

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

**Interim Condensed Consolidated Financial Statements
As of September 30, 2023**

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

INDEX	PAGE
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	1-2
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	3
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	4
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	5
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	6-36
NOTE 1 ORGANISATION AND OPERATIONS OF THE GROUP	6
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS	6
NOTE 3 SEGMENT REPORTING.....	10
NOTE 4 CASH AND CASH EQUIVALENTS	10
NOTE 5 FINANCIAL INVESTMENTS	11
NOTE 6 FINANCIAL LIABILITIES.....	11
NOTE 7 TRADE RECEIVABLES AND PAYABLES.....	13
NOTE 8 DERIVATIVE INSTRUMENTS	14
NOTE 9 INVENTORIES.....	14
NOTE 10 PROPERTY, PLANT AND EQUIPMENT	15
NOTE 11 INTANGIBLE ASSETS.....	17
NOTE 12 RIGHT OF USE ASSETS	18
NOTE 13 GOVERNMENT GRANTS AND INCENTIVES	19
NOTE 14 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	20
NOTE 15 EMPLOYEE BENEFITS	21
NOTE 16 OTHER ASSETS AND LIABILITIES	22
NOTE 17 SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS	23
NOTE 18 REVENUE AND COST OF SALES	25
NOTE 19 OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES	26
NOTE 20 FINANCE INCOME AND EXPENSES	26
NOTE 21 TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES).....	26
NOTE 22 EARNINGS / LOSS PER SHARE.....	28
NOTE 23 RELATED PARTY DISCLOSURES	29
NOTE 24 NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS	31
NOTE 25 EVENTS AFTER REPORTING PERIOD	36

**ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2023 AND 31 DECEMBER 2022**

(Currency expressed in Turkish Lira unless otherwise indicated.)

		Unaudited Current Period 30 September 2023	Audited Prior Period 31 December 2022
ASSETS			
Current Assets		8.409.594.519	4.937.764.188
Cash and Cash Equivalents	4	1.954.379.948	1.476.302.718
Financial Investments	5	-	251.671.891
Trade Receivables		2.696.813.866	1.095.951.611
<i>Trade Receivables from Related Parties</i>	7-23	104.751.395	114.976.064
<i>Trade Receivables from Third Parties</i>	7	2.592.062.471	980.975.547
Other Receivables		31.918.920	86.480.075
<i>Other Receivables from Third Parties</i>		31.918.920	86.480.075
Inventories	9	2.698.030.918	1.492.162.513
Derivative Instruments	8	93.330.934	4.840.568
Prepaid Expenses	16	795.373.523	421.211.839
Current Tax Assets		-	569.042
Other Current Assets		139.746.410	108.573.931
Non-Current Assets		3.985.796.220	3.396.785.871
Financial Investments	5	609.288	837.400
Other Receivables		3.644	4.892
<i>Other Receivables from Third Parties</i>		3.644	4.892
Property, Plant and Equipment	10	3.315.441.014	3.008.156.907
Right of Use Assets	12	22.566.401	16.607.141
Intangible Assets		646.819.125	369.954.053
<i>Goodwill</i>		74.896.565	2.340.995
<i>Other Intangible Assets</i>	11	571.922.560	367.613.058
Prepaid Expenses	16	356.748	1.225.478
TOTAL ASSETS		12.395.390.739	8.334.550.059

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

ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2023 AND 31 DECEMBER 2022
(Currency expressed in Turkish Lira unless otherwise indicated.)

	Notes	Unaudited Current Period 30 September 2023	Audited Prior Period 31 December 2022
LIABILITIES			
Current Liabilities		7.099.396.814	4.245.293.969
Current Borrowings		2.754.427.142	1.071.109.203
<i>Current Borrowings from Third Parties</i>	6	2.754.427.142	1.071.109.203
<i>Bank Loans</i>	6	2.754.427.142	1.071.109.203
Current Portions of Non-Current Borrowings		419.976.072	533.762.952
<i>Current Portions of Non-Current Borrowings from</i>			
<i>Third Parties</i>	6	419.976.072	533.762.952
<i>Bank Loans</i>	6	387.156.237	525.205.503
<i>Lease Liabilities</i>	6	32.819.835	8.557.449
Trade Payables		2.715.758.778	2.199.208.113
<i>Trade Payables to Related Parties</i>	7-23	1.748.411.075	1.169.241.865
<i>Trade Payables to Third Parties</i>	7	967.347.703	1.029.966.248
Other Payables		18.586.711	11.445.740
<i>Other Payables to Related Parties</i>	23	9.109	9.109
<i>Other Payables to Third Parties</i>		18.577.602	11.436.631
Derivative Instruments	8	35.911.244	40.269.448
Employee Benefits Obligations		56.773.829	38.577.623
Liabilities Arising from Contracts with Customers	16	3.517.818	4.160.229
Deferred Income	16	750.687.210	201.078.887
Provisions for Income Taxes and Other Legal Liabilities		1.554.940	-
Current Provisions		342.203.070	145.681.774
<i>Current Provisions for Employee Benefits</i>	15	84.842.084	5.435.506
<i>Other Current Provisions</i>	14	257.360.986	140.246.268
Non-Current Liabilities		1.052.110.067	699.012.995
Non-Current Borrowings		728.294.063	412.719.029
<i>Non-Current Borrowings from Third Parties</i>		728.294.063	412.719.029
<i>Bank Loans</i>	6	466.391.865	402.652.819
<i>Lease Liabilities</i>	6	261.902.198	10.066.210
Employee Benefits Obligations		27.306.328	-
Liabilities Arising from Contracts with Customers	16	79.766.581	58.763.620
Deferred Income	16	83.487.343	2.466.936
Non-Current Provisions for Employee Benefits	15	44.712.703	125.769.433
Deferred Tax Liabilities	21	88.543.049	99.293.977
EQUITY		4.243.883.858	3.390.243.095
Equity Attributable to Equity Holders of the Parent	17	4.243.883.858	3.390.243.095
Issued Capital		84.000.000	84.000.000
Adjustments to Share Capital		30.149.426	30.149.426
Revaluation and Remeasurement Earnings/Losses that will not be			
Reclassified in Profit or Loss		2.420.462.240	2.420.462.240
<i>Gain on Revaluation of Property, Plant and Equipment</i>		2.475.663.739	2.475.663.739
<i>Gain/Loss on Remeasurement of Defined Benefit Plans</i>		(55.201.499)	(55.201.499)
Restricted Reserves Appropriated from Profits		57.875.263	26.784.678
Prior Years' Profit		597.756.166	211.459.551
Current Period Net Profit		1.053.640.763	617.387.200
TOTAL LIABILITIES		12.395.390.739	8.334.550.059

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

**ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2023 AND 31 DECEMBER 2022**

Page No: 3

(Currency expressed in Turkish Lira unless otherwise indicated.)

	Notes	Unaudited 1 January- 30 September 2023	Unaudited 1 January- 30 September 2022	Unaudited 1 July- 30 September 2023	Unaudited 1 July- 30 September 2022
PROFIT OR LOSS					
Revenue	18	8.243.620.355	4.009.560.021	3.219.322.536	1.754.486.406
Cost of Sales (-)	18	(5.794.689.797)	(3.047.426.714)	(2.169.770.081)	(1.371.120.749)
GROSS PROFIT		2.448.930.558	962.133.307	1.049.552.455	383.365.657
General Administrative Expenses (-)		(248.565.596)	(109.808.822)	(102.736.425)	(42.398.662)
Marketing Expenses (-)		(513.792.814)	(228.757.808)	(192.273.458)	(54.613.860)
Research and Development Expenses (-)		(55.410.806)	(16.548.496)	(20.637.316)	(6.601.774)
Other Income from Operating Activities	19	698.019.932	29.930.560	15.235.914	(13.066.432)
Other Expenses from Operating Activities (-)	19	(774.850.542)	(194.898.283)	(59.937.069)	(61.329.239)
PROFIT FROM OPERATING ACTIVITIES		1.554.330.732	442.050.458	689.204.101	205.355.690
Income from Investing Activities		3.163.438	36.350.994	(2.554.119)	28.744.767
Loss from Investing Activities		(1.176.560)	-	(1.176.560)	-
PROFIT BEFORE FINANCE EXPENSE		1.556.317.610	478.401.452	685.473.422	234.100.457
Finance Income	20	635.109.926	315.673.340	181.461.934	72.797.549
Finance Expenses (-)	20	(1.091.329.833)	(443.822.176)	(381.692.689)	(131.115.610)
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX		1.100.097.703	350.252.616	485.242.667	175.782.396
Tax Income From Continuing Operations		(46.456.940)	181.699.061	(892.703)	105.392.551
Current Tax Expense		(57.207.868)	(1.972.807)	(1.505.232)	(209.604)
Deferred Tax (Expense) Income		10.750.928	183.671.868	612.529	105.602.155
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		1.053.640.763	531.951.677	484.349.964	281.174.947
PROFIT FOR THE YEAR	22	1.053.640.763	531.951.677	484.349.964	281.174.947
Profit for the Year Attributable to:		1.053.640.763	531.951.677	484.349.964	281.174.947
Owners of The Parent		1.053.640.763	531.951.677	484.349.964	281.174.947
Earnings Per 100 Share from Continuing Operations	22	12,5433	6,3328	5,7661	3,3473
Items That Will Not Be Reclassified to Profit or Loss					
Gains on Remeasurement of Defined Benefit Plans		-	1.264.040	-	1.264.040
Gains on Remeasurement of Defined Benefit Plans, Tax Effect		-	(252.808)	-	(252.808)
OTHER COMPREHENSIVE INCOME		-	1.011.232	-	1.011.232
TOTAL COMPREHENSIVE INCOME		1.053.640.763	532.962.909	484.349.964	282.186.179
Owners of The Parent		1.053.640.763	532.962.909	484.349.964	282.186.179

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

ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED 30 SEPTEMBER 2023 AND 30 SEPTEMBER 2022
(Currency expressed in Turkish Lira unless otherwise indicated.)

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		
				Gain on Revaluation of Property, Plant and Equipment	Gain/Loss on Remeasurement of Defined Benefit Plans	Restricted Reserves Appropriated from Profits	Prior Years' Profits	Current Period Net Profit	Total Equity
Balances as of 1 January 2022 (Beginning of the Period)	17	84.000.000	30.149.426	1.022.267.501	(12.390.286)	23.784.678	33.032.805	211.426.746	1.392.270.870
Total Comprehensive Income		-	-	-	1.011.232	-	-	531.951.677	532.962.909
Profit for the Period		-	-	-	-	-	-	531.951.677	531.951.677
Other Comprehensive Income		-	-	-	1.011.232	-	-	-	1.011.232
Dividends		-	-	-	-	-	(30.000.000)	-	(30.000.000)
Transfers		-	-	-	-	2.580.000	208.846.746	(211.426.746)	-
Balances as of 30 September 2022 (End of the Period)	17	84.000.000	30.149.426	1.022.267.501	(11.379.054)	26.364.678	211.879.551	531.951.677	1.895.233.779
Current Period									
Balances as of 1 January 2023 (Beginning of the Period)	17	84.000.000	30.149.426	2.475.663.739	(55.201.499)	26.784.678	211.459.551	617.387.200	3.390.243.095
Total Comprehensive Income		-	-	-	-	-	-	1.053.640.763	1.053.640.763
Profit for the Period		-	-	-	-	-	-	1.053.640.763	1.053.640.763
Other Comprehensive Loss		-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	(200.000.000)	-	(200.000.000)
Transfers		-	-	-	-	31.090.585	586.296.615	(617.387.200)	-
Balances as of 30 September 2023 (End of the Period)	17	84.000.000	30.149.426	2.475.663.739	(55.201.499)	57.875.263	597.756.166	1.053.640.763	4.243.883.858

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

ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED 30 SEPTEMBER 2023 AND 30 SEPTEMBER 2022
(Currency expressed in Turkish Lira unless otherwise indicated.)

	Notes	Unaudited 1 January- 30 September 2023	Unaudited 1 January- 30 September 2022
Cash Flows from Operating Activities		(389.705.208)	(533.187.230)
Current Period Net Profit or Losses	22	1.053.640.763	531.951.677
Adjustments to Reconcile Profit for The Year		650.333.326	304.144.595
Adjustments Related to Depreciation and Amortization Expenses	10-11-12	106.903.428	55.813.938
Adjustments Related to Provision for Employee Benefits (Released)	15	9.200.496	38.078.143
Adjustments Related to Tax (Income) Expense		46.456.940	(181.699.061)
Adjustments Related to Provisions for Litigations	14	22.825.594	17.913.952
Adjustments Related to Doubtful Receivables	7	916.589	-
Adjustments Related to Interest Income	20	(185.178.461)	(20.107.187)
Adjustments Related to Interest Expenses	20	343.285.985	134.035.547
Adjustments Related to Unrealized Currency Translation Differences		204.585.446	72.259.391
Adjustments Related to Fair Value Losses (Gains)		(75.089.258)	113.978.914
Other Adjustments to Profit/(Loss) Reconciliation		3.590.818	(59.156.680)
Adjustments Related to Other Provisions (Released)	14	171.659.189	133.178.552
Adjustments Related to Loss (Gain) on Disposal of Property, Plant and Equipment		1.176.560	(150.914)
Changes in Working Capital		(1.874.940.350)	(1.300.312.297)
Adjustments Related to Increase in Trade Receivables	7	(1.605.595.338)	(784.636.646)
Adjustments Related to Increase in Inventories	9	(1.205.868.405)	(944.990.473)
Adjustments Related to Increase in Other Receivables from Operations		(350.203.966)	(368.025.148)
Adjustments Related to Increase in Trade Payables	7	517.510.351	663.685.366
Adjustments Related to Increase in Other Payables from Operations		777.353.898	252.354.440
Adjustments Related to Increase in Other Working Capital from Operations		(8.136.890)	(118.699.836)
Cash Flows from Operating Activities		(170.966.261)	(464.216.025)
Income Tax Returns (Paid)		(55.652.928)	(1.769.481)
Payments Related to Other Provisions	14	(77.370.065)	(54.135.491)
Payments to Provision of Employee Benefits	15	(85.715.954)	(13.066.233)
Cash Flows from Investing Activities		(158.330.143)	(364.784.453)
Proceeds from Sale of Property, Plant and Equipment	10	5.788.462	154.457
Payments for Purchase of Property, Plant and Equipment	10	(89.383.964)	(30.123.323)
Payments for Purchase of Intangible Assets	11	(257.242.511)	(185.025.420)
Cash Outflows for the Acquisition of Shares of Other Entities or Funds		(72.555.570)	-
Other Cash Outflows		255.063.440	(149.790.167)
Cash Flows from Financing Activities		1.011.790.183	391.372.356
Dividend Paid		(200.000.000)	(30.000.000)
Interest Received		149.933.313	20.080.633
Interest Paid	6	(289.917.046)	(117.844.353)
Proceeds from Loans	6	5.228.550.544	1.364.049.594
Cash Outflows from Repayment of Loans	6	(3.869.660.860)	(832.320.745)
Cash Outflows Related to Debt Payments Arising from Lease Agreements	6	(7.115.768)	(12.592.773)
Net Increase (Decrease) in Cash and Cash Equivalents		463.754.832	(506.599.327)
Cash and Cash Equivalents at The Beginning of The Year		1.470.383.667	639.705.842
Cash and Cash Equivalents at The End of The Year	4	1.934.138.499	133.106.515

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
NOTES TO THE CONDENSED INTERIM CONSOLIDATED STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023
(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 1 – ORGANIZATION AND OPERATIONS OF THE GROUP

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

The Company carries out its operations as a partnership formed by Isuzu Motors Ltd. Itochu Corporation and Anadolu Group Companies. The Company runs its manufacturing operations in a factory which is established in Çayırova/Kocaeli. The average number of employees as of 30 September 2023 is 1.037 (31 December 2022: 970).

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

The company is controlled by AG Anadolu Grubu Holding A.Ş., the parent company. AG Anadolu Grubu Holding A.Ş. is controlled by AG Sınai Yatırım ve Yönetim A.Ş. and AG Sınai Yatırım ve Yönetim A.Ş. is a management company, which is ultimately managed by the 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 30 September 2023 and 31 December 2022, details about the company’s subsidiary, which is subject to consolidation, is below:

Company Name	Principal Activity	Capital	30 September 2023	31 December 2022
			Participation Rate (%)	Participation Rate (%)
Ant Sınai ve Ticari Ürünleri Pazarlama A.Ş.	Trade of spare parts	716.000	100	100

Approval of Financial Statements

Condensed consolidated financial statements for the period 1 January – 30 September 2023 approved by the Board of Directors on 26 October 2023 and signed by Independent Member of the Board of Director Ahmet Murat SELEK (Audit Committee Chairman) and Orhan ÖZER (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.

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:7**
NOTES TO THE CONDENSED INTERIM CONSOLIDATED STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023
(Currency expressed in Turkish Lira unless otherwise indicated.)

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 2022 financial statements and attached notes.

Functional and Reporting Currency

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

2.1.2 Consolidation principles

Subsidiaries

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

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

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

The table below sets out the subsidiaries and their ownership interests as of 30 September 2023 and 31 December 2022

Subsidiary	Voting power held by the Group (%)		Proportion of ownership interest (%)	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Ant Sinai ve Ticari Ürünleri Pazarlama A.Ş.	100	100	100	100

2.1.3 Adjustment of Financial Statements during High Inflation Periods

In accordance with CMB's decision numbered 11/367 on 17 March 2005, inflation accounting application has been abolished as of 1 January 2005 for the companies operating in Turkey and preparing financial statements in accordance with Turkey Accounting Standards. Accordingly, as of 1 January 2005 "Financial Reporting in Hyperinflationary Economies" (TAS 29) has not been applied.

As per the announcement published by the Public Oversight, Accounting and Auditing Standards Authority ("POA") on 20 January 2022, since the cumulative change in the general purchasing power of the last three years has been 74.41% according to the Consumer Price Index ("CPI") rates, it has been stated that entities applying the Turkish Financial Reporting Standards ("TFRS") are not required to make any restatements in their financial statements for 2022 within the scope of TAS 29 "Financial Reporting in High Inflation Economies". Considering that no new disclosure has been made as of the date these condensed consolidated financial statements were prepared, no inflation adjustment was made in accordance with TAS 29 while preparing the condensed consolidated financial statements as of 30 September 2023.

NOTE 2 -BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**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 Interpretationsa) Standards, amendments, and interpretations applicable as of 30 September 2023

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

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

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

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

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 30 September 2023:

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

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

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

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

NOTE 2 -BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)**2.1.6 Amendments in Standards and Interpretations (cont'd)**

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

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

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

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

2.2 Effects of Revised Accounting Policies

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

2.3 Summary of Significant Accounting Policies

Interim condensed consolidated financial statements for the period ending on September 30, 2023 prepared in accordance with the TMS 34 standard for the preparation of the tables. The interim condensed consolidated financial statements for the period ending on 30 September 2023 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 2022. Therefore, these interim condensed consolidated financial statements should be evaluated together with the consolidated financial statements for the year ended 31 December 2022.

2.4 Changes in Accounting Estimates and Errors

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

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

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 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.

ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY
NOTES TO THE CONDENSED INTERIM CONSOLIDATED STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023
(Currency expressed in Turkish Lira unless otherwise indicated.)

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

2.5 Other Accounting Estimates (cont'd)

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 30 September 2023 by independent appraisals accredited by the Capital Markets Board. The Group's land improvements and buildings have been revalued by independent appraisals accredited by the Capital Markets Board. The revaluation fund which is composed of the difference between the book value and the fair value is offset with deferred tax and shown under the equity as revaluation fund. Revaluation is performed periodically.

e) Provision for Employment Termination Benefits

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

NOTE 3 –SEGMENT REPORTING

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

NOTE 4 - CASH AND CASH EQUIVALENTS

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

	<u>30 September 2023</u>	<u>31 December 2022</u>
Banks-Demand Deposits	425.085.874	416.606.154
Banks-Time Deposits (up to 3 months)	1.527.596.770	1.058.000.485
Other Liquid Assets (*)	1.697.304	1.696.079
Total	1.954.379.948	1.476.302.718

(*) As of 30 September 2023 and 31 December 2022, the balance in "Other Liquid Assets" is consist of credit card receivables in bank of group.

There are no restricted deposits as of 30 September 2023 and 31 December 2022.

Cash and cash equivalents presented in the consolidated cash flow statements as of 30 September 2023 and 30 September 2022 are as follows:

	<u>30 September 2023</u>	<u>30 September 2022</u>
Liquid Assets	1.954.379.948	133.133.069
Interest Accruals (-)	(20.241.449)	(26.554)
Total (Excluding interest accruals)	1.934.138.499	133.106.515

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
NOTES TO THE CONDENSED INTERIM CONSOLIDATED STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

Page No:11

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 4 - CASH AND CASH EQUIVALENTS (cont'd)

The details of time deposits are as follows:

	<u>30 September 2023</u>		<u>31 December 2022</u>	
	<u>Amount</u>	<u>Annual Average</u>	<u>Amount</u>	<u>Annual Average</u>
	<u>(TRY Equivalent)</u>	<u>Interest Rate (%)</u>	<u>(TRY Equivalent)</u>	<u>Interest Rate (%)</u>
TRY	1.425.703.619	38,50	1.058.000.485	16,80
EUR	101.893.151	2,70	-	-
Total	1.527.596.770		1.058.000.485	

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:

	<u>30 September 2023</u>			<u>31 December 2022</u>		
	<u>Carrying Amount</u>	<u>Interest Accrual</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Interest Accrual</u>	<u>Fair Value</u>
Currency Protected Deposit	-	-	-	-	10.722.329	251.671.891
Total	-	-	-	-	10.722.329	251.671.891

The details of long term financial investments as follows:

	<u>30 September 2023</u>			<u>31 December 2022</u>		
	<u>Carrying Amount</u>	<u>Interest Accrual</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Interest Accrual</u>	<u>Fair Value</u>
Investment Fund	-	-	609.288	-	-	837.400
Total	-	-	609.288	-	-	837.400

NOTES 6- FINANCIAL LIABILITIES

The details of bank loans as of 30 September 2023 and 31 December 2022 are as follows:

a) Short-term Borrowings**Bank Loans**

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TRY Including Interest</u>	
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
TRY	30,23	17,21	2.754.427.142	1.071.109.203	2.754.427.142	1.071.109.203
Total					2.754.427.142	1.071.109.203

b) Short-term Portions of Long-term Borrowings**Bank Loans**

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TRY Including Interest</u>	
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
EUR	5,18	4,38	4.635.286	11.221.443	134.564.660	224.101.200
USD	4,25	-	5.523.719	-	151.221.198	-
TRY	25,06	15,84	101.370.379	301.104.303	101.370.379	301.104.303
Total					387.156.237	525.205.503

ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY
 NOTES TO THE CONDENSED INTERIM CONSOLIDATED STATEMENTS
 FOR THE PERIOD ENDED 30 SEPTEMBER 2023
 (Currency expressed in Turkish Lira unless otherwise indicated.)

NOTES 6- FINANCIAL LIABILITIES (cont'd)

c) Short-term lease payables arising from operating leases

	<u>Average Effective Interest Rate</u>		<u>Original Currency</u>		<u>Amount in TRY Including Interest</u>	
	<u>%</u>					
	<u>30 September</u> <u>2023</u>	<u>31 December</u> <u>2022</u>	<u>30 September</u> <u>2023</u>	<u>31 December</u> <u>2022</u>	<u>30 September</u> <u>2023</u>	<u>31 December</u> <u>2022</u>
EUR	3,2	3,2	93.581	49.253	2.716.696	981.855
TRY	28,05	28,05	8.697.389	7.575.594	8.697.388	7.575.594
Total					11.414.084	8.557.449

d) Short-term Finance Lease Liabilities

	<u>Average Effective Interest Rate</u>		<u>Original Currency</u>		<u>Amount in TRY Including Interest</u>	
	<u>%</u>					
	<u>30 September</u> <u>2023</u>	<u>31 December</u> <u>2022</u>	<u>30 September</u> <u>2023</u>	<u>31 December</u> <u>2022</u>	<u>30 September</u> <u>2023</u>	<u>31 December</u> <u>2022</u>
TRY	34	-	21.405.751	-	21.405.751	-
Total					21.405.751	-

e) Long-term Borrowings

	<u>Average Effective Interest Rate</u>		<u>Original Currency</u>		<u>Amount in TRY Including Interest</u>	
	<u>%</u>					
	<u>30 September</u> <u>2023</u>	<u>31 December</u> <u>2022</u>	<u>30 September</u> <u>2023</u>	<u>31 December</u> <u>2022</u>	<u>30 September</u> <u>2023</u>	<u>31 December</u> <u>2022</u>
EUR	5,45	5,45	7.705.710	8.645.973	223.700.601	172.666.990
TRY	15,34	12,29	242.691.264	229.985.829	242.691.264	229.985.829
Total					466.391.865	402.652.819

As of 30 September 2023 and 31 December 2022, the payment schedule of long-term loans is as follows:

	<u>30 September 2023</u>	<u>31 December 2022</u>
1 to 2 years	270.049.230	232.381.180
2 to 3 years	54.865.049	42.214.247
3 to 4 years	46.977.065	37.356.083
4 to 5 years	61.940.289	31.234.338
More than 5 years	32.560.232	59.466.971
Total	466.391.865	402.652.819

f) Long-term lease payables arising from operating leases

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TRY Including Interest</u>	
	<u>30 September</u> <u>2023</u>	<u>31 December</u> <u>2022</u>	<u>30 September</u> <u>2023</u>	<u>31 December</u> <u>2022</u>	<u>30 September</u> <u>2023</u>	<u>31 December</u> <u>2022</u>
EUR	3,20	3,20	153.135	105.306	4.445.575	2.099.264
TRY	28,05	28,05	12.328.071	7.966.946	12.328.071	7.966.946
Total					16.773.646	10.066.210

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:13
NOTES TO THE CONDENSED INTERIM CONSOLIDATED STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023
(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTES 6- FINANCIAL LIABILITIES (cont'd)

g) Long-term Finance Lease Liabilities

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TRY Including Interest</u>	
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
TRY	35,46	-	245.128.552	-	245.128.552	-
Total					245.128.552	-

Financial net debt reconciliation as of 30 September 2023 and 31 December 2022 is as follows:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Opening balance	2.017.591.184	933.448.069
Interest expense	342.875.803	192.293.075
Cash outflows from debt payments arising from lease agreements	(7.115.768)	4.849.668
Changes in lease liabilities	275.834.897	2.232.747
Interest paid	(289.917.046)	(166.473.003)
Newly obtained credits	5.228.550.544	2.319.748.510
Loans repaid	(3.869.660.860)	(1.384.372.340)
Exchange difference	204.538.523	115.864.458
Closing balance	3.902.697.277	2.017.591.184

NOTE 7- TRADE RECEIVABLES AND PAYABLES

Trade receivables at period ends are as follows:

a) Short-term Trade Receivables

	<u>30 September 2023</u>	<u>31 December 2022</u>
Trade Receivables from Third Parties	2.598.887.280	983.067.273
Trade Receivables from Related Parties	104.751.395	114.976.064
Rediscount Expenses (-)	(6.824.809)	(2.091.726)
Doubtful Receivables	1.396.629	480.040
Allowance for Doubtful Receivables (-)	(1.396.629)	(480.040)
Total	2.696.813.866	1.095.951.611

As of 30 September 2023, the average term for trade receivables is 88 days (31 December 2022: 76 days).

Movements of provision for doubtful receivables are as follows:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Opening Balance	480.040	522.097
Provisions in the Period	916.589	-
Collections in the Period	-	(42.057)
Closing Balance	1.396.629	480.040

Trade payables at period ends are as follows:

b) Short-term Trade Payables

	<u>30 September 2023</u>	<u>31 December 2022</u>
Trade Payables to Third Parties	974.511.580	1.036.170.439
Trade Payables to Related Parties	1.748.411.075	1.169.241.865
Rediscount Incomes(-)	(7.163.877)	(6.204.191)
Total	2.715.758.778	2.199.208.113

As of 30 September 2023, the average term for trade payables is 112 days (31 December 2022: 115 days)

ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY
NOTES TO THE CONDENSED INTERIM CONSOLIDATED STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023
(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 8- DERIVATIVE INSTRUMENT
Foreign Currency Forward Transactions

The details of derivative instruments as of 30 September 2023 and 31 December 2022 are as follows:

	<u>30 September 2023</u>			<u>31 December 2022</u>		
	Nominal Value	<u>Fair Value</u>		Nominal Value	<u>Fair Value</u>	
		Assest	Liability		Assest	Liability
Interest Rate Swap	-	-	-	75.000.000	-	(2.437.805)
Forward Contracts	1.648.105.500	93.330.934	(35.911.244)	1.202.378.578	4.840.568	(37.831.643)
Total	1.648.105.500	93.330.934	(35.911.244)	1.277.378.578	4.840.568	(40.269.448)

NOTE 9- INVENTORIES

Inventory balances as of period ends are as follows:

	<u>30 September 2023</u>	<u>31 December 2022</u>
Raw Materials	1.809.630.434	955.821.041
Work in Process Goods	64.999.255	1.701.708
Finished Goods	434.717.962	259.769.534
Trade Goods	211.428.054	138.181.970
Other Inventory	26.117.988	12.316.827
Goods in Transit	151.625.227	124.859.435
Impairment in Finished Goods and Trade Goods	(488.002)	(488.002)
Total Inventories	2.698.030.918	1.492.162.513

Movement of Provision for Inventory Impairment	<u>30 September 2023</u>	<u>31 December 2022</u>
Opening Balance	488.002	488.002
Closing Balance	488.002	488.002

As of 30 September 2023, total cost of sales which recognized in statement of profit or loss is TRY 5.289.238.927 (30 September 2022: TRY 2.832.537.787).

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

NOTE 10- PROPERTY, PLANT AND EQUIPMENT
30 September 2023

<u>Cost Value</u>	Land	Land Improvements	Buildings	Plant, Machinery and Equipment	Vehicles	Furniture and Fixtures	Other Tangible Fixed Assets	Construction in Progress	Total
Opening Balance as at 1 January 2023	2.312.257.500	18.031.502	574.689.373	356.854.215	9.959.935	6.219.922	644.296	12.596.789	3.291.253.532
Additions	-	263.485	6.013.863	167.517.420	3.744.961	2.226.153	-	176.152.385	355.918.267
Disposals	-	-	(3.716.371)	(8.801.037)	(1.531.360)	-	-	-	(14.048.768)
Closing Balance as at 30 September 2023	2.312.257.500	18.294.987	576.986.865	515.570.598	12.173.536	8.446.075	644.296	188.749.174	3.633.123.031

Accumulated Depreciation

Opening Balance as at 1 January 2023	-	(9.474.505)	(75.842.514)	(188.537.098)	(5.145.749)	(3.454.454)	(642.305)	-	(283.096.625)
Charge for the year	-	(765.766)	(8.800.481)	(30.178.554)	(1.269.495)	(654.354)	(488)	-	(41.669.138)
Disposals	-	-	1.195.160	4.759.992	1.128.594	-	-	-	7.083.746
Closing Balance as at 30 September 2023	-	(10.240.271)	(83.447.835)	(213.955.660)	(5.286.650)	(4.108.808)	(642.793)	-	(317.682.017)

Net Book Value

Opening Balance as at 1 January 2023	2.312.257.500	8.556.997	498.846.859	168.317.117	4.814.186	2.765.468	1.991	12.596.789	3.008.156.907
Closing Balance as at 30 September 2023	2.312.257.500	8.054.716	493.539.030	301.614.938	6.886.886	4.337.267	1.503	188.749.174	3.315.441.014

As of 30 September 2023 , TRY 31.453.454 of the depreciation expenses has been charged to cost of sales and TRY 709.165 to research and development expenses and TRY 2.200.990 to marketing expenses, TRY 3.337.870 to general administrative expenses and TRY 3.967.659 to development capitalization.

(Currency expressed in Turkish Lira unless otherwise indicated.)

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

30 September 2022

<u>Cost Value</u>	Land	Land Improvements	Buildings	Plant, Machinery and Equipment	Vehicles	Furniture and Fixtures	Other Tangible Fixed Assets	Construction in Progress	Total
Opening Balance as at 1 January 2022	641.553.446	14.429.558	605.103.127	257.861.318	6.544.007	4.703.453	785.999	1.793.071	1.532.773.979
Additions	-	3.456.244	430.891	24.545.328	-	1.690.860	-	-	30.123.323
Disposals	-	-	-	(9.515)	(97.726)	-	-	-	(107.241)
Closing Balance as at 30 September 2022	641.553.446	17.885.802	605.534.018	282.397.131	6.446.281	6.394.313	785.999	1.793.071	1.562.790.061

Accumulated Depreciation

Opening Balance as at 1 January 2022	-	(9.849.768)	(70.357.540)	(175.303.415)	(4.385.813)	(3.733.814)	(783.358)	-	(264.413.708)
Charge for the year	-	(477.707)	(3.991.163)	(12.653.725)	(599.559)	(257.717)	(488)	-	(17.980.359)
Disposals	-	-	-	6.318	97.380	-	-	-	103.698
Closing Balance as at 30 September 2022	-	(10.327.475)	(74.348.703)	(187.950.822)	(4.887.992)	(3.991.531)	(783.846)	-	(282.290.369)

Net Book Value

Opening Balance as at 1 January 2022	641.553.446	4.579.790	534.745.587	82.557.903	2.158.194	969.639	2.641	1.793.071	1.268.360.271
Closing Balance as at 30 September 2022	641.553.446	7.558.327	531.185.315	94.446.309	1.558.289	2.402.782	2.153	1.793.071	1.280.499.692

TRY 11.555.031 of the depreciation expenses has been charged to cost of sales and TRY 496.413 to research and development expenses and TRY 866.728 to marketing expenses, TRY 1,878.213 to general administrative expenses and TRY 3.183.974 to development capitalization as of 30 September 2022.

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 11 – INTANGIBLE ASSETS

30 September 2023

Cost Value	Rights	Development Expenses	Other Intangible Assets	Construction in Progress and Advances	Total
Opening Balance as at 1 January 2023	1.180.421	355.579.196	62.784.996	137.185.690	556.730.303
Additions	-	-	11.224.966	246.017.545	257.242.511
Closing balance as at 30 September 2023	1.180.421	355.579.196	74.009.962	383.203.235	813.972.814

Accumulated Amortization

Opening Balance as at 1 January 2023	(386.255)	(149.965.127)	(38.765.863)	-	(189.117.245)
Charge for the period	(95.141)	(42.353.006)	(10.484.862)	-	(52.933.009)
Closing balance as at 30 September 2023	(481.396)	(192.318.133)	(49.250.725)	-	(242.050.254)

Net Book Value

Opening Balance as at 1 January 2023	794.166	205.614.069	24.019.133	137.185.690	367.613.058
Closing balance as at 30 September 2023	699.025	163.261.063	24.759.237	383.203.235	571.922.560

As of 30 September 2023, TRY 42.811.959 of the depreciation expenses of intangible assets has been charged to cost of sales and TRY 338.524 to research and development expenses and TRY 326.994 to marketing expenses, TRY 3.537.510 to general administrative expenses and TRY 5.918.022 to development capitalization.

30 September 2022

Cost Value	Rights	Development Expenses	Other Intangible Assets	Construction in Progress and Advances (*)	Total
Opening Balance as at 1 January 2022	963.008	239.932.131	42.941.246	83.976.818	367.813.203
Additions	-	-	12.583.058	172.442.362	185.025.420
Transfer from Construction in Progress	-	-	-	-	-
Closing balance as at 30 September 2022	963.008	239.932.131	55.524.304	256.419.180	552.838.623

Accumulated Amortization

Opening Balance as at 1 January 2022	(312.081)	(112.519.289)	(29.737.696)	-	(142.569.066)
Charge for the period	(54.493)	(26.758.227)	(6.304.206)	-	(33.116.926)
Closing balance as at 30 September 2022	(366.574)	(139.277.516)	(36.041.902)	-	(175.685.992)

Net Book Value

Opening Balance as at 1 January 2022	650.927	127.412.842	13.203.550	83.976.818	225.244.137
Closing balance as at 30 September 2022	596.434	100.654.615	19.482.402	256.419.180	377.152.631

TRY 27.536.592 of the depreciation expenses of intangible assets has been charged to cost of sales and TRY 50.000 to research and development expenses and TRY 306.329 to marketing expenses, TRY 2.150.282 to general administrative expenses and TRY 3.073.723 to development capitalization as of 30 September 2022.

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 12 – RIGHT OF USE ASSETS

As of 30 September 2023 and 30 September 2022, the right of use assets' balances of depreciation assets and depreciation expenses in the relevant period are as follows:

<u>Cost Value</u>	<u>Total</u>
Opening Balance as at 1 January 2023	20.578.076
Additions	18.260.541
Disposals	(2.032.100)
Closing balance as at 30 September 2023	36.806.517

Accumulated Amortization

Opening Balance as at 1 January 2023	(3.970.935)
Charge for the Period	(12.301.281)
Disposals	2.032.100
Closing balance as at 30 September 2023	(14.240.116)

Net Book Value

Opening Balance as at 1 January 2023	16.607.141
Closing balance as at 30 September 2023	22.566.401

As of 30 September 2023, TRY 3.077.835 of depreciation expenses has been charged to cost of sales, and TRY 9.223.446 to general administration expenses.

<u>Cost Value</u>	<u>Total</u>
Opening Balance as at 1 January 2022	13.852.693
Additions	8.241.675
Closing balance as at 30 September 2022	22.094.368

Accumulated Amortization

Opening Balance as at 1 January 2022	(8.022.844)
Charge for the Period	(4.716.653)
Closing balance as at 30 September 2022	(12.739.497)

Net Book Value

Opening Balance as at 1 January 2022	5.829.849
Closing balance as at 30 September 2022	9.354.871

TRY 1.846.727 of depreciation expenses has been charged to cost of sales, and TRY 2.869.926 to general administration expenses as of 30 September 2022.

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 13- GOVERNMENT GRANTS AND INCENTIVES

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 cash support amount, which was collected from TUBITAK in relation to R&D activities in 2023 was the TRY 2.412.286 (December 2022: TRY 1.736.050).

The Group has used R&D allowance advantage amounting to TRY 260.272.976 (30 September 2022: TRY 112.918.877) against statutory tax provision.

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

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

Within the scope of the incentive certificate numbered 5487, TRY 51.670.512 was spent.(31 December 2022 : TRY 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, TRY 87.538.897 was spent (31 December 2022: 87.752.164 TRY). The contribution rate to the investment is 45%.

Within the scope of the incentive certificate numbered 535509, TRY 56.662.570 TRY was spent (31 December 2022: 57.822.404 TRY). The contribution rate to the investment is 30%.

Within the scope of the incentive certificate numbered 541650, TRY 178.755.142 was spent (31 December 2022: -). The contribution rate to the investment is 55%.

Within the scope of the incentive certificate numbered 55760, TRY 19.160.475 was spent (31 December 2022: -). The contribution rate to the investment is 30%.

The tax advantage amounting to TRY 237.715.841 (31 December 2022: TRY 114.358.035), which the Group has completed the investment process and will benefit from the amount of investment contribution earned as of 30 September 2023, is reflected in the consolidated financial statements as a deferred tax asset. As a result of its recognition, deferred tax income amounting to TRY 123.357.806 has occurred in the consolidated profit or loss statement for the period from 1 January to 30 September 2023.

Deferred tax assets are recognized when it is determined that taxable income is likely to occur in the coming years. In cases where taxable income is likely to occur, deferred tax assets are calculated over deductible temporary differences, tax losses and tax advantages vested in indefinite-lived investment incentives that allow reduced corporate tax payments. In this context, the Group bases the reflection of deferred tax assets arising from investment incentives in the consolidated financial statements on long-term plans, and evaluates the recoverability of deferred tax assets related to these investment incentives as of each balance sheet date, based on business models that include taxable profit estimations.

These deferred tax assets are expected to be recovered within 2 years from the balance sheet date. In the sensitivity analysis conducted as of 30 September 2023, when the inputs in the basic macroeconomic and sectoral assumptions that make up the business plans are increased/decreased by 10%, the recovery period of deferred tax assets regarding investment incentives, which is foreseen as 2 years, has not changed.

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Other Short-term Provisions

	<u>30 September 2023</u>	<u>31 December 2022</u>
Warranty Provisions	92.448.399	44.979.730
Provision for Lawsuits	59.561.335	36.735.741
Provision for Premium and Commission	105.351.252	58.530.797
Total	257.360.986	140.246.268

Movements of provisions during the period are as follows:

	<u>Warranty Provisions</u>	<u>Provision for Lawsuits</u>	<u>Provision for Premium and Commission</u>	<u>Total</u>
Opening Balance as at 1 January 2023	44.979.730	36.735.741	58.530.797	140.246.268
Additions During The Period	106.154.309	22.825.594	65.504.880	194.484.783
Paid During The Period (-)	(58.685.640)	-	(18.684.425)	(77.370.065)
Closing Balance as at 30 September 2023	92.448.399	59.561.335	105.351.252	257.360.986

	<u>Warranty Provisions</u>	<u>Provision for Lawsuits</u>	<u>Provision for Premium and Commission</u>	<u>Total</u>
Opening Balance as at 1 January 2022	21.418.335	8.543.291	34.732.481	64.694.107
Additions During The Period	34.858.612	17.913.952	98.319.940	151.092.504
Paid During The Period (-)	(19.403.010)	-	(34.732.481)	(54.135.491)
Closing Balance as at 30 September 2022	36.873.937	26.457.243	98.319.940	161.651.120

Lawsuit against the Group:

As of 30 September 2023, there are 89 ongoing lawsuits filed against the Group due to the cancellation of employment termination and other claims for employment and other compensation. Based on these lawsuits, TRY 59.561.335, which is recognized based on assessments of the lawyers, was reserved as lawsuit provision (as of 31 December 2022, the lawsuit provisions amount is TRY 36.735.741).

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:

Type	<u>30 September 2023</u>	<u>31 December 2022</u>
Given Letters of Guarantee	703.049.594	649.576.356
Total	703.049.594	649.576.356

	<u>30 September 2023</u>			
	<u>Total TRY Equivelant</u>	<u>Original Currency TRY</u>	<u>Original Currency EUR</u>	<u>Original Currency USD</u>
A. CPMs given in the name of its own legal personality	703.049.594	333.545.503	11.624.504	1.146.028
i. Letter of Guarantee	703.049.594	333.545.503	11.624.504	1.146.028
B. CPMs given on behalf of fully consolidated companies				
C. CPMs given in the normal course of business activities on behalf of third parties	-	-	-	-
D. Total amount of other CPMs	-	-	-	-
Total	703.049.594	333.545.503	11.624.504	1.146.028

(Currency expressed in Turkish Lira unless otherwise indicated.)

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

	<u>Total TRY</u> <u>Equivalent</u>	<u>31 December 2022</u>		
		<u>Original</u> <u>Currency</u> <u>TRY</u>	<u>Original</u> <u>Currency</u> <u>EUR</u>	<u>Original</u> <u>Currency</u> <u>USD</u>
A. CPMs given in the name of its own legal personality	649.576.356	384.188.183	12.237.804	1.146.028
i. Letter of Guarantee	649.576.356	384.188.183	12.237.804	1.146.028
B. CPMs given on behalf of fully consolidated companies				
C. CPMs given in the normal course of business activities on behalf of third parties	-	-	-	-
D. Total amount of other CPMs	-	-	-	-
Total	649.576.356	384.188.183	12.237.804	1.146.028

The ratio of other CPM is given by the Group to the Group's equity is 0% as of 30 September 2023 (0% as of 31 December 2022).

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

NOTE 15 – EMPLOYEE BENEFITS

a) Short-Term Provisions for Employee Benefits

	<u>30 September 2023</u>	<u>31 December 2022</u>
Provision for Employee Rights and Salaries	75.141.553	276.247
Provision for Unused Vacation	9.700.531	5.159.259
Total	84.842.084	5.435.506

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

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

	<u>30 September 2023</u>	<u>31 December 2022</u>
Opening Balance	5.159.259	3.330.914
Recognized provision during the period	17.564.191	12.208.872
Paid During The Period	(13.022.919)	(10.380.527)
Total	9.700.531	5.159.259

b) Long-Term Provisions for Employee Benefits

	<u>30 September 2023</u>	<u>31 December 2022</u>
Provision for Severance Payments to Employees	44.712.703	125.769.433
Total	44.712.703	125.769.433

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

The severance payments are calculated over 30-days gross salary for each service year. Primary assumption is that ceiling liability set for each service year increases in proportion to inflation. In parallel with this, real discount rate which is cleared of the potential inflation impacts is considered at the implementation stage. The severance pay cap is revised in every six months, the ceiling amount of TRY 23.489,83 (1 January 2023:TRY 19.982,83) applicable as of 1 October 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.

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 15 – EMPLOYEE BENEFITS (cont’d)

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

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

	<u>30 September 2022</u>	<u>31 December 2022</u>
Annual Net Discount Rate (%)	0,44	0,44
Turnover Rate to Estimate the Probability of Retirement (%)	10,94	8,99

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

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

	<u>30 September 2023</u>	<u>30 December 2022</u>
Opening Balance	125.769.433	47.235.042
Interest Cost	410.183	205.967
Gain/(Loss) on Remeasurement of Defined Benefit Plans	-	53.514.016
Paid Within the Period	(72.693.035)	(6.681.339)
Service Cost	(8.773.878)	31.495.747
Closing Balance	44.712.703	125.769.433

NOTE 16- OTHER ASSETS AND LIABILITIES

a) Prepaid Expenses

	<u>30 September 2023</u>	<u>31 December 2022</u>
Advances Given For Inventory Purchase	781.788.515	407.124.173
Prepaid Extended Warranty Expenses	593.750	2.144.091
Prepaid Insurance Expenses	5.553.055	287.453
Prepaid Advertisement Expenses	629.598	348.917
Prepaid Maintenance Expenses	3.394.458	217.241
Prepaid Other Expenses	3.414.147	11.089.964
Total	795.373.523	421.211.839

b) Other Current Assets

	<u>30 September 2023</u>	<u>31 December 2022</u>
Deferred VAT	134.741.011	99.683.871
Other Current Assets	5.005.399	8.890.060
Total	139.746.410	108.573.931

c) Prepaid Expenses (Long-Term)

	<u>30 September 2023</u>	<u>31 December 2022</u>
Prepaid Extended Warranty Expenses	-	152.887
Prepaid Expenses	356.748	1.072.591
Total	356.748	1.225.478

d) Deferred Income (Short-Term)

	<u>30 September 2023</u>	<u>31 December 2022</u>
Order Advances Received	715.933.199	186.914.907
Deferred Income	34.754.011	14.163.980
Total	750.687.210	201.078.887

(Currency expressed in Turkish Lira unless otherwise indicated.)

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

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

	<u>30 September 2023</u>	<u>31 December 2022</u>
Deferred Maintenance and Repair Income	3.517.818	4.160.229
Total	3.517.818	4.160.229

f) Deferred Income (Long-Term)

	<u>30 September 2023</u>	<u>31 December 2022</u>
Order Advances Received	1.918.989	-
Deferred Income	81.568.354	2.466.936
Total	83.487.343	2.466.936

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

	<u>30 September 2023</u>	<u>31 December 2022</u>
Deferred Maintenance and Repair Income	79.766.581	58.763.620
Total	79.766.581	58.763.620

NOTE 17- SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Capital / Elimination Adjustments

As of 30 September 2023, the share capital of the Company is TRY 84.000.000 (31 December 2022: TRY 84.000.000).

This share capital is divided into 8.400.000.000 in total, including 4.515.314.511 A Group registered shares, 2.498.204.373 B Group registered shares, 1.386.481.116 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:

a) Capital / Elimination Adjustments (cont'd)

30 September 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 Holding A.Ş.	44.844.772	-	1.690.629	46.535.401	55,40
Isuzu Motors Ltd.	-	14.275.509	-	14.275.509	16,99
Itochu Corporation Tokyo	-	7.948.322	-	7.948.322	9,46
Itochu Corporation İstanbul	-	2.758.212	-	2.758.212	3,28
Other	308.373	-	12.174.183	12.482.556	14,87
Total	45.153.145	24.982.043	13.864.812	84.000.000	100,00

31 December 2022

<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 Holding A.Ş.	44.844.772	-	1.690.629	46.535.401	55,40
Isuzu Motors Ltd.	-	14.275.509	-	14.275.509	16,99
Itochu Corporation Tokyo	-	7.948.322	-	7.948.322	9,46
Itochu Corporation İstanbul	-	2.758.212	-	2.758.212	3,28
Other	308.373	-	12.174.183	12.482.556	14,87
Total	45.153.145	24.982.043	13.864.812	84.000.000	100,00

(Currency expressed in Turkish Lira unless otherwise indicated.)

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

b) Privileges Granted to the Share Groups

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

Four 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 Two members are elected by the General Assembly from among the candidates to be nominated as independent board members.

Equity	30 September 2023	31 December 2022
Paid-in Capital	84.000.000	84.000.000
Capital Inflation Adjustment Difference	30.149.426	30.149.426
Restricted Reserves Appropriated from profit	57.875.263	26.784.678
Previous Year Profits	597.756.166	211.459.551
Gain on Revaluation and Measurement	2.475.663.739	2.475.663.739
Losses on Remeasurement of Defined Benefit Plans	(55.201.499)	(55.201.499)
Net Profit for The Period	1.053.640.763	617.387.200
Shareholders' Equity Attributable to Equity Holders of the Group	4.243.883.858	3.390.243.095
Total Shareholders' Equity	4.243.883.858	3.390.243.095

c) Restricted Reserves Appropriated from Profit

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

Restricted Reserves Appropriated from Profit	30 September 2023	31 December 2022
Legal Reserves	57.875.264	26.784.678
Total	57.875.264	26.784.678

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.

d) Retained Earnings/Losses

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

Retained Earnings/Losses	30 September 2023	31 December 2022
Extraordinary Reserves	123.962.165	120.577.593
Legal Reserves Inflation Difference	24.820.489	24.820.489
Retained Earnings	448.973.511	66.061.469
Total	597.756.165	211.459.551

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.

(Currency expressed in Turkish Lira unless otherwise indicated.)

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

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

Group's retained earnings is TRY 597.756.165 based on the financial statements prepared in according with TAS/TFRS Financial Reporting Standard for the period ended 30 September 2023 (31 December 2022: TRY 211.459.551).

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

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

NOTE 18- REVENUE AND COST OF SALES

	1 January- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2023	1 July- 30 September 2022
Domestic Sales	6.211.254.269	2.721.131.604	2.391.847.666	1.146.142.798
Foreign Sales	2.656.057.918	1.454.277.736	1.100.149.166	696.523.322
Other Income	27.123.369	16.771.992	10.412.056	5.061.070
Sales Total (Gross)	8.894.435.556	4.192.181.332	3.502.408.888	1.847.727.190
Sales Discounts (-)	(650.815.201)	(182.621.311)	(283.086.352)	(93.240.784)
Sales (Net)	8.243.620.355	4.009.560.021	3.219.322.536	1.754.486.406
Cost of Sales	(5.794.689.797)	(3.047.426.714)	(2.169.770.081)	(1.371.120.749)
Gross Operating Profit	2.448.930.558	962.133.307	1.049.552.455	383.365.657

Cost of sales are summarised as follows;

	1 January- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2023	1 July- 30 September 2022
Cost of Sales				
Raw Materials and Supplies Expenses	(4.436.083.165)	(2.331.607.530)	(1.705.784.387)	(935.439.752)
Direct Labor Expenses	(327.441.129)	(121.733.841)	(130.695.312)	(40.654.549)
Depreciation and Amortization Expenses	(77.343.248)	(40.938.350)	(28.972.800)	(13.845.229)
Other Production Costs	(100.666.493)	(52.216.736)	(47.843.812)	(19.995.200)
Total Cost of Production	(4.941.534.035)	(2.546.496.457)	(1.913.296.311)	(1.009.934.730)
Change in Goods Inventory	238.245.975	97.327.225	177.536.984	(88.984.331)
Cost of Trade Goods Sold	(1.090.097.426)	(597.607.820)	(433.745.537)	(272.085.977)
Cost of Other Sales	(1.304.311)	(649.662)	(265.217)	(115.711)
Cost of Sales	(5.794.689.797)	(3.047.426.714)	(2.169.770.081)	(1.371.120.749)

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 19- OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other Income from Operating Activities:	1 January- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2023	1 July- 30 September 2022
Foreign Exchange Income on Trade Receivables and Payables	654.014.089	10.601.097	5.923.735	(15.816.266)
Incentive Income	5.967.208	136.071	248.607	136.071
Delay Interest Income	3.699.138	286.487	184.253	122.804
Tubitak R&D Incentive	3.065.786	832.058	2.291.326	211.000
Export D.F.I.F Support	2.970.012	816.189	473.371	(34.131)
Sale Support Income	2.591.135	6.298.159	580.335	81.122
Rent Income	348.089	404.773	131.962	134.523
Service Income	173.852	82.995	8.016	1
Discount Income on Trade Payables	-	3.234.080	-	376.679
Other Income	25.190.623	7.196.594	5.394.309	1.679.708
Total	698.019.932	29.930.560	15.235.914	(13.066.432)

Other Expense from Operating Activities:	1 January- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2023	1 July- 30 September 2022
Foreign Exchange Expense on Trade Receivables and Payables	(711.095.631)	(170.937.145)	(25.599.881)	(46.263.910)
Donations and Contributions	(26.678.622)	(10.000)	(7.000.000)	-
Lawsuit Provisions	(23.053.706)	(17.913.952)	(18.635.240)	(10.750.364)
Discount Income on Trade Receivables	(3.773.398)	(4.022.713)	(753.999)	(3.517.688)
Provisions for Doubtful Trade Receivables	(916.589)	-	(23.929)	-
Other Expenses	(9.332.596)	(2.014.473)	(7.924.020)	(797.277)
Total	(774.850.542)	(194.898.283)	(59.937.069)	(61.329.239)

NOTE 20- FINANCE INCOME AND EXPENSES

Finance Income:	1 January- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2023	1 July- 30 September 2022
Foreign Exchange Gain	474.553.353	292.381.204	122.577.334	66.950.807
Interest Income	160.556.573	19.820.700	58.884.600	2.375.306
Income from Derivative Transactions	-	3.471.436	-	3.471.436
Total	635.109.926	315.673.340	181.461.934	72.797.549

Finance Expenses:	1 January- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2023	1 July- 30 September 2022
Foreign Exchange Losses	(604.586.737)	(277.183.214)	(146.765.156)	(73.742.579)
Interest Expense	(343.285.985)	(130.390.264)	(175.193.485)	(53.973.389)
Forward Purchase Expenses	(15.118.251)	(3.813.482)	(6.630.426)	(2.475.907)
Expense from Derivative Transactions	(4.472.560)	-	(999.585)	9.586.911
Letter of Guarantee Expenses	(3.641.655)	(3.324.207)	(1.345.396)	(1.030.864)
Other Finance Expenses	(120.224.645)	(29.111.009)	(50.758.641)	(9.479.782)
Total	(1.091.329.833)	(443.822.176)	(381.692.689)	(131.115.610)

(Currency expressed in Turkish Lira unless otherwise indicated.)

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 2023 is 25% (2022: 23%).

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

According to Corporate Tax Law's 24th article, the corporate tax is imposed by the taxpayer's tax returns. There is not an exact mutual agreement procedure with Tax Authorities in Turkey. Annual corporate tax returns are submitted to the relating 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/IFRS's accounting standards and statutory tax financial statements. These differences are usually due to the recognition of revenue and expenses in different reporting periods for the TAS/IFRS standards and tax purposes.

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 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 that the Group continues to benefit from the investment contribution amounts are disclosed in Note 13.

(Currency expressed in Turkish Lira unless otherwise indicated.)

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

ii) *Deferred Tax (cont'd)*

	30 September 2023		31 December 2022	
	<u>Cumulative Temporary Differences</u>	<u>Deferred Tax Assets/(Liabilities)</u>	<u>Cumulative Temporary Differences</u>	<u>Deferred Tax Assets/(Liabilities)</u>
Inventories	(12.993.568)	(3.248.392)	478.500	95.700
Fixed Assets (Net)	(2.957.911.691)	(391.527.795)	(2.912.984.817)	(350.259.710)
Provision for Employment Termination Benefits	63.519.031	15.879.758	125.769.433	25.153.887
Guarantee Provisions	92.448.399	23.112.100	44.979.730	8.995.946
R&D Discount and Investment Incentive	481.836.477	259.728.061	681.250.580	211.159.135
Derivative Instruments	(57.419.690)	(14.354.923)	35.428.880	8.148.642
Rediscount Expenses/Income (Net)	(339.068)	(84.767)	(4.112.465)	(945.867)
TFRS 15 Revenue from Contracts with Customers	(356.991.179)	(89.247.795)	(120.641.229)	(27.747.483)
Employee Benefits	68.498.628	17.124.657	5.435.506	1.250.166
Extended Warranty Income	83.284.399	20.821.100	62.923.849	12.584.770
Dealer Premium Provisions	111.590.473	27.897.618	58.603.104	13.478.714
Lawsuit Provisions	59.561.335	14.890.334	36.735.741	7.347.148
Other (Net)	121.867.975	30.466.995	(36.932.740)	(8.555.025)
Total		(88.543.049)		(99.293.977)

NOTE 22 - EARNINGS / (LOSS) PER SHARE

	1 January- 30 September 2023	1 January- 30 September 2022	1 July- 30 September 2023	1 July- 30 September 2022
Net Profit for The Period	1.053.640.763	531.951.677	484.349.964	281.174.947
Weighted Average Number of Shares with Nominal Value of 1 Piaster	8.400.000.000	8.400.000.000	8.400.000.000	8.400.000.000
Income Per 100 Share with Nominal Value of TRY 1 Each	12,5433	6,3328	5,7661	3,3473

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 23- RELATED PARTY DISCLOSURES

a) Related Party Payable and Receivable Balances:

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

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

30 September 2023 <u>Related Parties</u>	Receivables		Payables	
	<u>Trade</u>	<u>Non-Trade</u>	<u>Trade</u>	<u>Non-Trade</u>
Itochu Corporation Tokyo (2)	197.072	-	1.676.823.271	-
Isuzu Motors Ltd. Tokyo (2)	1.633.633	-	69.882.340	-
Çelik Motor Ticaret A.Ş. (1)	1.142.595	-	-	-
Anadolu Motor Üretim ve Paz. A.Ş. (1)	1.666.533	-	-	-
Isuzu Motors Europe NV (1)	131.170	-	-	-
Türkiye'nin Otomobil Girişimi Grubu	288.900	-	-	-
AEH Sigorta Acenteliği A.Ş. (1)	-	-	244.250	-
Oyex-Handels Gmbh (1)	99.366.902	-	-	-
AG Anadolu Grubu Holding A.Ş. (2)	-	-	123.168	-
Migros Ticaret A.Ş. (1)	-	-	1.325.260	-
Adel Kalemcilik Tic. ve San. A.Ş. (1)	-	-	12.786	-
Anadolu Efes Spor Kulübü	3.048	-	-	-
Ortaklara Borçlar (*)	-	-	-	9.109
Isuzu Motors International Operation Thailand (1)	321.542	-	-	-
Total	104.751.395	-	1.748.411.075	9.109

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

31 December 2022 <u>Related Parties</u>	Receivables		Payables	
	<u>Trade</u>	<u>Non-Trade</u>	<u>Trade</u>	<u>Non-Trade</u>
Itochu Corporation Tokyo (2)	41.230	-	1.131.841.994	-
Isuzu Motors Ltd. Tokyo (2)	12.010.008	-	33.500.753	-
Çelik Motor Ticaret A.Ş. (1)	2.394.437	-	-	-
Anadolu Motor Üretim ve Paz. A.Ş. (1)	2.199.310	-	-	-
Isuzu Motors Europe NV (1)	76.514	-	-	-
AEH Sigorta Acenteliği A.Ş. (1)	-	-	260.536	-
Oyex-Handels Gmbh (1)	98.006.188	-	-	-
AG Anadolu Grubu Holding A.Ş. (2)	-	-	623.886	-
Migros Ticaret A.Ş. (1)	-	-	2.930.179	-
Adel Kalemcilik Tic. ve San. A.Ş. (1)	-	-	84.517	-
Ortaklara Borçlar (*)	-	-	-	9.109
Isuzu Motors International Operation Thailand (1)	248.377	-	-	-
Toplam	114.976.064	-	1.169.241.865	9.109

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

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 23- RELATED PARTY DISCLOSURES (cont'd)

b) Related Party Transactions:

1 January-30 September 2023

<u>Sales to Related Parties</u>	<u>Goods and Services Sales</u>	<u>Fixed Assets Sales</u>	<u>Other Income</u>	<u>Total Income/ Sales</u>
Isuzu Motors Ltd. Tokyo (2)	87.732.448	-	-	87.732.448
Çelik Motor Ticaret A.Ş. (1)	4.792.660	-	-	4.792.660
Anadolu Motor Üretim ve Paz. A.Ş. (1)	5.754.749	-	-	5.754.749
Isuzu Motors International Operation Thailand (1)	4.365.625	-	-	4.365.625
AEH Sigorta Acenteliği A.Ş. (1)	500.000	-	-	500.000
Isuzu Motors Europe NV (1)	1.579.619	-	-	1.579.619
Oyex-Handels Gmbh (1)	26.928.692	-	-	26.928.692
Garenta Ulaşım Çözümleri A.Ş (1)	1.030.120	-	-	1.030.120
Türkiye'nin Otomobil Girişimi Grubu	243.000	-	-	243.000
Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	114.710	-	-	114.710
Total	133.041.623	-	-	133.041.623

1 January-30 September 2022

<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	33.636.495	-	-	33.636.495
Itochu Corporation Tokyo	14.314.970	-	-	14.314.970
Çelik Motor Ticaret A.Ş.	2.783.048	-	-	2.783.048
Anadolu Motor Üretim ve Paz. A.Ş.	2.603.336	-	-	2.603.336
Isuzu Motors International Operation Thailand	1.999.826	-	-	1.999.826
Türkiye'nin Otomobil Girişimi Grubu	677.298	-	-	677.298
Isuzu Motors Europe NV	470.423	-	-	470.423
Oyex-Handels Gmbh	23.309.258	-	-	23.309.258
Total	79.794.654	-	-	79.794.654

1 January-30 September 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)	1.549.438.806	-	-	1.549.438.806
Isuzu Motors International Operation Thailand (1)	848.514.871	-	-	848.514.871
AG Anadolu Grubu Holding A.Ş. (2)	25.912.915	-	-	25.912.915
Isuzu Motors Ltd. Tokyo (2)	103.868.492	-	-	103.868.492
Isuzu Motors Europe NV (1)	48.466	-	-	48.466
Çelik Motor Ticaret A.Ş. (1)	712.223	-	-	712.223
Garenta Ulaşım Çözümleri A.Ş (1)	434.590	-	-	434.590
Adel Kalemçilik Tic. ve San. A.Ş. (1)	280.686	-	-	280.686
Anadolu Bilişim Hizmetleri A.Ş. (1)	53.647	-	-	53.647
Migros Ticaret A.Ş. (1)	2.722.756	-	-	2.722.756
Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	30.082.588	-	-	30.082.588
Oyex-Handels Gmbh (1)	23.140.573	-	-	23.140.573
Anadolu Eğitim Sosyal Yardım Vakfı (1)	4.000.000	-	-	4.000.000
Total	2.589.210.613	-	-	2.589.210.613

(Currency expressed in Turkish Lira unless otherwise indicated.)

NOTE 23- RELATED PARTY DISCLOSURES (cont'd)

b) Related Party Transactions: (cont'd)

1 January-30 September 2022

<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	926.927.408	-	-	926.927.408
Isuzu Motors International Operation Thailand	531.530.847	-	-	531.530.847
AG Anadolu Grubu Holding A.Ş.	12.981.613	-	-	12.981.613
Isuzu Motors Ltd. Tokyo	5.319	-	27.338.746	27.344.065
Anadolu Efes Spor Kulübü-	9.000.000	-	-	9.000.000
Çelik Motor Ticaret A.Ş.	309.496	-	-	309.496
Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	28.072	-	-	28.072
Adel Kalemçilik Tic. ve San. A.Ş.	20.237	-	-	20.237
Anadolu Bilişim Hizmetleri A.Ş.	39.412	-	-	39.412
Migros Ticaret A.Ş.	917.665	-	-	917.665
Oyex-Handels Gmbh	8.517.365	-	-	8.517.365
Anadolu Motor Üretim ve Paz. A.Ş.	19.095	-	-	19.095
Total	1.490.296.529	-	27.338.746	1.517.635.275

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. TRY 4.000.000 donation made to Anadolu Eğitim ve Sosyal Yardım Vakfı by the Group in 2023 (31 December 2022 : TRY 11.427.000).

d) Benefits to Top Management:

	<u>1 January-30 September 2023</u>	<u>1 January-30 September 2022</u>	<u>1 July-30 September 2023</u>	<u>1 July-30 September 2022</u>
Salaries and Other Short-Term Liabilities	40.145.797	16.038.354	16.176.036	6.907.228
Total	40.145.797	16.038.354	16.176.036	6.907.228

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>30 September 2023</u>	<u>31 December 2022</u>
Net Debt	4.664.076.107	2.488.824.688
Total Equity	4.243.883.858	3.390.243.095
Net Debt/Total Equity	1,10	0,73

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

(Currency expressed in Turkish Lira unless otherwise indicated.)

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

Foreign Currency Position Sensitivity Analysis

30 September 2023

	<u>Appreciation of Foreign Currency</u>	<u>Profit / Loss Depreciation of Foreign Currency</u>
In case of US Dollar increases / decreases in 10% against TRY;		
1 - USD denominated net asset / (liability)	(25.585.248)	25.585.248
2- USD denominated hedging instruments (-)	-	-
3- Net Effect of US Dollar (1 +2)	(25.585.248)	25.585.248
In case of Euro increases / decreases in 10% against TRY;		
4- EURO denominated net asset / (liability)	26.859.576	(26.859.576)
5- EURO denominated hedging instruments (-)	-	-
6- Net Effect of Euro (4+5)	26.859.576	(26.859.576)
Increase / decrease in other foreign currencies by 10%:		
7- Other foreign currency denominated net asset / (liability)	(4.229.943)	4.229.943
8- Other foreign currency hedging instruments (-)	-	-
9- Net Effect of Other Exchange Rates (7+8)	(4.229.943)	4.229.943
TOTAL (3+6+9)	(2.955.615)	2.955.615

(Currency expressed in Turkish Lira unless otherwise indicated.)

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 2022

	<u>Profit / Loss</u>	
	<u>Appreciation of Foreign Currency</u>	<u>Depreciation of Foreign Currency</u>
In case of US Dollar increases / decreases in 10% against TRY;		
1 - USD denominated net asset / (liability)	(126.913)	126.913
2- USD denominated hedging instruments (-)	-	-
3- Net Effect of US Dollar (1 +2)	(126.913)	126.913
In case of Euro increases / decreases in 10% against TRY;		
4- EURO denominated net asset / (liability)	19.693.080	(19.693.080)
5- EURO denominated hedging instruments (-)	-	-
6- Net Effect of Euro (4+5)	19.693.080	(19.693.080)
Increase / decrease in other foreign currencies by 10%:		
7- Other foreign currency denominated net asset / (liability)	(21.243.931)	21.243.931
8- Other foreign currency hedging instruments (-)	-	-
9- Net Effect of Other Exchange Rates (7+8)	(21.243.931)	21.243.931
TOTAL (3+6+9)	(1.677.764)	1.677.764

FOR THE PERIOD ENDED 30 SEPTEMBER 2023

(Currency expressed in Turkish Lira unless otherwise indicated.)

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

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

	30 September 2023					Statement of Foreign Currency Position					31 December 2022				
	TRY Amount	US Dollars	Euro	Yen	Other	TRY Amount	US Dollars	Euro	Yen	Other	TRY Amount	US Dollars	Euro	Yen	Other
1. Trade Receivables	1.650.964.365	1.941	56.811.228	5.888.288	98.843	485.378.844	344.461	23.328.107	81.093.010	608.059	143.543.759	2.019.682	3.581.552	242.626.628	4.352
2a. Monetary Financial Assets	265.621.608	1.203.170	6.559.731	226.978.244	19.500	-	-	-	-	-	-	-	-	-	-
2b. Non-monetary Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Current Assets (1+2+3)	1.916.585.973	1.205.111	63.370.959	232.866.532	118.343	628.922.603	2.364.143	26.909.659	323.719.638	612.411					
5. Trade Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8. Non-current Assets (5+6+7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9. Total Assets (4+8)	1.916.585.973	1.205.111	63.370.959	232.866.532	118.343	628.922.603	2.364.143	26.909.659	323.719.638	612.411					
10. Trade Payables	2.311.384.425	5.145.521	71.555.771	483.633.483	-	1.466.507.524	4.932.017	55.803.103	1.825.504.968	1.505					
11. Financial Liabilities	286.300.613	5.523.719	4.635.286	-	-	224.101.194	-	11.221.443	-	-					
12a. Monetary Other Liabilities	-	-	-	-	-	12.800.041	-	11.586	88.364.203	-					
12b. Non-Monetary Other Liabilities	781.797.041	381.500	26.522.000	-	-	58.708.640	-	2.939.724	-	-					
13. Current Liabilities (10+11+12)	3.379.482.079	11.050.740	102.713.057	483.633.483	-	1.762.117.399	4.932.017	69.975.856	1.913.869.171	1.505					
14. Trade Payable	-	-	-	-	-	-	-	-	-	-					
15. Financial Liabilities	224.103.623	-	7.705.710	-	-	172.666.998	-	8.645.973	-	-					
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-	-	-					
16b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-	-	-					
17. Non-current Liabilities (14+15+16)	224.103.623	-	7.705.710	-	-	172.666.998	-	8.645.973	-	-					
18. Total Liabilities (13+17)	3.603.585.702	11.050.740	110.418.767	483.633.483	-	1.934.784.397	4.932.017	78.621.829	1.913.869.171	1.505					
19. Off-balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b)	1.651.074.640	500.000	56.300.000	-	-	1.276.386.072	2.500.000	61.590.865	-	-					
19.a. Total Amount of Hedged Assets	-	-	-	-	-	256.978.112	-	12.890.865	-	-					
19.b. Total Amount of Hedged Liabilities	(1.651.074.640)	(500.000)	(56.300.000)	-	-	(1.019.407.960)	(2.500.000)	(48.700.000)	-	-					
20. Net Foreign Currency Assets/(Liabilities) Position (9-18+19)	(35.925.089)	(9.345.629)	9.252.192	(250.766.951)	118.343	(29.475.722)	(67.874)	9.878.695	(1.590.149.533)	610.906					
21. Monetary Items Net Foreign Currency Assets / (Liabilities) (1+2a+5+6a-10-11-12a-14-15-16a)	(905.202.688)	(9.464.129)	(20.525.808)	(250.766.951)	118.343	(1.247.153.154)	(2.567.874)	(48.772.446)	(1.590.149.533)	610.906					
22. Fair Value of Financial Instruments Used for Currency Hedge	57.419.690	-	1.977.909	-	-	(35.428.880)	-	(1.777.229)	-	-					
23. Hedged Foreign Currency Assets	(1.651.074.640)	(500.000)	(56.300.000)	-	-	(1.276.386.072)	(2.500.000)	(61.590.865)	-	-					
24. Hedged Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-					
25. Export	2.656.057.918	-	-	-	-	2.222.058.141	-	-	-	-					
26. Import	3.250.584.100	-	-	-	-	2.877.536.476	-	-	-	-					

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 30 September 2023, if the market interest rate had increased/decreased by 100 basis point with all other variables held constant, period income before tax and consolidated equity of participations of the Group would have been higher/lower by TRY 3.468.443 (31 December 2022: higher/lower by TRY 7.868.862 TRY).

(f) Credit risk management

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

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

Fair Value and Hedging Disclosures

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

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

Level 2: Valuation of the financial assets and liabilities over the price calculated on the basis of the data that is 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 30 September 2023, the Group's foreign currency transaction agreement, which is a derivative financial instrument, is as follows

<u>Financial assets carried at fair value</u>	Level 1	Level 2	Level 3	Total
Derivative assets (Note 8)	-	93.330.934	-	93.330.934
Buildings (Note 10)	-	576.986.865	-	576.986.865
Lands (Note 10)	-	2.312.257.500	-	2.312.257.500
Total	-	2.982.575.299	-	2.982.575.299

<u>Financial liabilities carried at fair value</u>	Level 1	Level 2	Level 3	Total
Derivative liabilities (Note 8)	-	35.911.244	-	35.911.244
Total	-	35.911.244	-	35.911.244

(Currency expressed in Turkish Lira unless otherwise indicated.)

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 2022, the Group's foreign currency transaction agreement, which is a derivative financial instrument, is as follows:

Financial assets carried at fair value	Level 1	Level 2	Level 3	Total
Derivative assets (Note 8)	-	4.840.568	-	4.840.568
Buildings (Note 10)	-	574.689.373	-	574.689.373
Lands (Note 10)	-	2.312.257.500	-	2.312.257.500
Total	-	2.891.787.441	-	2.891.787.441

Financial liabilities carried at fair value	Level 1	Level 2	Level 3	Total
Derivative liabilities (Note 8)	-	40.269.448	-	40.269.448
Total	-	40.269.448	-	40.269.448

NOTE 25- EVENTS AFTER REPORTING PERIOD

With the decision of the Board of Directors dated October 9, 2023, it has been decided to increase the paid-in capital of the Company from TRY 84.000.000 to TRY 252.000.000 to be covered from the retained earnings in the internal resources of the company and the necessary permission application has been made to the Capital Markets Board in order to obtain the appropriate opinion regarding the amendment of Article 7 titled "Capital" of the Articles of Association regarding the distribution of shares with a nominal value of TRY 168.000.000 to be issued. With the Capital Markets Board's letter dated October 24, 2023, the Capital Markets Board has given its approval for the amendment of the Articles of Association.