b>	<b>Development Expenses</b>	<b>Other Intangible Assets</b>	<b>Construction in Progress and Advances (*)</b>	<b>Total</b>
<b>Opening Balance as at 1 January 2024</b>	<b>8.102.322</b>	<b>1.916.919.084</b>	<b>350.314.478</b>	<b>819.123.441</b>	<b>3.094.459.325</b>
Additions	-	-	3.964.383	181.681.241	<b>185.645.624</b>
<b>Closing balance as at 31 March 2024</b>	<b>8.102.322</b>	<b>1.916.919.084</b>	<b>354.278.861</b>	<b>1.000.804.682</b>	<b>3.280.104.949</b>

**Accumulated Amortization**

<b>Opening Balance as at 1 January 2024</b>	<b>(3.954.615)</b>	<b>(1.268.612.085)</b>	<b>(278.329.773)</b>	-	<b>(1.550.896.473)</b>
Charge for the period	(135.876)	(56.055.768)	(10.601.451)	-	<b>(66.793.095)</b>
<b>Closing balance as at 31 March 2024</b>	<b>(4.090.491)</b>	<b>(1.324.667.853)</b>	<b>(288.931.224)</b>	-	<b>(1.617.689.568)</b>

**Net Book Value**

<b>Opening Balance as at 1 January 2024</b>	<b>4.147.707</b>	<b>648.306.999</b>	<b>71.984.705</b>	<b>819.123.441</b>	<b>1.543.562.852</b>
<b>Closing balance as at 31 March 2024</b>	<b>4.011.831</b>	<b>592.251.231</b>	<b>65.347.637</b>	<b>1.000.804.682</b>	<b>1.662.415.381</b>

As of 31 March 2024 , TL 53.595.985 of the depreciation expenses of intangible assets has been charged to cost of sales and TL , 1.223.805 to research and development expenses and TL 1.938.125 to marketing expenses, TL 4.909.838 to general administrative expenses and 5.125.341 to development capitalization.

**31 March 2023**

<b>Cost Value</b>	<b>Rights</b>	<b>Development Expenses</b>	<b>Other Intangible Assets</b>	<b>Construction in Progress and Advances (*)</b>	<b>Total</b>
<b>Opening Balance as at 1 January 2023</b>	<b>7.897.363</b>	<b>1.830.925.622</b>	<b>306.286.163</b>	<b>352.568.716</b>	<b>2.497.677.864</b>
Additions	-	-	10.386.559	113.880.265	<b>124.266.824</b>
<b>Closing balance as at 31 March 2023</b>	<b>7.897.363</b>	<b>1.830.925.622</b>	<b>316.672.722</b>	<b>466.448.982</b>	<b>2.621.944.688</b>

**Accumulated Amortization**

<b>Opening Balance as at 1 January 2023</b>	<b>(3.396.228)</b>	<b>(1.034.803.180)</b>	<b>(239.617.656)</b>	-	<b>(1.277.817.064)</b>
Charge for the period	(157.875)	(52.643.491)	(9.013.736)	-	<b>(61.815.102)</b>
<b>Closing balance as at 31 March 2023</b>	<b>(3.554.103)</b>	<b>(1.087.446.671)</b>	<b>(248.631.392)</b>	-	<b>(1.339.632.166)</b>

**Net Book Value**

<b>Opening Balance as at 1 January 2023</b>	<b>4.501.135</b>	<b>796.122.442</b>	<b>66.668.507</b>	<b>352.568.716</b>	<b>1.219.860.800</b>
<b>Closing balance as at 31 March 2023</b>	<b>4.343.260</b>	<b>743.478.951</b>	<b>68.041.330</b>	<b>466.448.982</b>	<b>1.282.312.522</b>

As of 31 March 2023 TL 50.930.534 of the depreciation expenses of intangible assets has been charged to cost of sales and TL 744.900 to research and development expenses and TL 1.304.641 to marketing expenses, TL 6.017.404 to general administrative expenses and TL 2.817.613 to development capitalization.

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira (“TRY”) as of March 31,2024, unless otherwise stated)

**NOTE 12 – RIGHT OF USE ASSETS**

As of 31 March 2024 and 31 March 2023, the right of use assets’ balances of depreciation assets and depreciation expenses in the relevant period are as follows:

<b><u>Cost Value</u></b>	<b><u>Total</u></b>
<b>Opening Balance as at 1 January 2024</b>	<b>153.542.755</b>
Additions	4.465.610
Disposals	-
<b>Closing balance as at 31 March 2024</b>	<b>158.008.365</b>

**Accumulated Amortization**

<b>Opening Balance as at 1 January 2024</b>	<b>(58.396.557)</b>
Charge for the Period	(11.213.325)
Disposals	-
<b>Closing balance as at 31 March 2024</b>	<b>(69.609.882)</b>

**Net Book Value**

<b>Opening Balance as at 1 January 2024</b>	<b>95.146.198</b>
<b>Closing balance as at 31 March 2024</b>	<b>88.398.483</b>

TL 4.448.923 of depreciation expenses has been charged to cost of sales, and TL 6.764.402 to general administration expenses as of 31 March 2024.

<b><u>Cost Value</u></b>	<b><u>Total</u></b>
<b>Opening Balance as at 1 January 2023</b>	<b>61.173.479</b>
Additions	19.416.975
<b>Closing balance as at 31 March 2023</b>	<b>(5.164.879)</b>

**Accumulated Amortization**

<b>Opening Balance as at 1 January 2023</b>	<b>(24.236.315)</b>
Charge for the Period	(14.707.786)
<b>Closing balance as at 31 March 2023</b>	<b>5.164.879</b>

**Net Book Value**

<b>Opening Balance as at 1 January 2023</b>	<b>36.937.163</b>
<b>Closing balance as at 31 March 2023</b>	<b>41.646.353</b>

TL 7.096.160 of depreciation expenses has been charged to cost of sales, and TL 7.611.62 to general administration expenses as of 31 March 2023.

*(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of March 31,2024, unless otherwise stated)*

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### **NOTES 13- GOVERNMENT GRANTS AND INCENTIVES**

As of March 31, 2024, the Group does not have any R&D deduction amount that can be used in tax calculation due to the expenditures related to R&D activities (31 December 2023 :-). As per amendment made in Article 35 of the Law on Supporting Research and Development No. 5746 which became effective on 1 April 2008. R&D deduction rate from which will be benefited for the expenses of R&D has been increased from 40% to 100% .

In order to benefit from the incentives and exemptions provided in line with the Law No. 5746, the Group applied to the Ministry of Industry and Commerce to become an R&D centre. On 3 June 2009, the Group was entitled to become an R&D centre.

The Group realizes fixed asset investments with incentives within the scope of the "Council of Ministers Decisions on State Aids in Investments" numbered 2009/15199 and 2012/3305, which regulates the investment legislation.

The investment projects in which the Group has completed the investment process and continue to benefit from the deserved investment contribution amounts are as follows;

Within the scope of the incentive certificate numbered 5487, TL 51.670.512 was spent.(31 December 2023 : TL 51.670.512) The contribution rate to the investment is 20%.

The investment projects that the Group continues to invest in and continue to benefit from the investment contribution amounts are as follows;

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

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

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

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

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

The annual tax advantage of 203,752,770 TL (31 December 2023: 293,468,657 TL), which the Group will benefit from in the future on 30 September 2023 from the investment contribution amounts that the investment process has completed and deserved, has been reflected in the consolidated financial statements as a deferred tax asset. The said tax will be paid as of 30 September 2023. As a result of accounting as of the date of 89,715,887 TL deferred tax income was created in the consolidated profit or loss statement between 1 January and 31 March 2024.

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

It is anticipated that these deferred tax assets will be recovered within 2 years from the balance sheet date. In the sensitivity analysis carried out as of March 31, 2024, when the inputs in the basic macroeconomic and sectoral assumptions that make up the business plans were increased/decreased by 10%, there was no change in the recovery period of deferred tax assets related to investment incentives, which is estimated to be 2 years.

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of March 31,2024, unless otherwise stated)

**NOTES 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

**a) Other Short-term Provisions**

	<u>31 March 2024</u>	<u>31 December 2023</u>
Warranty Provisions	108.325.225	105.799.510
Provision for Lawsuits	75.780.231	73.513.069
Provision for Premium and Commission	67.172.572	86.715.339
<b>Total</b>	<b>251.278.028</b>	<b>266.027.918</b>

Movements of provisions during the period are as follows:

	<u>Warranty Provisions</u>	<u>Provision for Lawsuits</u>	<u>Provision for Premium and Commission</u>	<u>Total</u>
<b>Opening Balance as at 1 January 2024</b>	105.799.510	73.513.069	86.715.339	<b>266.027.918</b>
Additions During The Period	38.863.502	11.891.170	46.672.498	<b>97.427.170</b>
Paid During The Period (-)	(24.735.679)	-	(60.349.161)	<b>(85.084.841)</b>
Inflation Effect	(11.602.108)	(9.624.008)	(5.866.104)	<b>(27.092.220)</b>
<b>Closing Balance as at 31 March 2024</b>	<b>108.325.225</b>	<b>75.780.231</b>	<b>67.172.572</b>	<b>251.278.028</b>

  

	<u>Warranty Provisions</u>	<u>Provision for Lawsuits</u>	<u>Provision for Premium and Commission</u>	<u>Total</u>
<b>Opening Balance as at 1 January 2023</b>	85.278.730	69.648.647	110.970.698	<b>265.898.075</b>
Additions During The Period	31.593.594	-	35.218.247	<b>66.811.841</b>
Paid During The Period (-)	(22.624.679)	(324.884)	(37.172.738)	<b>(60.122.301)</b>
Inflation Effect	(9.489.967)	(7.750.623)	(12.349.013)	<b>(29.589.603)</b>
<b>Closing Balance as at 31 March 2023</b>	<b>84.757.678</b>	<b>61.573.140</b>	<b>96.667.194</b>	<b>242.998.012</b>

**Mortgages and guarantees on assets:**

There are not any mortgages and guarantees on assets.

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

	<u>31 March 2024</u>			
	<u>Total TRY Provisions</u>	<u>Original Currency TRY</u>	<u>Original Currency EUR</u>	<u>Original Currency USD</u>
<b>A. CPMs given in the name of its own legal personality</b>	<b>2.616.023.817</b>	<b>2.174.751.659</b>	<b>10.829.596</b>	<b>1.994.007</b>
i. Letter of Guarantee	2.616.023.817	2.174.751.659	10.829.596	1.994.007
<b>B. CPMs given on behalf of fully consolidated companies</b>				
total amount of given CPMs	-	-	-	-
<b>C. CPMs given in the normal course of business activities</b>				
on behalf of third parties	-	-	-	-
<b>D. Total amount of other CPMs</b>	-	-	-	-
<b>Total</b>	<b>2.616.023.817</b>	<b>2.174.751.659</b>	<b>10.829.596</b>	<b>1.994.007</b>

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of March 31, 2024, unless otherwise stated)

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

	<b>31 December 2023</b>			
	<b><u>Total TRY</u></b> <b><u>Provisions</u></b>	<b><u>Original</u></b> <b><u>Currency</u></b> <b><u>TRY</u></b>	<b><u>Original</u></b> <b><u>Currency</u></b> <b><u>EUR</u></b>	<b><u>Original</u></b> <b><u>Currency</u></b> <b><u>USD</u></b>
<b>A. CPMs given in the name of its own legal personality</b>	<b>2.605.350.585</b>	<b>1.830.675.020</b>	<b>11.485.100</b>	<b>1.994.007</b>
i. Letter of Guarantee	2.605.350.585	1.830.675.020	11.485.100	1.994.007
<b>B. CPMs given on behalf of fully consolidated companies</b>				
total amount of given CPMs	-	-	-	-
<b>C. CPMs given in the normal course of business activities</b>				
on behalf of third parties	-	-	-	-
<b>D. Total amount of other CPMs</b>	-	-	-	-
<b>Total</b>	<b>2.605.350.585</b>	<b>1.830.675.020</b>	<b>11.485.100</b>	<b>1.994.007</b>

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

The Group is exposed to foreign currency risk since its foreign currency denominated assets and liabilities are formed of different currencies. In order to hedge its foreign currency position due to the fluctuations in the foreign exchange parities, the Group enters into forward contracts.

**NOTE 15 – EMPLOYEE BENEFITS**

**a) Short-Term Provisions for Employee Benefits**

	<b><u>31 March 2024</u></b>	<b><u>31 December 2023</u></b>
Provision for Employee Rights and Salaries	28.725.039	123.318.058
Provision for Unused Vacation	23.019.514	12.932.655
<b>Total</b>	<b>51.744.553</b>	<b>136.250.713</b>

Short-term provisions for employee benefits consist of provisions that were calculated and unpaid as of the end of period.

Movements of the provision for unused vacation during the period are as follows:

	<b><u>31 March 2024</u></b>	<b><u>31 December 2023</u></b>
Opening Balance	12.932.655	9.781.634
Recognized provision during the period	11.779.945	30.169.239
Paid During The Period	(5.316.475)	(24.249.142)
Inflation Effect	3.623.389	(2.769.076)
<b>Total</b>	<b>23.019.514</b>	<b>12.932.655</b>

**b) Long-Term Provisions for Employee Benefits**

	<b><u>31 March 2024</u></b>	<b><u>31 December 2023</u></b>
Provision for Severance Payments to Employees	45.620.292	55.011.361
<b>Total</b>	<b>45.620.292</b>	<b>55.011.361</b>

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of March 31,2024, unless otherwise stated)

**NOTE 15 – EMPLOYEE BENEFITS (cont'd)**

Within the framework of current laws in Turkey, it is obligatory to make the severance pay of each employee who has completed one year service period, has been paid off regardless of any related reason, has been called-up for military service along with men who have completed 25-year service period, women who have completed 20-year service period or those who have completed age of retirement (58 for women, 60 for men). Because there is not any funding obligation for the severance pay provision in Turkey, any special fund is not allocated in the financial statements.

The severance payments are calculated over 30-days gross salary for each service year. Primary assumption is that ceiling liability set for each service year increases in proportion to inflation. In parallel with this, real discount rate which is cleared of the potential inflation impacts is considered at the implementation stage. The severance pay cap is revised in every six months, the ceiling amount of TL 35.058,58 (1 January 2024:TL 35.058,58) applicable as of 1 April 2023 has been regarded for the calculation of the Group's provision of severance pay.

Moreover, the severance payments are not made for those who leave the job with his/her wish; estimated rate related to these severance pay amounts that will remain in the Group's account is considered..

Considering the Liability of Severance Pay are related to the next periods as per TAS 19, current values of the severance payments which will be made as of the balance sheet date are calculated to determine an approximate inflation expectation whose net difference refers a real discount rate and find an appropriate discount rate.

The actuarial assumptions considered in the calculation of the provision for employment termination benefits are as follows:

	<u>31 March 2023</u>	<u>31 December 2023</u>
Annual Net Discount Rate (%)	1,72	1,72
Turnover Rate to Estimate the Probability of Retirement (%)	11,92	11,92

The provision calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees is recognised to the consolidated financial statements.

Movements of the provision for employee termination benefit during the period are as follows:

	<u>31 March 2024</u>	<u>31 March 2023</u>
Opening Balance	55.011.361	238.451.027
Interest Cost	287.991	2.635.707
Gain/(Loss) on Remeasurement of Defined Benefit Plans	-	(18.007.405)
Paid Within the Period	(15.441.073)	(122.087.994)
Service Cost	13.470.548	13.038.755
Inflation Effect	(7.708.535)	(59.018.729)
<b>Closing Balance</b>	<b>45.620.292</b>	<b>55.011.361</b>

**NOTE 16- OTHER ASSETS AND LIABILITIES**

**a) Prepaid Expenses**

	<u>31 March 2024</u>	<u>31 December 2023</u>
Advances Given For Inventory Purchase	1.158.167.801	682.820.697
Prepaid Extended Warranty Expenses	2.525.331	83.898
Prepaid Insurance Expenses	39.147.187	1.087.614
Prepaid Advertisement Expenses	1.309.970	671.653
Prepaid Maintenance Expenses	541.645	2.174.123
Prepaid Other Expenses	19.365.497	3.818.633
<b>Total</b>	<b>1.221.057.430</b>	<b>690.656.618</b>



(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of March 31, 2024, unless otherwise stated)

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

**b) Other Current Assets**

	<b>31 March 2024</b>	<b>31 December 2023</b>
Deferred VAT	41.288.643	29.323.088
Other Current Assets	6.766.750	38.740.159
<b>Total</b>	<b>48.055.393</b>	<b>68.063.247</b>

**c) Prepaid Expenses (Long-Term)**

	<b>31 March 2024</b>	<b>31 December 2023</b>
Prepaid Expenses	2.635.856	1.138.618
<b>Total</b>	<b>2.635.856</b>	<b>1.138.618</b>

**d) Deferred Income (Short-Term)**

	<b>31 March 2024</b>	<b>31 December 2023</b>
Order Advances Received	329.308.323	532.397.751
Deferred Income	46.319.935	41.181.204
<b>Total</b>	<b>375.628.258</b>	<b>573.578.955</b>

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

	<b>31 March 2024</b>	<b>31 December 2023</b>
Deferred Maintenance and Repair Income	20.485.857	20.759.270
<b>Total</b>	<b>20.485.857</b>	<b>20.759.270</b>

**f) Deferred Income (Long-Term)**

	<b>31 March 2024</b>	<b>31 December 2023</b>
Order Advances Received	90.984.940	82.354.777
<b>Total</b>	<b>90.984.940</b>	<b>82.354.777</b>

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

	<b>31 March 2024</b>	<b>31 December 2023</b>
Deferred Maintenance and Repair Income	216.620.569	222.634.655
<b>Total</b>	<b>216.620.569</b>	<b>222.634.655</b>

**NOTE 17- SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS**

**a) Capital / Elimination Adjustments**

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

This share capital is divided into 25.200.000.000 in total, including 13.545.943.533 A Group registered shares, 7.494.613.119 B Group registered shares, 4.159.443.348 C Group bearer's shares, each with nominal value of 1 (one) Kr. The distribution of this share capital on the basis of share group is as follows:

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of March 31, 2024, unless otherwise stated)

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

**a) Capital / Elimination Adjustments (cont'd)**

**31 March 2024**

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

**31 December 2023**

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

**b) Privileges Granted to the Share Groups**

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

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

<u>Equity</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Paid-in Capital	252.000.000	252.000.000
Capital Inflation Adjustment Difference	2.064.460.695	2.064.460.695
Restricted Reserves Appropriated from profit	366.188.059	366.188.059
Previous Year Profits	4.621.642.178	2.764.265.179
Gain / (Loss) on Revaluation and Measurement	2.260.867.478	2.260.867.478
(Losses) on Remeasurement of Defined Benefit Plans	(67.661.845)	(67.661.845)
Net Profit / (Loss) for The Period	397.401.836	1.857.376.999
<b>Shareholders' Equity Attributable to Equity Holders of the Group</b>	<b>9.894.898.401</b>	<b>9.497.496.565</b>
<b>Total Shareholders' Equity</b>	<b>9.894.898.401</b>	<b>9.497.496.565</b>

**c) Restricted Reserves Appropriated from Profit**

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

<u>Restricted Reserves Appropriated from Profit</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
Legal Reserves	366.188.059	366.188.059
<b>Total</b>	<b>366.188.059</b>	<b>366.188.059</b>

According to the provisions of the Turkish Commercial Code, legal reserves consist of primary and secondary legal reserves. The first legal reserves are allocated at the rate of 5% of the legal period profit until it reaches 20% of the historical or registered Company capital. Secondary legal reserves are allocated at the rate of 10% of all dividend distributions exceeding 5% of the Company's capital. According to the Turkish Commercial Code, first and second legal reserves cannot be distributed unless they exceed 50% of the total capital. They can only be used to compensate the losses in case the voluntary reserves are exhausted.

Retained earnings is comprised of extraordinary reserves, miscellaneous inflation differences and other prior years' income.

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira (“TRY”) as of March 31,2024, unless otherwise stated)

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

**d) Retained Earnings/Losses**

The Group’s prior years’ income details as of period ends are as follows:

<b>Retained Earnings/Losses</b>	<b>31 March 2024</b>	<b>31 December 2023</b>
Extraordinary Reserves	129.274.233	148.747.617
Legal Reserves Inflation Difference	77.302.157	77.302.157
Retained Earnings / (Losses)	4.415.065.788	2.538.215.405
<b>Total</b>	<b>4.621.642.178</b>	<b>2.764.265.179</b>

Quoted companies make profit distributions as follows:

If the amount of profit distributions calculated in accordance with the net distributable profit requirements of the CMB does not exceed the statutory net distributable profit, the total amount of distributable profit should be distributed. However, no profit distribution would be made if any financial statements prepared in accordance with the CMB or any statutory accounts carrying net loss for the period. In accordance with the CMB’s decision dated 27 January 2010, it is decided not to bring any obligation for any minimum profit distribution about dividend distribution which will be made for publicly owned companies.

Inflation adjustment on Equity; the carrying amount of extraordinary reserves could have been utilised in issuing bonus shares, cash dividend distribution and offsetting accumulated losses. However, equity inflation adjustment differences will be liable to corporate tax if it is used in cash profit distribution.

Group’s retained earnings is TL 4.621.642.178 based on the financial statements prepared in according with TAS/IFRS Financial Reporting Standard for the period ended 31 March 2024 (31 December 2023: TL 2.764.265.179).

In accordance with the Communiqué No:XI-29 and related announcements of TAS/IFRS, effective from 1 January 2008, “Share Capital”, “Restricted Reserves” and “Share Premiums” shall be carried at their statutory amount. The valuation differences (such as differences from inflation adjustment) shall be classified as follows:

- “the difference arising from the “Paid-in Capital” and not been transferred to capital yet, shall be classified under the “Capital Adjustment to Share Capital”;
- the difference due to the inflation adjustment of “Restricted Reserves” and “Share Premium” and the amount has not been utilised in dividend distribution or capital increase yet, shall be classified under “Retained Earnings”. Other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards.

**NOTE 18- REVENUE AND COST OF SALES**

	<b>1 January- 31 March 2024</b>	<b>1 January- 31 March 2023</b>
Domestic Sales	3.498.266.842	3.223.484.577
Foreign Sales	1.456.640.055	924.519.898
Other Income	15.643.037	11.837.706
<b>Sales Total (Gross)</b>	<b>4.970.549.934</b>	<b>4.159.842.181</b>
Sales Discounts (-)	(470.843.303)	(228.493.194)
<b>Sales (Net)</b>	<b>4.499.706.631</b>	<b>3.931.348.987</b>
<b>Cost of Sales</b>	<b>(3.834.459.871)</b>	<b>(3.293.440.875)</b>
<b>Gross Operating Profit</b>	<b>665.246.760</b>	<b>637.908.112</b>

Cost of sales are summarised as follows;

<b>Cost of Sales</b>	<b>1 January- 31 March 2024</b>	<b>1 January- 31 March 2023</b>
Raw Materials and Supplies Expenses	(2.967.347.279)	(2.287.904.518)
Direct Labor Expenses	(214.511.066)	(89.105.753)
Depreciation and Amortization Expenses	(98.046.353)	(93.012.271)
Other Production Costs	(65.433.345)	(103.011.514)
<b>Total Cost of Production</b>	<b>(3.345.338.043)</b>	<b>(2.573.034.056)</b>
Change in Goods Inventory	144.164.122	(136.951.282)
Cost of Trade Goods Sold	(629.537.729)	(583.185.138)
Cost of Other Sales	(3.748.221)	(270.399)
<b>Cost of Sales</b>	<b>(3.834.459.871)</b>	<b>(3.293.440.875)</b>

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of March 31,2024, unless otherwise stated)

**NOTE 19- OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES**

<b>Other Income from Operating Activities:</b>	<b>1 January- 31 March 2024</b>	<b>1 January- 31 March 2023</b>
Foreign Exchange Income on Trade Receivables and Payables	88.311.930	45.121.111
Tubitak R&D Incentive	4.648.039	823.097
Incentive Income	3.265.477	5.421.933
Sale Support Income	1.196.655	658.239
Rent Income	912.236	178.233
Service Income	218.298	394.899
Delay Interest Income	167.630	5.848.801
Export D.F.I.F Support	-	3.875.783
Other Income	28.126.080	30.931.806
<b>Total</b>	<b>126.846.345</b>	<b>93.253.902</b>

  

<b>Other Expense from Operating Activities:</b>	<b>1 January- 31 March 2024</b>	<b>1 January- 31 March 2023</b>
Foreign Exchange Expense on Trade Receivables and Payables	(232.499.063)	(132.424.854)
Lawsuit Provisions	(11.891.170)	-
Donations and Contributions	(10.342.773)	(23.303.193)
Discount Income on Trade Receivables	(3.542.605)	(4.917.736)
Provisions for Doubtful Trade Receivables	-	(1.211.200)
Other Expenses	(3.316.985)	(1.626.408)
<b>Total</b>	<b>(261.592.596)</b>	<b>(163.483.391)</b>

**NOTE 20- FINANCE INCOME AND EXPENSES**

<b>Finance Income:</b>	<b>1 January- 31 March 2024</b>	<b>1 January- 31 March 2023</b>
Foreign Exchange Gain	91.968.755	121.724.938
Interest Income	292.152.389	136.815.235
<b>Total</b>	<b>384.121.144</b>	<b>258.540.173</b>

  

<b>Finance Expenses:</b>	<b>1 January- 31 March 2024</b>	<b>1 January- 31 March 2023</b>
Interest Expense	(340.041.897)	(141.865.401)
Foreign Exchange Losses	(69.875.811)	(145.437.982)
Forward Purchase Expense	(8.624.797)	(6.165.626)
Letter of Guarantee Expenses	(5.546.468)	(2.125.464)
Expense from Derivative Transactions	(4.472.560)	(1.919.067)
Other Finance Expenses	(17.533.819)	(68.270.275)
<b>Total</b>	<b>(446.095.352)</b>	<b>(365.783.815)</b>

**NOTE 21- TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)**

*i) Provision for Current Period Tax*

The Group is subjected to Corporate Tax in Turkey. Necessary provisions in supplementary financial statements have been made for estimated tax liabilities regarding Group's operations in the current period.

The corporate tax to be accrued over the taxable profit is calculated by adding non-deductible expenses to the accounting profit; deducting investment and research and development allowances, income that is not subjected to taxation and the dividends received, from companies located in Turkey, from the accounting profit.

Consolidation principle is not utilized to prepare financial statements related to tax that is effective in Turkey.

The effective tax rate in 2024 is 25% (2023: 25%).

Tax losses can be carried forward to offset against future taxable income for up to five years. However, tax losses cannot be carried back to offset profits from previous periods.

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of March 31, 2024, unless otherwise stated)

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

*i) Provision for Current Period Tax (cont'd)*

According to Corporate Tax Law's 24th article, the corporate tax is imposed by the taxpayer's tax returns. There is not an exact mutual agreement procedure with Tax Authorities in Turkey. Annual corporate tax returns are submitted to the relating tax offices until the 25th of April in the following year. Tax authorities have the right to audit tax declarations and accounting records for 5 years and may issue re-assessment based on their findings.

**Income Withholding Tax:**

In addition to corporate tax, companies should also calculate income withholding tax on any dividends and income distributed. The rate of income tax withholding is 15%.

*ii) Deferred Tax*

The deferred tax asset and tax liability are based on the temporary differences, which arise between the financial statements prepared according to TAS/TFRS's accounting standards and statutory tax financial statements. These differences are usually due to the recognition of revenue and expenses in different reporting periods for the TAS/TFRS standards and tax purposes.

Timing differences are result of recognizing certain income and expense items differently for accounting and tax purposes. Timing differences are calculated off of the tangible fixed assets (except land and buildings), intangible fixed assets, stocks, the revaluation of prepaid expenses, discount of receivables, provision for termination indemnities, and previous years' loss. Every accounting year, the Group reviews the deferred tax asset and liabilities, where the deferred tax assets cannot be used against the future taxable income, the Group writes-off the recorded deferred tax asset.

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

The Group realizes its fixed asset investments with incentives within the scope of "Decrees of the Council of Ministers on State Aids in Investments" numbered 2009/15199 and 2012/3305 which regulate the investment legislation.

The investment projects that the Group continues to benefit from the investment contribution amounts are explained in Note 13.

	<b><u>31 March 2024</u></b>		<b><u>31 December 2023</u></b>	
	<b><u>Cumulative Temporary Differences</u></b>	<b><u>Deferred Tax Assets/(Liabilities)</u></b>	<b><u>Cumulative Temporary Differences</u></b>	<b><u>Deferred Tax Assets/(Liabilities)</u></b>
Inventories	(355.781.532)	(88.945.383)	(295.646.336)	(73.911.584)
Fixed Assets (Net)	(6.362.704.821)	(818.476.763)	(6.428.997.121)	(835.054.756)
Provision for Employment Termination Benefits	75.768.989	18.942.247	74.551.927	18.637.982
Guarantee Provisions	108.325.225	27.081.306	105.799.510	26.449.878
R&D Discount and Investment Incentive	444.137.674	203.752.770	574.371.643	337.675.670
Derivative Instruments	(15.622.451)	(3.905.613)	(61.706.167)	(15.426.542)
Rediscount Expenses/Income (Net)	(6.756.180)	(1.689.045)	(11.850.155)	(2.962.539)
TFRS 15 Revenue from Contracts with Customers	(191.587.481)	(47.896.870)	(251.565.921)	(62.891.480)
Employee Benefits	51.744.553	12.936.138	53.204.899	13.301.225
Extended Warranty Income	93.472.580	23.368.145	108.523.268	27.130.817
Dealer Premium Provisions	109.330.172	27.332.543	52.650.324	13.162.581
Lawsuit Provisions	75.780.231	18.945.058	73.513.069	18.378.267
Adjustments Related to Borrowings	(317.155.601)	(79.288.900)	(299.845.801)	(74.961.450)
Adjustments Related to Leases	137.699.129	34.424.782	157.046.455	39.261.614
Other (Net)	361.554.429	90.388.608	111.527.648	27.881.911
<b>Total</b>		<b>(583.030.977)</b>		<b>(543.328.406)</b>

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of March 31, 2024, unless otherwise stated)

**NOTE 22 - EARNINGS / (LOSS) PER SHARE**

	1 January- 31 March 2024	1 January- 31 March 2023
Net Profit / (Loss) for The Period	239.372.378	105.188.030
Weighted Average Number of Shares with Nominal Value of 1 Piaster	8.400.000.000	8.400.000.000
<b>Income Per 100 Share with Nominal Value of TL 1 Each</b>	<b>2,8497</b>	<b>1,2522</b>

**NOTE 23- RELATED PARTY DISCLOSURES**

**a) Related Party Payable and Receivable Balances:**

Group's receivables from related parties are mainly due to trade goods, service sales and rent income. Group's payables to related parties are mainly due to raw material, service purchases and rent expenses.

The Group does not charge interest on its trade receivables from related parties.

31 March 2024 <u>Related Parties</u>	<u>Receivables</u>		<u>Payables</u>	
	<u>Trade</u>	<u>Non-Trade</u>	<u>Trade</u>	<u>Non-Trade</u>
Itochu Corporation Tokyo (2)	4.019.666	-	2.435.256.551	-
Isuzu Motors Ltd. Tokyo (2)	919.208	-	57.387.392	-
Çelik Motor Ticaret A.Ş. (1)	2.224.967	-	-	-
Anadolu Motor Üretim ve Paz. A.Ş. (1)	2.793.556	-	-	-
Anadolu Efes Spor Kulübü (1)	142.520	-	-	-
AEH Sigorta Acenteliği A.Ş. (1)	-	-	802.559	-
Oyex-Handels Gmbh (1)	88.643.824	-	-	-
Isuzu Motors Co. Thailand Ltd. (1)	-	-	37.351	-
AG Anadolu Grubu Holding A.Ş. (2)	-	-	351.870	-
Migros Ticaret A.Ş. (1)	-	-	12.863	-
Adel Kalemcilik Tic. ve San. A.Ş. (1)	-	-	13.017	-
Ortaklara Borçlar (*)	-	-	-	9.109
Isuzu Motors International Operation Thailand (1)	3.192.970	-	-	-
Anadolu Sağlık Merkezi İktisadi İşletmesi (1)	-	-	6.400	-
Garenta Ulaşım Çözümleri A.Ş (1)	-	-	78.873	-
<b>Total</b>	<b>101.936.711</b>	<b>-</b>	<b>2.493.946.876</b>	<b>9.109</b>

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

1) Related Parties of Shareholders

2) Shareholders

31 December 2023 <u>Related Parties</u>	<u>Receivables</u>		<u>Payables</u>	
	<u>Trade</u>	<u>Non-Trade</u>	<u>Trade</u>	<u>Non-Trade</u>
Itochu Corporation Tokyo (2)	-	-	2.309.468.081	-
Isuzu Motors Ltd. Tokyo (2)	7.995	-	72.580.905	-
Çelik Motor Ticaret A.Ş. (1)	11.854.818	-	-	-
Anadolu Motor Üretim ve Paz. A.Ş. (1)	10.126.668	-	-	-
Isuzu Motors Europe NV (1)	193.634	-	-	-
AEH Sigorta Acenteliği A.Ş. (1)	-	-	877.937	-
Oyex-Handels Gmbh (1)	95.769.510	-	-	-
AG Anadolu Grubu Holding A.Ş. (2)	-	-	14.399.667	-
Adel Kalemcilik Tic. ve San. A.Ş. (1)	-	-	462.606	-
Ortaklara Borçlar (*)	-	-	-	10.481
Isuzu Motors International Operation Thailand (1)	935.687	-	-	-
Anadolu Efes Biracılık ve Malt Sanayi A.Ş. (1)	-	-	24.936	-
Garenta Ulaşım Çözümleri A.Ş (1)	-	-	282	-
<b>Total</b>	<b>118.888.312</b>	<b>-</b>	<b>2.397.814.414</b>	<b>10.481</b>

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

1) Related Parties of Shareholders

2) Shareholders

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of March 31, 2024, unless otherwise stated)

**NOTE 23- RELATED PARTY DISCLOSURES (cont'd)**

**b) Related Party Transactions:**

**1 January-31 March 2024**

<u>Sales to Related Parties</u>	<u>Goods and Services Sales</u>	<u>Fixed Assets Sales</u>	<u>Other Income</u>	<u>Total Income/Sales</u>
Isuzu Motors Ltd. Tokyo (2)	2.828.265	-	-	2.828.265
Itochu Corporation Tokyo (2)	6.790.420	-	-	6.790.420
Çelik Motor Ticaret A.Ş. (1)	3.744.303	-	-	3.744.303
Anadolu Motor Üretim ve Paz. A.Ş. (1)	3.862.545	-	-	3.862.545
Isuzu Motors International Operation Thailand (1)	3.794.722	-	-	3.794.722
Oyex-Handels Gmbh (1)	68.523.445	-	-	68.523.445
<b>Total</b>	<b>89.543.700</b>	<b>-</b>	<b>-</b>	<b>89.543.700</b>

1) Related Parties of Shareholders

2) Shareholders

**1 January-31 March 2023**

<u>Sales to Related Parties</u>	<u>Goods and Services Sales</u>	<u>Fixed Assets Sales</u>	<u>Other Income</u>	<u>Total Income/Sales</u>
Isuzu Motors Ltd. Tokyo (2)	53.543.737	-	-	53.543.737
Çelik Motor Ticaret A.Ş. (1)	2.382.282	-	-	2.382.282
Anadolu Motor Üretim ve Paz. A.Ş. (1)	3.135.630	-	-	3.135.630
Isuzu Motors International Operation Thailand (1)	3.294.812	-	-	3.294.812
AEH Sigorta Acenteliği A.Ş. (1)	842.477	-	-	842.477
Isuzu Motors Europe NV (1)	673.156	-	-	673.156
Oyex-Handels Gmbh (1)	6.673.343	-	-	6.673.343
<b>Total</b>	<b>70.545.437</b>	<b>-</b>	<b>-</b>	<b>70.545.437</b>

1) Related Parties of Shareholders

2) Shareholders

**1 January-31 March 2024**

<u>Purchases from Related Parties</u>	<u>Goods and Services Purchases</u>	<u>Fixed Assets Purchases</u>	<u>Other Expense</u>	<u>Total Expense/Purchases</u>
Itochu Corporation Tokyo (2)	1.111.569.053	-	-	1.111.569.053
Isuzu Motors International Operation Thailand (1)	465.420.652	-	-	465.420.652
AG Anadolu Grubu Holding A.Ş. (2)	19.268.657	-	-	19.268.657
Isuzu Motors Ltd. Tokyo (2)	62.688.030	-	-	62.688.030
Isuzu Motors Europe NV (1)	18.858	-	-	18.858
Çelik Motor Ticaret A.Ş. (1)	439.013	-	-	439.013
Garenta Ulaşım Çözümleri A.Ş (1)	70.657	-	-	70.657
Adel Kalemcilik Tic. ve San. A.Ş. (1)	10.848	-	-	10.848
Anadolu Bilişim Hizmetleri A.Ş. (1)	7.379	-	-	7.379
Migros Ticaret A.Ş. (1)	3.074.139	-	-	3.074.139
Anadolu Efes Spor Kulübü (1)	143.856	-	-	143.856
Oyex-Handels Gmbh (1)	11.290.980	-	-	11.290.980
<b>Total</b>	<b>1.674.002.122</b>	<b>-</b>	<b>-</b>	<b>1.674.002.122</b>

1) Related Parties of Shareholders

2) Shareholders

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of March 31,2024, unless otherwise stated)

**NOTE 23- RELATED PARTY DISCLOSURES (cont'd)**

**b) Related Party Transactions: (cont'd)**

**1 January-31 March 2023**

<u>Purchases from Related Parties</u>	<u>Goods and Services Purchases</u>	<u>Fixed Assets Purchases</u>	<u>Other Expense</u>	<u>Total Expense/Purchases</u>
Itochu Corporation Tokyo (2)	849.627.755	-	-	849.627.755
Isuzu Motors International Operation Thailand (1)	416.828.307	-	-	416.828.307
AG Anadolu Grubu Holding A.Ş. (2)	101.387	-	-	101.387
Isuzu Motors Ltd. Tokyo (2)	2.807.271	-	-	2.807.271
Isuzu Motors Europe NV (1)	13.045	-	-	13.045
Çelik Motor Ticaret A.Ş. (1)	319.713	-	-	319.713
Garenta Ulaşım Çözümleri A.Ş (1)	327.178	-	-	327.178
Adel Kalemçilik Tic. ve San. A.Ş. (1)	8.758	-	-	8.758
Anadolu Bilişim Hizmetleri A.Ş. (1)	7.419	-	-	7.419
Migros Ticaret A.Ş. (1)	617.990	-	-	617.990
Anadolu Sağlık Merkezi İktisadi İşletmesi (1)	15.759	-	-	15.759
Oyex-Handels GmbH (1)	10.251.865	-	-	10.251.865
<b>Total</b>	<b>1.280.926.447</b>	<b>-</b>	<b>-</b>	<b>1.280.926.447</b>

**c) Donations to Anadolu Eğitim ve Sosyal Yardım Vakfı:**

As per the Main Articles of Association of the Group, at least 2% - 5% of the Group's profit before tax following the distribution of 1st dividend shall be donated to Anadolu Eğitim ve Sosyal Yardım Vakfı as long as it is subject to tax exemption. Donation was not made to Anadolu Eğitim ve Sosyal Yardım Vakfı by the Group in 2024 (31.12.2023: TL 31.732.952).

**d) Benefits to Top Management:**

	<u>1 January-31 March 2024</u>	<u>1 January-31 March 2023</u>
Salaries and Other Short-Term Liabilities	54.090.524	40.145.797
<b>Total</b>	<b>54.090.524</b>	<b>40.145.797</b>

The benefits provided to top management (General managers and Directors) include salaries, bonuses, premiums, and the employer's share of social security..

**NOTE 24- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**

**(a) Capital risk management**

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing its profit and market value through the optimization of the debt and equity balance.

The Group's equity comprised of cash and cash equivalents in Note 4 and equity items in Note 17.

Risks, associated with each capital class, and the capital cost are evaluated by the top management. It is aimed that the capital structure will be set in balance by means of new borrowings or repaying the existing debts as well as dividend payments and new share issuances based on the top management evaluations.

The Group monitors capital by using debt to total capital ratio. This ratio is calculated by dividing the net debt by total capital. The net debt is calculated by excluding the cash and cash equivalent amounts from the total debt amount (including credits, leasing and commercial debts as indicated in the balance sheet).

	<u>31 March 2024</u>	<u>31 December 2023</u>
Net Debt	7.136.883.793	6.136.045.389
Total Equity	9.894.898.401	9.497.496.565
<b>Net Debt/Total Equity</b>	<b>0,72</b>	<b>0,65</b>

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



(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of March 31, 2024, unless otherwise stated)

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

(a) Capital risk management (cont'd)

The Group conducts hedging contracts (including derivative financial instruments) for the purpose of diversifying foreign currency fluctuation risks.

(b) Price risk

The Group has no financial assets that will expose it to price risk.

(c) Market risk

The Group is subject to the financial risks related to the changes in the exchange rate (Please see (d) below) and interest rate (Please see (e) below) due to its operations and other (Please see (f) below). Also due to having financial instruments, the Group also bears the risk of other parties not meeting the requirements of agreements (Please see (g) below).

Market risks seen at the level of the Group are measured in accordance with sensitivity analyses.

The market risk of the Group incurred during the current year or the method of handling the encountered risks or the method of measuring those risks are not different from the previous year.

(d) Foreign exchange risk management

Foreign currency transactions may result in foreign currency risk.

The Group maintains foreign currency time deposit accounts in banks as the Group has receivables and payables in foreign currencies. As a consequence, the Group is exposed to foreign currency exchange risk due to the changes in exchange rates used for converting assets and liabilities into TL. Foreign exchange risk arises from future trade operations and the differences between assets and liabilities.

**Foreign Currency Position Sensitivity Analysis**

**31 March 2024**

	<b><u>Appreciation of Foreign Currency</u></b>	<b><u>Profit / Loss Depreciation of Foreign Currency</u></b>
In case of US Dollar increases / decreases in 10% against TL;		
1 - USD denominated net asset / (liability)	(9.855.456)	9.855.456
2- USD denominated hedging instruments (-)	-	-
<b>3- Net Effect of US Dollar (1 +2)</b>	<b>(9.855.456)</b>	<b>9.855.456</b>
In case of Euro increases / decreases in 10% against TL;		
4- EURO denominated net asset / (liability)	34.209.006	(34.209.006)
5- EURO denominated hedging instruments (-)	-	-
<b>6- Net Effect of Euro (4+5)</b>	<b>34.209.006</b>	<b>(34.209.006)</b>
Increase / decrease in other foreign currencies by 10%:		
7- Other foreign currency denominated net asset / (liability)	(4.826.705)	4.826.705
8- Other foreign currency hedging instruments (-)	-	-
<b>9- Net Effect of Other Exchange Rates (4+5)</b>	<b>(4.826.705)</b>	<b>4.826.705</b>
<b>TOTAL (3+6+9)</b>	<b>19.526.845</b>	<b>(19.526.845)</b>

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of March 31,2024, unless otherwise stated)

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

(d) Foreign exchange risk management (cont'd)

**Foreign Currency Position Sensitivity Analysis**

**31 December 2023**

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

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira (“TRY”) as of March 31,2024, unless otherwise stated)

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

(d) Foreign exchange risk management (cont’d)

	31 March 2024					Statement of Foreign Currency Position					31 December 2023				
	TL Amount	US Dollars	Euro	Yen	Other	TL Amount	US Dollars	Euro	Yen	Other	TL Amount	US Dollars	Euro	Yen	Other
1. Trade Receivables	2.011.510.642	19.133	61.712.637	3.500.000	-	1.952.465.138	39.137	51.938.616	-	-	1.952.465.138	39.137	51.938.616	-	593.059
2a. Monetary Financial Assets	142.496.217	413.777	3.977.557	3.077.586	3.000	290.307.472	104.120	7.548.557	9.833.799	35.000	290.307.472	104.120	7.548.557	9.833.799	35.000
2b. Non-monetary Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>4. Current Assets (1+2+3)</b>	<b>2.154.006.859</b>	<b>432.910</b>	<b>65.690.194</b>	<b>6.577.586</b>	<b>3.000</b>	<b>2.242.772.610</b>	<b>143.257</b>	<b>59.487.173</b>	<b>9.833.799</b>	<b>628.059</b>	<b>2.242.772.610</b>	<b>143.257</b>	<b>59.487.173</b>	<b>9.833.799</b>	<b>628.059</b>
5. Trade Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>8. Non-current Assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>2.154.006.859</b>	<b>432.910</b>	<b>65.690.194</b>	<b>6.577.586</b>	<b>3.000</b>	<b>2.242.772.610</b>	<b>143.257</b>	<b>59.487.173</b>	<b>9.833.799</b>	<b>628.059</b>	<b>2.242.772.610</b>	<b>143.257</b>	<b>59.487.173</b>	<b>9.833.799</b>	<b>628.059</b>
10. Trade Payables	2.679.612.532	3.399.256	77.663.422	239.425.416	1.900	2.383.260.229	492.749	61.046.589	309.391.144	-	2.383.260.229	492.749	61.046.589	309.391.144	-
11. Financial Liabilities	60.204.124	-	1.848.232	-	-	369.036.785	5.583.593	4.782.233	-	-	369.036.785	5.583.593	4.782.233	-	-
12a. Monetary Other Liabilities	431.730.301	-	13.253.872	-	-	814.696.213	-	21.697.314	-	-	814.696.213	-	21.697.314	-	-
12b. Non-Monetary Other Liabilities	263.417.807	381.500	7.742.000	-	-	573.324.259	-	15.269.000	-	-	573.324.259	-	15.269.000	-	-
<b>13. Current Liabilities (10+11+12)</b>	<b>3.434.964.764</b>	<b>3.780.756</b>	<b>100.507.526</b>	<b>239.425.416</b>	<b>1.900</b>	<b>4.140.317.486</b>	<b>6.076.342</b>	<b>102.795.136</b>	<b>309.391.144</b>	<b>-</b>	<b>4.140.317.486</b>	<b>6.076.342</b>	<b>102.795.136</b>	<b>309.391.144</b>	<b>-</b>
14. Trade Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15. Financial Liabilities	233.577.664	-	7.170.700	-	-	290.226.633	-	7.729.431	-	-	290.226.633	-	7.729.431	-	-
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>17. Non-current Liabilities (14+15+16)</b>	<b>233.577.664</b>	<b>-</b>	<b>7.170.700</b>	<b>-</b>	<b>-</b>	<b>290.226.633</b>	<b>-</b>	<b>7.729.431</b>	<b>-</b>	<b>-</b>	<b>290.226.633</b>	<b>-</b>	<b>7.729.431</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities (13+17)</b>	<b>3.668.542.428</b>	<b>3.780.756</b>	<b>107.678.226</b>	<b>239.425.416</b>	<b>1.900</b>	<b>4.430.544.119</b>	<b>6.076.342</b>	<b>110.524.567</b>	<b>309.391.144</b>	<b>-</b>	<b>4.430.544.119</b>	<b>6.076.342</b>	<b>110.524.567</b>	<b>309.391.144</b>	<b>-</b>
<b>19. Off-balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b)</b>	<b>1.709.804.011</b>	<b>-</b>	<b>52.490.000</b>	<b>-</b>	<b>-</b>	<b>2.575.434.602</b>	<b>-</b>	<b>68.590.000</b>	<b>-</b>	<b>-</b>	<b>2.575.434.602</b>	<b>-</b>	<b>68.590.000</b>	<b>-</b>	<b>-</b>
19.a. Total Amount of Hedged Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19.b. Total Amount of Hedged Liabilities	(1.709.804.011)	-	(52.490.000)	-	-	(2.575.434.602)	-	(68.590.000)	-	-	(2.575.434.602)	-	(68.590.000)	-	-
<b>20. Net Foreign Currency Assets/(Liabilities) Position (9-18+19)</b>	<b>195.268.442</b>	<b>(3.347.846)</b>	<b>10.501.968</b>	<b>(232.847.830)</b>	<b>1.100</b>	<b>387.663.093</b>	<b>(5.933.085)</b>	<b>17.552.606</b>	<b>(299.557.345)</b>	<b>628.059</b>	<b>387.663.093</b>	<b>(5.933.085)</b>	<b>17.552.606</b>	<b>(299.557.345)</b>	<b>628.059</b>
<b>21. Monetary Items Net Foreign Currency Assets / (Liabilities) (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(1.251.117.762)</b>	<b>(2.966.346)</b>	<b>(34.246.032)</b>	<b>(232.847.830)</b>	<b>1.100</b>	<b>(1.614.447.250)</b>	<b>(5.933.085)</b>	<b>(35.768.394)</b>	<b>(299.557.345)</b>	<b>628.059</b>	<b>(1.614.447.250)</b>	<b>(5.933.085)</b>	<b>(35.768.394)</b>	<b>(299.557.345)</b>	<b>628.059</b>
<b>22. Fair Value of Financial Instruments Used for Currency Hedge</b>	<b>15.622.451</b>	<b>-</b>	<b>479.600</b>	<b>-</b>	<b>-</b>	<b>61.706.166</b>	<b>-</b>	<b>1.646.345</b>	<b>-</b>	<b>-</b>	<b>61.706.166</b>	<b>-</b>	<b>1.646.345</b>	<b>-</b>	<b>-</b>
<b>23. Hedged Foreign Currency Assets</b>	<b>(1.709.804.011)</b>	<b>-</b>	<b>(52.490.000)</b>	<b>-</b>	<b>-</b>	<b>(2.575.434.602)</b>	<b>-</b>	<b>(68.590.000)</b>	<b>-</b>	<b>-</b>	<b>(2.575.434.602)</b>	<b>-</b>	<b>(68.590.000)</b>	<b>-</b>	<b>-</b>
<b>24. Hedged Foreign Currency Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>25. Export</b>	<b>1.456.640.055</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.538.448.465</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.538.448.465</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>26. Import</b>	<b>1.683.693.023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.512.765.521</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.512.765.521</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira ("TRY") as of March 31, 2024, unless otherwise stated)

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

(e) Interest rate risk management

The Group is exposed to interest rate risk due to variable and fixed interest rates. Group's financial liabilities and assets with fixed and variable interest rates (guarantee etc.) are respectively shown at Note 5.

As of 31 March 2024, if the market interest rate had increased/decreased by 100 basis point with all other variables held constant, period income before tax and consolidated equity of participations of the Group would have been higher/lower by TL 6.804.440 (31 December 2023: higher/lower by TL 7.211.671 TL ).

(f) Credit risk management

Holding financial instruments also carries the risk of the other party's not meeting the requirements of the agreement. The Group's collection risk is mainly derived from trade receivables. Trade receivables are evaluated by the management of the Group depending on their past experiences and current economic conditions and are presented in financial statements when necessary allowances for doubtful receivables are provided.

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

**Fair Value and Hedging Disclosures**

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

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

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

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

**Derivative Financial Instruments**

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

As of 31 March 2024, the Group's foreign currency transaction agreement, which is a derivative financial instrument, is as follows

<b><u>Financial assets carried at fair value</u></b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Derivative assets (Note 8)	-	38.891.765	-	38.891.765
Buildings (Note 10)	-	1.427.275.782	-	1.427.275.782
Lands (Note 10)	-	5.149.452.556	-	5.149.452.556
<b>Total</b>	<b>-</b>	<b>6.615.620.103</b>	<b>-</b>	<b>6.615.620.103</b>

  

<b><u>Financial liabilities carried at fair value</u></b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Derivative liabilities (Note 8)	-	23.269.314	-	23.269.314
<b>Total</b>	<b>-</b>	<b>23.269.314</b>	<b>-</b>	<b>23.269.314</b>

(Currency expressed in Turkish Lira based on the purchasing power of Turkish Lira (“TRY”) as of March 31, 2024, unless otherwise stated)

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

**Derivative Financial Instruments (cont’d)**

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

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

<b><u>Financial assets carried at fair value</u></b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Derivative assets (Note 8)	-	99.884.042	-	99.884.042
Buildings (Note 10)	-	1.427.275.782	-	1.427.275.782
Lands (Note 10)	-	5.149.452.556	-	5.149.452.556
<b>Total</b>	-	<b>6.676.612.380</b>	-	<b>6.676.612.380</b>

<b><u>Financial liabilities carried at fair value</u></b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Derivative liabilities (Note 8)	-	38.177.876	-	38.177.876
<b>Total</b>	-	<b>38.177.876</b>	-	<b>38.177.876</b>

**NOTE 25- EVENTS AFTER REPORTING PERIOD**

None.