

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

**Interim Condensed Consolidated Financial Statements  
As of September 30, 2022**

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

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**ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS OF 30 SEPTEMBER 2022 AND 31 DECEMBER 2021**  
*(Currency expressed in Turkish Lira unless otherwise indicated.)*

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	Notes	Unaudited Current Period 30 September 2022	Audited Prior Period 31 December 2021
<b>ASSETS</b>			
<b>Current Assets</b>		<b>3.751.643.776</b>	<b>2.102.108.159</b>
Cash and Cash Equivalents	4	133.133.069	639.748.715
Financial Investments	5	167.872.947	-
Trade Receivables		1.534.481.363	753.867.430
<i>Trade Receivables from Related Parties</i>	7-23	109.711.317	298.393.667
<i>Trade Receivables from Third Parties</i>	7	1.424.770.046	455.473.763
Other Receivables		11.332.340	72.559.442
<i>Other Receivables from Third Parties</i>		11.332.340	72.559.442
Inventories	9	1.414.726.420	469.735.947
Derivative Instruments	8	-	105.351.238
Prepaid Expenses	16	307.206.168	37.262.001
Current Tax Assets		-	356.665
Other Current Assets	16	182.891.469	23.226.721
<b>Non-Current Assets</b>		<b>1.809.529.026</b>	<b>1.505.138.953</b>
Other Receivables		4.892	3.642
<i>Other Receivables from Third Parties</i>		4.892	3.642
Property, Plant and Equipment	10	1.280.499.692	1.268.360.271
Right of Use Assets	12	9.354.871	5.829.849
Intangible Assets		379.493.626	227.585.132
<i>Goodwill</i>		2.340.995	2.340.995
<i>Other Intangible Assets</i>	11	377.152.631	225.244.137
Prepaid Expenses	16	2.606.339	3.360.059
Deferred Tax Assets	21	137.569.606	-
<b>TOTAL ASSETS</b>		<b>5.561.172.802</b>	<b>3.607.247.112</b>

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

ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY  
 INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
 AS OF 30 SEPTEMBER 2022 AND 31 DECEMBER 2021  
 (Currency expressed in Turkish Lira unless otherwise indicated.)

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	Notes	Unaudited Current Period 30 September 2022	Audited Prior Period 31 December 2021
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>3.340.977.705</b>	<b>1.565.401.869</b>
Current Borrowings		897.442.589	161.500.843
<i>Current Borrowings from Third Parties</i>	6	897.442.589	161.500.843
<i>Bank Loans</i>	6	897.442.589	161.500.843
Current Portions of Non-Current Borrowings		424.893.194	256.657.543
<i>Current Portions of Non-Current Borrowings from Third Parties</i>	6	424.893.194	256.657.543
<i>Bank Loans</i>	6	420.153.210	252.098.062
<i>Lease Liabilities</i>	6	4.739.984	4.559.481
Trade Payables		1.671.701.120	1.011.249.834
<i>Trade Payables to Related Parties</i>	7-23	1.283.485.488	639.836.656
<i>Trade Payables to Third Parties</i>	7	388.215.632	371.413.178
Other Payables		3.247.621	5.952.401
<i>Other Payables to Related Parties</i>	23	9.109	9.109
<i>Other Payables to Third Parties</i>		3.238.512	5.943.292
Derivative Instruments	8	47.503.416	2.675.660
Employee Benefits Obligations		19.687.945	14.666.030
Liabilities Arising from Contracts with Customers	16	19.008.175	10.863.604
Deferred Income	16	72.835.991	21.646.612
Period Profit Tax Liability		203.326	-
Current Provisions		184.454.328	80.189.342
<i>Current Provisions for Employee Benefits</i>	15	22.803.208	15.495.235
<i>Other Current Provisions</i>	14	161.651.120	64.694.107
<b>Non-Current Liabilities</b>		<b>324.961.318</b>	<b>649.574.373</b>
Non-Current Borrowings		221.344.370	515.289.683
<i>Non-Current Borrowings from Third Parties</i>		221.344.370	515.289.683
<i>Bank Loans</i>	6	214.765.864	509.576.183
<i>Lease Liabilities</i>	6	6.578.506	5.713.500
Liabilities Arising from Contracts with Customers	16	33.552.796	35.813.919
Deferred Income	16	1.454.175	5.386.275
Non-Current Provisions for Employee Benefits	15	68.609.977	47.235.042
Deferred Tax Liabilities	21	-	45.849.454
<b>EQUITY</b>		<b>1.895.233.779</b>	<b>1.392.270.870</b>
<b>Equity Attributable to Equity Holders of the Parent</b>		<b>1.895.233.779</b>	<b>1.392.270.870</b>
Issued Capital	17	84.000.000	84.000.000
Adjustments to Share Capital	17	30.149.426	30.149.426
Revaluation and Remeasurement Earnings/Losses that will not be Reclassified in Profit or Loss		1.010.888.447	1.009.877.215
<i>Gain on Revaluation of Property, Plant and Equipment</i>	17	1.022.267.501	1.022.267.501
<i>Gain/Loss on Remeasurement of Defined Benefit Plans</i>	17	(11.379.054)	(12.390.286)
Restricted Reserves Appropriated from Profits	17	26.364.678	23.784.678
Prior Years' Profit/Losses	17	211.879.551	33.032.805
Current Period Net Profit or Losses	17	531.951.677	211.426.746
<b>TOTAL LIABILITIES</b>		<b>5.561.172.802</b>	<b>3.607.247.112</b>

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

ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARY  
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 SEPTEMBER 2022 AND 30 SEPTEMBER 2021  
(Currency expressed in Turkish Lira unless otherwise indicated.)

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	Notes	Unaudited 1 January- 30 September 2022	Unaudited 1 January- 30 September 2021	Unaudited 1 July- 30 September 2022	Unaudited 1 July - 30 September 2021
<b>PROFIT OR LOSS</b>					
Revenue	18	4.009.560.021	1.485.419.139	1.754.486.406	611.689.472
Cost of Sales (-)	18	(3.047.426.714)	(1.199.247.320)	(1.371.120.749)	(504.187.748)
<b>GROSS PROFIT (LOSS)</b>		<b>962.133.307</b>	<b>286.171.819</b>	<b>383.365.657</b>	<b>107.501.724</b>
General Administrative Expenses (-)		(109.808.822)	(56.191.712)	(42.398.662)	(18.666.488)
Marketing Expenses (-)		(228.757.808)	(97.996.389)	(54.613.860)	(35.361.832)
Research and Development Expenses (-)		(16.548.496)	(7.696.118)	(6.601.774)	(2.492.426)
Other Income from Operating Activities	19	29.930.560	41.540.606	(13.066.432)	6.395.119
Other Expenses from Operating Activities (-)	19	(194.898.283)	(57.827.569)	(61.329.239)	(4.332.693)
<b>PROFIT (LOSS) FROM OPERATING ACTIVITIES</b>		<b>442.050.458</b>	<b>108.000.637</b>	<b>205.355.690</b>	<b>53.043.404</b>
Income from Investing Activities		36.350.994	384.471	28.744.767	1.695
<b>PROFIT/LOSS BEFORE FINANCE EXPENSE</b>		<b>478.401.452</b>	<b>108.385.108</b>	<b>234.100.457</b>	<b>53.045.099</b>
Finance Income	20	315.673.340	92.289.281	72.797.549	23.676.391
Finance Expenses (-)	20	(443.822.176)	(162.539.877)	(131.115.610)	(53.579.203)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAX</b>		<b>350.252.616</b>	<b>38.134.512</b>	<b>175.782.396</b>	<b>23.142.287</b>
<b>Tax Income/(Expense) From Continuing Operations</b>		<b>181.699.061</b>	<b>2.140.179</b>	<b>105.392.551</b>	<b>(5.574.381)</b>
Current Tax (Expense) Income	21	(1.972.807)	(719.274)	(209.604)	(331.734)
Deferred Tax (Expense) Income	21	183.671.868	2.859.453	105.602.155	(5.242.647)
<b>PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>531.951.677</b>	<b>40.274.691</b>	<b>281.174.947</b>	<b>17.567.906</b>
<b>PROFIT (LOSS) FOR THE YEAR</b>	<b>22</b>	<b>531.951.677</b>	<b>40.274.691</b>	<b>281.174.947</b>	<b>17.567.906</b>
<b>Profit (Loss) for the Year Attributable to:</b>		<b>531.951.677</b>	<b>40.274.691</b>	<b>281.174.947</b>	<b>17.567.906</b>
Owners of The Parent		531.951.677	40.274.691	281.174.947	17.567.906
<b>Earnings/(Losses) Per 100 Share from Continuing Operations</b>	<b>22</b>	<b>6,3328</b>	<b>0,4795</b>	<b>3,3473</b>	<b>0,2091</b>
<b>OTHER COMPREHENSIVE INCOME (EXPENSE)</b>		<b>531.951.677</b>	<b>40.274.691</b>	<b>281.174.947</b>	<b>17.567.906</b>
<b>Items That Will Not Be Reclassified to Profit or Loss</b>					
Gains (Losses) on Remeasurement of Defined Benefit Plans		1.264.040	-	812.290	-
Gains (Losses) on Remeasurement of Defined Benefit Plans, Tax Effect		(252.808)	-	(162.458)	-
<b>OTHER COMPREHENSIVE INCOME (EXPENSE)</b>		<b>1.011.232</b>	<b>40.274.691</b>	<b>649.832</b>	<b>17.567.906</b>
<b>TOTAL COMPREHENSIVE INCOME (EXPENSE)</b>		<b>532.962.909</b>	<b>40.274.691</b>	<b>281.824.779</b>	<b>17.567.906</b>
Owners of The Parent		532.962.909	40.274.691	281.824.779	17.567.906

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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 2022 AND 30 SEPTEMBER 2021  
(Currency expressed in Turkish Lira unless otherwise indicated.)

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Prior Period	Notes	Issued Capital	Adjustments to Share Capital	Gain / Loss on Revaluation and Remeasurement That Will Not Be Reclassified to Profit or Loss			Retained Earnings		Total Equity
				Gain on Revaluation of Property, Plant and Equipment	Gain/Loss on Remeasurement of Defined Benefit Plans	Restricted Reserves Appropriated from Profits	Prior Years' Profits/Losses	Current Period Net Profit or Losses	
<b>Balances as of 1 January 2021 (Beginning of the Period)</b>	17	84.000.000	30.149.426	417.373.045	(13.193.425)	23.784.678	19.384.487	13.648.318	575.146.529
<b>Total Comprehensive Income (Expense)</b>		-	-	-	-	-	-	40.274.691	40.274.691
Loss for the Period		-	-	-	-	-	-	40.274.691	40.274.691
Other Comprehensive Income / (loss)		-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	13.648.318	(13.648.318)	-
<b>Balances as of 30 September 2021 (End of the Period)</b>	17	84.000.000	30.149.426	417.373.045	(13.193.425)	23.784.678	33.032.805	40.274.691	615.421.220
<b>Current Period</b>									
<b>Balances as of 1 January 2022 (Beginning of the Period)</b>	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
<b>Total Comprehensive Income (Expense)</b>		-	-	-	1.011.232	-	-	531.951.677	531.951.677
Profit for the Period		-	-	-	-	-	-	531.951.677	531.951.677
Other Comprehensive Income / (loss)		-	-	-	1.011.232	-	-	-	1.011.232
Dividend		-	-	-	-	-	(30.000.000)	-	(30.000.000)
Transfers		-	-	-	-	2.580.000	208.846.746	(211.426.746)	-
<b>Balances as of 30 September 2022 (End of the Period)</b>	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

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 2022 AND 30 SEPTEMBER 2021**  
*(Currency expressed in Turkish Lira unless otherwise indicated.)*

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	Notes	Unaudited 1 January- 30 September 2022	Unaudited 1 January- 30 September 2021
<b>Cash Flows from Operating Activities</b>		<b>(533.187.230)</b>	<b>284.424.620</b>
<b>Current Period Net Profit or Losses</b>	<b>17</b>	<b>531.951.677</b>	<b>40.274.691</b>
<b>Adjustments to Reconcile Profit (Loss) for The Year</b>		<b>304.144.595</b>	<b>126.620.855</b>
Adjustments Related to Depreciation and Amortization Expenses	<b>10-11-12</b>	55.813.938	39.443.785
Adjustments Related to Provision for Employee Benefits (Released)	<b>15</b>	38.078.143	8.596.111
Adjustments Related to Tax (Income) Expense		(181.699.061)	(2.140.179)
Adjustments Related to Provisions for Litigations	<b>14-19</b>	17.913.952	3.038.546
Adjustments Related to Interest Income	<b>19-20</b>	(20.107.187)	(12.473.792)
Adjustments Related to Interest Expenses	<b>19-20</b>	134.035.547	46.846.849
Adjustments Related to Unrealized Currency Translation Differences		72.259.391	24.714.099
Adjustments Related to Fair Value Losses (Gains)	<b>8</b>	113.978.914	(12.457.680)
Other Adjustments to Profit/(Loss) Reconciliation		(59.156.680)	(18.359.562)
Adjustments Related to Other Provisions (Released)	<b>14</b>	133.178.552	49.797.149
Adjustments Related to Loss (Gain) on Disposal of Property, Plant and Equipment		(150.914)	(384.471)
<b>Changes in Working Capital</b>		<b>(1.300.312.297)</b>	<b>142.428.403</b>
Adjustments Related to Decrease (Increase) in Trade Receivables	<b>7</b>	(784.636.646)	58.124.712
Adjustments Related to Decrease (Increase) in Inventories	<b>9</b>	(944.990.473)	(151.629.245)
Adjustments Related to Decrease (Increase) in Other Receivables from Operations		(368.025.148)	(45.144.949)
Adjustments Related to Increase (Decrease) in Trade Payables	<b>7</b>	663.685.366	229.853.306
Adjustments Related to Increase (Decrease) in Other Payables from Operations		252.354.440	57.049.389
Adjustments Related to Increase (Decrease) in Other Working Capital from Operations		(118.699.836)	(5.824.810)
<b>Cash Flows from Operating Activities</b>		<b>(464.216.025)</b>	<b>309.323.949</b>
Income Tax Returns (Paid)		(1.769.481)	(968.398)
Payments Related to Other Provisions		(54.135.491)	(20.561.600)
Payments to Provision of Employee Benefits	<b>15</b>	(13.066.233)	(3.369.331)
<b>Cash Flows from Investing Activities</b>		<b>(364.784.453)</b>	<b>(69.352.767)</b>
Proceeds from Sale of Property, Plant and Equipment	<b>10</b>	154.457	650.621
Payments for Purchase of Property, Plant and Equipment	<b>10</b>	(30.123.323)	(13.731.031)
Payments for Purchase of Intangible Assets	<b>11</b>	(185.025.420)	(56.272.357)
Other Cashoutflows		(149.790.167)	-
<b>Cash Flows from Financing Activities</b>		<b>391.372.356</b>	<b>(42.426.507)</b>
Interest Received		(30.000.000)	-
Interest Paid	<b>6</b>	20.080.633	12.473.792
Proceeds from Loans	<b>6</b>	(117.844.353)	(46.143.436)
Cash Outflows from Repayment of Loans	<b>6</b>	1.364.049.594	336.560.398
Cash Outflows Related to Debt Payments Arising from Lease Agreements		(12.592.773)	(3.012.483)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>		<b>(506.599.327)</b>	<b>172.645.346</b>
<b>Cash and Cash Equivalents at The Beginning of The Year</b>		<b>639.705.842</b>	<b>267.087.823</b>
<b>Cash and Cash Equivalents at The End of The Year</b>	<b>6</b>	<b>133.106.515</b>	<b>439.733.169</b>

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

*(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 2022 is 962 (31 December 2021: 828).

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 main shareholder and the controlling party of the Company is Anadolu Group Holding Anonim Şirketi.

As of 30 September 2022 and 31 December 2021, details about the company’s subsidiary, which is subject to consolidation, is below:

<b>Company Name</b>	<b>Principal Activity</b>	<b>Capital</b>	<b>30 September 2022 Participation Rate (%)</b>	<b>31 December 2021 Participation Rate (%)</b>
Ant Smaı 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 2022 approved by the Board of Directors on 24 September 2022 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.

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



## 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)

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 2021 financial statements and attached notes.

#### Functional and Reporting Currency

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

#### 2.1.2 Consolidation principles

##### Subsidiaries

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

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

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

The table below sets out the subsidiaries and their ownership interests as of 30 September 2022 and 31 December 2021

Subsidiary	Voting power held by the Group (%)		Proportion of ownership interest (%)	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Ant Sınai 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 11/357 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.

#### 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.

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

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

**2.1.6 Amendments in Standards and Interpretations**

**a) Standards, amendments, and interpretations applicable as of 30 September 2022:**

**Amendments to TFRS 7, TFRS 4 and TFRS 16 Interest Rate Benchmark Reform Phase 2 (effective 1 January 2021);** The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and TFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.

**Amendments to TFRS 4 Insurance Contracts – deferral of TFRS 9 (effective 1 January 2021);** These amendments defer the date of application of TFRS 17 by two years to 1 January 2023 and change the fixed date of the temporary exemption in TFRS 4 from applying TFRS 9, Financial instrument until 1 January 2023.

**Amendment to TFRS 16, ‘Leases’ – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021);** As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the TASB published an amendment to TFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the TASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

**b) Standards, amendments, and interpretations that are issued but not effective as of 30 September 2022:**

**A number of narrow-scope amendments to TFRS 3, IAS 16, IAS 37 and some annual improvements on TFRS 1, TFRS 9, IAS 41 and TFRS 16;** effective from annual periods beginning on or after 1 January 2022.

- **Amendments to TFRS 3, ‘Business combinations’** update a reference in TFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- **Amendments to TAS 16, ‘Property, plant and equipment’** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- **Amendments to TAS 37, ‘Provisions, contingent liabilities and contingent assets’** specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to TFRS 1, ‘First-time Adoption of TFRS’, TFRS 9, ‘Financial Instruments’, TAS 41, ‘Agriculture’ and the Illustrative Examples accompanying TFRS 16, ‘Leases’.

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

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

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

*c) Standards, amendments, and interpretations that are issued but not effective as of 30 September 2022:*

**Amendments to IAS 1, Presentation of financial statements' on classification of liabilities;** effective date deferred until accounting periods starting not earlier than 1 January 2024. These narrow-scope amendments to TAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what TAS 1 means when it refers to the 'settlement' of a liability.

**Narrow scope amendments to TAS 1, Practice statement 2 and TAS 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.
- **TFRS 17, 'Insurance Contracts', as amended in December 2021;** effective from annual periods beginning on or after 1 January 2023. This standard replaces TFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

**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, 2022 prepared in accordance with the TMS 34 standard for the preparation of the tables. The interim condensed consolidated financial statements for the period ending on 30 September 2022 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 2021. Therefore, these interim condensed consolidated financial statements should be evaluated together with the consolidated financial statements for the year ended 31 December 2021.

**2.4 Changes in Accounting Estimates and Errors**

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

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

(Currency expressed in Turkish Lira unless otherwise indicated.)

## 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:

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

c) 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.

d) 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.

e) Revaluation of land improvements and buildings:

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

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

f) Estimated impairment of goodwill

The Group annually tests goodwill for impairment. The recoverable amounts of cash generating units are determined based on the calculations of value in use.

g) 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 2022</u>	<u>31 December 2021</u>
Cash	-	1.471
Banks-Demand Deposits	70.968.478	19.562.954
Banks-Time Deposits (up to 3 months)	57.973.554	619.210.951
Other Liquid Assets (*)	4.191.037	973.339
<b>Total</b>	<b>133.133.069</b>	<b>639.748.715</b>

(\*) As of 30 September 2022 and 31 December 2021, the balance in “Other Liquid Assets” is consist of directly debting system assets and credit card receivables in bank of group.

There are no restricted deposits as of 30 September 2022 and 31 December 2021.

Cash and cash equivalents presented in the consolidated cash flow statements as of 30 September 2022 and 31 December 2021 are as follows:

	<u>30 September 2022</u>	<u>31 December 2021</u>
Liquid Assets	133.133.069	639.748.715
Interest Accruals (-)	(26.554)	(42.873)
<b>Total (Excluding interest accruals)</b>	<b>133.106.515</b>	<b>639.705.842</b>

The details of time deposits are as follows:

	<u>30 September 2022</u>		<u>31 December 2021</u>	
	<u>Amount</u> <u>(TL Equivalent)</u>	<u>Annual Average</u> <u>Interest Rate (%)</u>	<u>Amount</u> <u>(TL Equivalent)</u>	<u>Annual Average</u> <u>Interest Rate (%)</u>
TL	57.973.554	16,80	75.952.873	18,73
Avro	-	-	451.984.437	0,33
Amerikan Doları	-	-	91.273.641	0,75
<b>Total</b>	<b>57.973.554</b>		<b>619.210.951</b>	

The Group does not have any time deposits with maturities longer than one 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 2022</u>	<u>31 December 2021</u>
Currency Protected Deposit Account (KKMH)	167.872.947	-
<b>Total</b>	<b>167.872.947</b>	<b>-</b>

As of 30 September 2022, the annual average interest rate of currency protected deposits is 16.81%.

The details of time deposits are as follows:

	<u>30 September 2022</u>			<u>31 December 2021</u>		
	Nominal Value	Interest Accruals	Fair Value	Nominal Value	Interest Accruals	Fair Value
KKMH	146.335.350	3.454.817	167.872.947	-	-	-
<b>Total</b>	<b>146.335.350</b>	<b>3.454.817</b>	<b>167.872.947</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES 6- FINANCIAL LIABILITIES**

The details of bank loans as of 30 September 2022 and 31 December 2021 are as follows:

**a) Short-term Borrowings**

**Bank Loans**

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TL Including Interest</u>	
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
TL	18,23	16,38	897.442.589	161.500.843	897.442.589	161.500.843
<b>Total</b>					<b>897.442.589</b>	<b>161.500.843</b>

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

**Bank Loans**

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TL Including Interest</u>	
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Avro	2,65	1,08	10.867.650	8.652.339	197.133.741	130.379.500
TL	19,20	15,64	223.019.469	121.718.562	223.019.469	121.718.562
<b>Total</b>					<b>420.153.210</b>	<b>252.098.062</b>

**Finance Lease Liabilities**

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TL 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Avro	4,35	4,35	146.560	91.935	2.658.525	1.385.341
TL	20,00	20,00	2.081.459	3.174.140	2.081.459	3.174.140
<b>Total</b>					<b>4.739.984</b>	<b>4.559.481</b>

**c) Long-term Borrowings**

**Bank Loans**

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TL Including Interest</u>	
	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>	<u>30 September</u>	<u>31 December</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Avro	4,03	3,26	9.072.104	19.153.591	164.563.435	288.619.714
TL	19,01	18,82	50.202.429	220.956.468	50.202.429	220.956.469
<b>Total</b>					<b>214.765.864</b>	<b>509.576.183</b>

As of 30 September 2022 and 31 December 2021, the payment schedule of long-term loans is as follows:

	<u>30 September 2022</u>	<u>31 December 2021</u>
1 to 2 years	44.779.620	348.861.588
2 to 3 years	40.945.154	35.641.646
3 to 4 years	35.211.042	31.317.988
4 to 5 years	30.177.303	27.777.068
More than 5 years	63.652.745	65.977.893
<b>Total</b>	<b>214.765.864</b>	<b>509.576.183</b>

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

**Finance Lease Liabilities**

	<u>Average Effective Interest Rate %</u>		<u>Original Currency</u>		<u>Amount in TL 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Avro	4,35	4,35	288.070	344.980	5.225.446	5.198.400
TL	20,00	20,00	1.353.060	515.100	1.353.060	515.100
<b>Total</b>					<b>6.578.506</b>	<b>5.713.500</b>

Financial net debt reconciliation as of 30 September 2022 and 31 December 2021 is as follows:

	<u>30 September 2022</u>	<u>31 December 2021</u>
<b>Opening balance</b>	<b>933.448.069</b>	<b>628.560.029</b>
Interest expense	119.906.724	70.420.770
Cash outflows from debt payments arising from lease agreements	(12.592.773)	(8.093.244)
TFRS 16 changes in lease liabilities	16.774.246	9.104.033
Interest paid	(117.844.353)	(69.477.974)
Newly obtained credits	1.364.049.594	506.637.641
Loans repaid	(832.320.745)	(351.681.632)
Exchange difference	72.259.391	147.978.446
<b>Closing balance</b>	<b>1.543.680.153</b>	<b>933.448.069</b>

**NOTE 7- TRADE RECEIVABLES AND PAYABLES**

Trade receivables at period ends are as follows:

**a) Short-term Trade Receivables**

	<u>30 September 2022</u>	<u>31 December 2021</u>
Trade Receivables from Third Parties	1.432.597.051	459.278.055
Trade Receivables from Related Parties	109.711.317	298.393.667
Rediscount Expenses (-)	(7.827.005)	(3.804.292)
Doubtful Receivables	364.907	522.097
Allowance for Doubtful Receivables (-)	(364.907)	(522.097)
<b>Total</b>	<b>1.534.481.363</b>	<b>753.867.430</b>

As of 30 September 2022, the average term for trade receivables is 106 days (31 December 2021: 102 days).

Movements of provision for doubtful receivables are as follows:

	<u>30 September 2022</u>	<u>31 December 2021</u>
<b>Opening Balance</b>	<b>522.097</b>	<b>762.710</b>
Collections in the Period	(157.190)	(240.613)
<b>Closing Balance</b>	<b>364.907</b>	<b>522.097</b>

Trade payables at period ends are as follows:

**b) Short-term Trade Payables**

	<u>30 September 2022</u>	<u>31 December 2021</u>
Trade Payables to Third Parties	395.261.133	375.224.599
Trade Payables to Related Parties	1.283.485.488	639.836.656
Rediscount Incomes(-)	(7.045.501)	(3.811.421)
<b>Total</b>	<b>1.671.701.120</b>	<b>1.011.249.834</b>

As of 30 September 2022, the average term for trade payables is 98 days (31 December 2021: 127 days).

(Currency expressed in Turkish Lira unless otherwise indicated.)

**NOTE 8- DERIVATIVE INSTRUMENTS**

**Foreign Currency Forward Transactions**

As of 30 September 2022, the Group has 33 foreign currency options contracts with a nominal value of JPY 2.732.927.500 and 7 foreign currency forward contracts with a total value of € 19.500.000 , which are determined as cash flow hedging instruments for possible raw material purchases and operational expenses that are exposed to foreign exchange risk (31 December 2021: 40 foreign currency options contracts with a nominal value of JPY 2.490.066.347).

	<u>30 September 2022</u>			<u>31 December 2021</u>		
	Nominal Value	Fair Value		Nominal Value	Fair Value	
		Assest	Liability		Assest	Liability
Interest Rate Swap	75.000.000	-	(2.715.153)	75.000.000	-	1.458.151
Forward Contracts	353.720.250	-	(44.788.263)	703.181.296	105.351.238	(4.133.811)
<b>Total</b>	<b>428.720.250</b>	<b>-</b>	<b>(47.503.416)</b>	<b>778.181.296</b>	<b>105.351.238</b>	<b>(2.675.660)</b>

**NOTE 9- INVENTORIES**

Inventory balances as of period ends are as follows:

	<u>30 September 2022</u>	<u>31 December 2021</u>
Raw Materials	969.343.654	233.713.070
Work in Process Goods	175.554	930.633
Finished Goods	215.054.925	116.972.621
Trade Goods	146.745.089	66.439.881
Other Inventory	13.826.112	7.712.306
Import and Domestic Purchase Advances	70.069.088	44.455.438
Impairment in Finished Goods and Trade Goods	(488.002)	(488.002)
<b>Total Inventories</b>	<b>1.414.726.420</b>	<b>469.735.947</b>

<b>Movement of Provision for Inventory Impairment</b>	<u>30 September 2022</u>	<u>31 December 2021</u>
Opening Balance	488.002	488.002
Current Period Provision (+)	-	-
<b>Closing Balance</b>	<b>488.002</b>	<b>488.002</b>

As of 30 September 2022, total cost of sales which recognized in statement of profit or loss is TL 597.607.820 (30 September 2021: TL 200.684.490 ).



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

**30 September 2022**

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

**Accumulated Depreciation**

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

**Net Book Value**

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

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

(Currency expressed in Turkish Lira unless otherwise indicated.)

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

**30 September 2021**

<u>Cost Value</u>	Land		Buildings	Plant, Machinery and Equipment	Vehicles	Furniture and Fixtures	Other Tangible Fixed Assets	Construction in Progress	Total
<b>Opening Balance as at 1 January 2021</b>	<b>94.164.000</b>	<b>13.591.902</b>	<b>463.358.028</b>	<b>230.154.290</b>	<b>6.020.376</b>	<b>4.532.176</b>	<b>785.999</b>	<b>1.793.071</b>	<b>814.399.842</b>
Additions	-	800.807	391.850	11.866.507	270.400	237.056	-	164.411	<b>13.731.031</b>
Disposals	-	-	-	(255.983)	(580.818)	(12.848)	-	-	<b>(849.649)</b>
<b>Closing Balance as at 30 September 2021</b>	<b>94.164.000</b>	<b>14.392.709</b>	<b>463.749.878</b>	<b>241.764.814</b>	<b>5.709.958</b>	<b>4.756.384</b>	<b>785.999</b>	<b>1.957.482</b>	<b>827.281.224</b>

**Accumulated Depreciation**

<b>Opening Balance as at 1 January 2021</b>	-	<b>(9.366.790)</b>	<b>(66.205.856)</b>	<b>(162.569.636)</b>	<b>(4.012.622)</b>	<b>(3.485.715)</b>	<b>(771.101)</b>	-	<b>(246.411.720)</b>
Charge for the year	-	(354.622)	(3.111.070)	(9.212.074)	(517.457)	(189.694)	(645)	-	<b>(13.385.562)</b>
Disposals	-	-	-	242.656	330.865	9.978	-	-	<b>583.499</b>
<b>Closing Balance as at 30 September 2021</b>	-	<b>(9.721.412)</b>	<b>(69.316.926)</b>	<b>(171.539.054)</b>	<b>(4.199.214)</b>	<b>(3.665.431)</b>	<b>(771.746)</b>	-	<b>(259.213.783)</b>

**Net Book Value**

<b>Opening Balance as at 1 January 2021</b>	<b>94.164.000</b>	<b>4.225.112</b>	<b>397.152.172</b>	<b>67.584.654</b>	<b>2.007.754</b>	<b>1.046.461</b>	<b>14.898</b>	<b>1.793.071</b>	<b>567.988.122</b>
<b>Closing Balance as at 30 September 2021</b>	<b>94.164.000</b>	<b>4.671.297</b>	<b>394.432.952</b>	<b>70.225.760</b>	<b>1.510.744</b>	<b>1.090.953</b>	<b>14.253</b>	<b>1.957.482</b>	<b>568.067.441</b>

TL 8.617.690 of the depreciation expenses has been charged to cost of sales and TL 627.143 to research and development expenses and TL 678.325 to marketing expenses, TL 1.273.688 to general administrative expenses and TL 2.188.716 to development capitalization as of 30 September 2021.

**NOTE 11 – INTANGIBLE ASSETS**

**30 September 2022**

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

**Accumulated Amortization**

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

**Net Book Value**

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

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

**30 September 2021**

<b>Cost Value</b>	<b>Rights</b>	<b>Development Expenses</b>	<b>Other Intangible Assets</b>	<b>Construction in Progress and Advances (*)</b>	<b>Total</b>
<b>Opening Balance as at 1 January 2021</b>	<b>837.305</b>	<b>176.145.816</b>	<b>32.807.023</b>	<b>71.924.695</b>	<b>281.714.839</b>
Additions	125.703	-	5.672.454	50.474.200	56.272.357
<b>Closing balance as at 30 September 2021</b>	<b>963.008</b>	<b>176.145.816</b>	<b>38.479.477</b>	<b>122.398.895</b>	<b>337.987.196</b>

**Accumulated Amortization**

<b>Opening Balance as at 1 January 2021</b>	<b>(244.620)</b>	<b>(86.845.598)</b>	<b>(23.564.902)</b>	<b>-</b>	<b>(110.655.120)</b>
Charge for the period	(49.110)	(18.570.544)	(4.408.217)	-	(23.027.871)
<b>Closing balance as at 30 September 2021</b>	<b>(293.730)</b>	<b>(105.416.142)</b>	<b>(27.973.119)</b>	<b>-</b>	<b>(133.682.991)</b>

**Net Book Value**

<b>Opening Balance as at 1 January 2021</b>	<b>592.685</b>	<b>89.300.218</b>	<b>9.242.121</b>	<b>71.924.695</b>	<b>171.059.719</b>
<b>Closing balance as at 30 September 2021</b>	<b>669.278</b>	<b>70.729.674</b>	<b>10.506.358</b>	<b>122.398.895</b>	<b>204.304.205</b>

TL 19.406.948 of the depreciation expenses of intangible assets has been charged to cost of sales and TL 49.085 to research and development expenses and TL 243.991 to marketing expenses, TL 1.889.817 to general administrative expenses and TL 1.438.030 to development capitalization as of 30 September 2021.

(Currency expressed in Turkish Lira unless otherwise indicated.)

**NOTE 12 – RIGHT OF USE ASSETS**

As of 30 September 2022 and 30 September 2021, the right of use assets' balances of depreciation assets and depreciation expenses in the relevant period are as follows:

<b><u>Cost Value</u></b>	<b><u>Total</u></b>
<b>Opening Balance as at 1 January 2022</b>	<b>13.852.693</b>
Additions	8.241.675
<b>Closing balance as at 30 September 2022</b>	<b>22.094.368</b>
<b><u>Accumulated Amortization</u></b>	
<b>Opening Balance as at 1 January 2022</b>	<b>(8.022.844)</b>
Charge for the Period	(4.716.653)
<b>Closing balance as at 30 September 2022</b>	<b>(12.739.497)</b>
<b><u>Net Book Value</u></b>	
<b>Opening Balance as at 1 January 2022</b>	<b>5.829.849</b>
<b>Closing balance as at 30 September 2022</b>	<b>9.354.871</b>

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

<b><u>Cost Value</u></b>	<b><u>Total</u></b>
<b>Opening Balance as at 1 January 2021</b>	<b>9.123.022</b>
Additions	4.682.223
<b>Closing balance as at 30 September 2021</b>	<b>13.805.245</b>
<b><u>Accumulated Amortization</u></b>	
<b>Opening Balance as at 1 January 2021</b>	<b>(4.303.961)</b>
Charge for the Period	(3.030.352)
<b>Closing balance as at 30 September 2021</b>	<b>(7.334.313)</b>
<b><u>Net Book Value</u></b>	
<b>Opening Balance as at 1 January 2021</b>	<b>4.819.061</b>
<b>Closing balance as at 30 September 2021</b>	<b>6.470.932</b>

TL 1.018.977 of depreciation expenses has been charged to cost of sales, and TL 2.011.375 to general administration expenses as of 30 September 2021.

(Currency expressed in Turkish Lira unless otherwise indicated.)

**NOTES 13- GOVERNMENT GRANTS AND INCENTIVES**

In 2022, there is no cash support from TÜBİTAK for R&D activities (31 December 2021: TL 272.521).

The Group has R&D expenses which can be utilized for tax calculations with an amount of TL 861.037.358 as of 30 September 2022 As per amendment made in Article 35 of the Law on Supporting Research and Development No. 5746 which became effective on 1 April 2008. R&D deduction rate from which will be benefited for the expenses of R&D has been increased from 40% to 100% .(31 December 2021 : TL 390.303.320 ).

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

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

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

Within the scope of the incentive certificate numbered 5487, TL 51.670.512 was spent. 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, TL 74.085.518,77 was spent. The contribution rate to the investment is 45%.

Within the scope of the incentive certificate numbered 535509, TL 57.822.403,73 was spent. The contribution rate to the investment is 45%.

The amount of the document to be benefited from within the scope of the incentive certificate numbered 541650 is 679.556.369 TL and the expenditures within the scope of the certificate have not been started yet.

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

**a) Other Short-term Provisions**

	<u>30 September 2022</u>	<u>31 December 2021</u>
Warranty Provisions	36.873.937	21.418.335
Provision for Lawsuits	26.457.243	8.543.291
Provision for Premium and Commission	98.319.940	34.732.481
<b>Total</b>	<b>161.651.120</b>	<b>64.694.107</b>

Movements of provisions during the period are as follows:

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

	<u>Warranty Provisions</u>	<u>Provision for Lawsuits</u>	<u>Provision for Premium and Commission</u>	<u>Total</u>
<b>Opening Balance as at 1 January 2021</b>	13.412.222	6.249.729	4.453.147	<b>24.115.098</b>
Additions During The Period	19.402.051	3.038.546	30.395.098	<b>52.835.695</b>
Paid During The Period (-)	(14.933.453)	(1.175.000)	(4.453.147)	<b>(20.561.600)</b>
<b>Closing Balance as at 30 September 2022</b>	<b>17.880.820</b>	<b>8.113.275</b>	<b>30.395.098</b>	<b>56.389.193</b>

(Currency expressed in Turkish Lira unless otherwise indicated.)

**Lawsuit against the Group:**

As of 30 September 2022, there are 41 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, TL 26.457.243, which is recognized based on assessments of the lawyers, was reserved as lawsuit provision (as of 31 December 2021, the lawsuit provisions amount is TL 8.543.291).

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

**Mortgages and guarantees on assets:**

There are not any mortgages and guarantees on assets.

**Total insurance coverage on assets:**

Total insurance coverage on assets is TL 3.562.471.660 as of 30 September 2022 (31 December 2021: TL 1.401.156.089).

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

Type	<u>30 September 2022</u>	<u>31 December 2021</u>
Given Letters of Guarantee	818.862.514	544.273.486
<b>Total</b>	<b>818.862.514</b>	<b>544.273.486</b>
	<u>30 September 2022</u>	<u>31 December 2021</u>
<b>A. CPMs given in the name of its own legal personality</b>	<b>818.862.514</b>	<b>544.273.486</b>
i. Letter of Guarantee	818.862.514	544.273.486
<b>B. CPMs given on behalf of fully consolidated companies</b>	-	-
<b>C. CPMs given in the normal course of business activities on behalf of third parties</b>	-	-
<b>D. Total amount of other CPMs</b>	-	-
i. Total amount of CPMs given on behalf of the parent	-	-
ii. Total amount of CPMs given to on behalf of other Group companies which are not in scope of B and C	-	-
iii. Total amount of CPMs given on behalf of third parties which are not in scope of C	-	-
<b>Total</b>	<b>818.862.514</b>	<b>544.273.486</b>

The ratio of other CPM is given by the Group to the Group's equity is 0% as of 30 September 2022 (0% as of 31 December 2021).

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 2022</u>	<u>31 December 2021</u>
Provision for Employee Rights and Salaries	17.099.359	12.164.321
Provision for Unused Vacation	5.703.849	3.330.914
<b>Total</b>	<b>22.803.208</b>	<b>15.495.235</b>

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

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

	<u>30 September 2022</u>	<u>31 December 2021</u>
Opening Balance	3.330.914	2.332.644
Recognized provision during the period	10.246.433	3.951.480
Paid During The Period	(7.873.498)	(2.953.210)
<b>Total</b>	<b>5.703.849</b>	<b>3.330.914</b>

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

(Currency expressed in Turkish Lira unless otherwise indicated.)

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

	<u>30 September 2022</u>	<u>31 December 2021</u>
Provision for Severance Payments to Employees	68.609.977	47.235.042
<b>Total</b>	<b>68.609.977</b>	<b>47.235.042</b>

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

The severance payments are calculated over 30-days gross salary for each service year. Primary assumption is that ceiling liability set for each service year increases in proportion to inflation. In parallel with this, real discount rate which is cleared of the potential inflation impacts is considered at the implementation stage. The severance pay cap is revised in every six months, the ceiling amount of TL 15.371,40 (6 January 2022: TL 10.848,59) applicable as of 1 April 2022 has been regarded for the calculation of the Group's provision of severance pay.

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

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

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

	<u>30 September 2022</u>	<u>31 December 2021</u>
Annual Net Discount Rate (%)	4,35	4,35
Turnover Rate to Estimate the Probability of Retirement (%)	7,59	5,10

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 2022</u>	<u>31 December 2021</u>
Opening Balance	47.235.042	32.134.270
Interest Cost	1.536.053	1.397.142
Gain/(Loss) on Remeasurement of Defined Benefit Plans	(1.264.040)	(1.003.924)
Paid Within the Period	(5.192.735)	(1.839.489)
Service Cost	26.295.657	16.547.043
<b>Closing Balance</b>	<b>68.609.977</b>	<b>47.235.042</b>

**NOTE 16- OTHER ASSETS AND LIABILITIES**

**a) Prepaid Expenses**

	<u>30 September 2022</u>	<u>31 December 2021</u>
Advances Given For Inventory Purchase	290.194.607	32.816.898
Prepaid Extended Warranty Expenses	2.322.802	2.605.512
Prepaid Insurance Expenses	1.881.149	238.763
Prepaid Subscription Expenses	305.433	205.682
Prepaid Advertisement Expenses	157.927	-
Prepaid Maintenance Expenses	273.487	369.619
Prepaid Other Expenses	12.070.763	1.025.527
<b>Total</b>	<b>307.206.168</b>	<b>37.262.001</b>

(Currency expressed in Turkish Lira unless otherwise indicated.)

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

**b) Other Current Assets**

	<u>30 September 2022</u>	<u>31 December 2021</u>
Deferred VAT	152.010.620	18.617.567
Other Current Assets	30.880.849	4.609.154
<b>Total</b>	<b>182.891.469</b>	<b>23.226.721</b>

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

	<u>30 September 2022</u>	<u>31 December 2021</u>
Prepaid Extended Warranty Expenses	1.427.959	2.296.978
Prepaid Expenses	1.178.380	1.063.081
<b>Total</b>	<b>2.606.339</b>	<b>3.360.059</b>

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

	<u>30 September 2022</u>	<u>31 December 2021</u>
Order Advances Received	71.289.861	20.225.035
Deferred Income	1.546.130	1.421.577
<b>Total</b>	<b>72.835.991</b>	<b>21.646.612</b>

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

	<u>30 September 2022</u>	<u>31 December 2021</u>
Deferred Maintenance and Repair Income	19.008.175	10.863.604
<b>Total</b>	<b>19.008.175</b>	<b>10.863.604</b>

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

	<u>30 September 2022</u>	<u>31 December 2021</u>
Order Advances Received	-	3.368.213
Deferred Income	1.454.175	2.018.062
<b>Total</b>	<b>1.454.175</b>	<b>5.386.275</b>

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

	<u>30 September 2022</u>	<u>31 December 2021</u>
Deferred Maintenance and Repair Income	33.552.796	35.813.919
<b>Total</b>	<b>33.552.796</b>	<b>35.813.919</b>

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

**a) Capital / Elimination Adjustments**

As of 30 September 2022, the share capital of the Company is TL 84.000.000 (31 December 2021: TL 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:



(Currency expressed in Turkish Lira unless otherwise indicated.)

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

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

**30 September 2022**

<b>Shareholders</b>	<b>Group A</b>	<b>Group B</b>	<b>Group C</b>	<b>Total Share</b>	
				<b>Amount</b>	<b>Share (%)</b>
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
<b>Total</b>	<b>45.153.145</b>	<b>24.982.043</b>	<b>13.864.812</b>	<b>84.000.000</b>	<b>100,00</b>

**31 December 2021**

<b>Shareholders</b>	<b>Group A</b>	<b>Group B</b>	<b>Group C</b>	<b>Total Share</b>	
				<b>Amount</b>	<b>Share (%)</b>
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
<b>Total</b>	<b>45.153.145</b>	<b>24.982.043</b>	<b>13.864.812</b>	<b>84.000.000</b>	<b>100,00</b>

**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.

<b>Equity</b>	<b>30 September 2022</b>	<b>31 December 2021</b>
Paid-in Capital	84.000.000	84.000.000
Capital Inflation Adjustment Difference	30.149.426	30.149.426
Restricted Reserves Appropriated from profit	26.364.678	23.784.678
Previous Year Profits	211.879.551	33.032.805
Gain / (Loss) on Revaluation and Measurement	1.022.267.501	1.022.267.501
(Losses) on Remeasurement of Defined Benefit Plans	(11.379.054)	(12.390.286)
Net Profit / (Loss) for The Period	531.951.677	211.426.746
<b>Shareholders' Equity Attributable to Equity Holders of the Group</b>	<b>1.895.233.779</b>	<b>1.392.270.870</b>
<b>Total Shareholders' Equity</b>	<b>1.895.233.779</b>	<b>1.392.270.870</b>

**c) Restricted Reserves Appropriated from Profit**

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

<b>Restricted Reserves Appropriated from Profit</b>	<b>30 September 2022</b>	<b>31 December 2021</b>
Legal Reserves	26.364.678	23.784.678
<b>Total</b>	<b>26.364.678</b>	<b>23.784.678</b>

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

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

(Currency expressed in Turkish Lira unless otherwise indicated.)

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

**d) Retained Earnings/Losses**

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

<b>Retained Earnings/Losses</b>	<b>30 September 2022</b>	<b>31 December 2021</b>
Extraordinary Reserves	123.577.593	153.577.593
Legal Reserves Inflation Difference	24.820.489	24.820.489
Retained Earnings / (Losses)	63.481.469	(145.365.277)
<b>Total</b>	<b>211.879.551</b>	<b>33.032.805</b>

Quoted companies make profit distributions as follows:

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

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

Group's retained earnings is TL 211.879.551 based on the financial statements prepared in according with TAS/IFRS Financial Reporting Standard for the period ended 30 September 2022 (31 December 2021: TL 33.082.805).

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

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

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

	<b>1 January- 30 September 2022</b>	<b>1 January- 30 September 2021</b>	<b>1 July- 30 September 2022</b>	<b>1 July- 30 September 2021</b>
Domestic Sales	2.721.131.604	1.027.524.669	1.146.142.798	360.666.096
Foreign Sales	1.454.277.736	553.483.107	696.523.322	306.133.732
Other Income	16.771.992	12.048.688	5.061.070	4.437.162
<b>Sales Total (Gross)</b>	<b>4.192.181.332</b>	<b>1.593.056.464</b>	<b>1.847.727.190</b>	<b>671.236.990</b>
Sales Discounts (-)	(182.621.311)	(107.637.325)	(93.240.784)	(59.547.518)
<b>Sales (Net)</b>	<b>4.009.560.021</b>	<b>1.485.419.139</b>	<b>1.754.486.406</b>	<b>611.689.472</b>
<b>Cost of Sales</b>	<b>(3.047.426.714)</b>	<b>(1.199.247.320)</b>	<b>(1.371.120.749)</b>	<b>(504.187.748)</b>
<b>Gross Operating Profit</b>	<b>962.133.307</b>	<b>286.171.819</b>	<b>383.365.657</b>	<b>107.501.724</b>

Cost of sales are summarised as follows;

<b>Cost of Sales</b>	<b>1 January- 30 September 2022</b>	<b>1 January- 30 September 2021</b>	<b>1 July- 30 September 2022</b>	<b>1 July- 30 September 2021</b>
Raw Materials and Supplies Expenses	(2.331.607.530)	(929.941.375)	(935.439.752)	(447.543.989)
Direct Labor Expenses	(121.733.841)	(47.979.735)	(40.654.549)	(21.690.748)
Depreciation and Amortization Expenses	(40.938.350)	(29.043.615)	(13.845.229)	(9.743.112)
Other Production Costs	(52.216.736)	(17.248.090)	(19.995.200)	(5.610.050)
<b>Total Cost of Production</b>	<b>(2.546.496.457)</b>	<b>(1.024.212.815)</b>	<b>(1.009.934.730)</b>	<b>(484.587.899)</b>
Change in Goods Inventory	97.327.225	26.983.864	(88.984.331)	25.746.839
Cost of Trade Goods Sold	(597.607.820)	(200.684.490)	(272.085.977)	(45.054.940)
Cost of Other Sales	(649.662)	(1.333.879)	(115.711)	(291.748)
<b>Cost of Sales</b>	<b>(3.047.426.714)</b>	<b>(1.199.247.320)</b>	<b>(1.371.120.749)</b>	<b>(504.187.748)</b>

(Currency expressed in Turkish Lira unless otherwise indicated.)

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

<b>Other Income from Operating Activities:</b>	<b>1 January- 30 September 2022</b>	<b>1 January- 30 September 2021</b>	<b>1 July- 30 September 2022</b>	<b>1 July- 30 September 2021</b>
Foreign Exchange Income on Trade Receivables and Payables	10.601.097	26.313.980	(15.816.266)	2.893.096
Sale Support Income	6.298.159	8.127.510	81.122	2.665.188
Service Income	82.994	24.655	-	12.799
Export D.F.I.F Support	816.189	324.867	(34.131)	21.688
Delay Interest Income	286.487	1.099.557	122.804	275.766
Discount Income on Trade Payables	3.234.080	-	376.679	-
Incentive Income	136.071	181.429	136.071	-
Rent Income	404.773	434.795	134.523	120.375
Tubitak R&D Incentive	832.058	249.789	211.000	23.802
Other Income	7.196.595	4.584.777	1.679.709	183.158
<b>Total</b>	<b>29.930.560</b>	<b>41.540.606</b>	<b>(13.066.432)</b>	<b>6.395.119</b>

  

<b>Other Expense from Operating Activities:</b>	<b>1 January- 30 September 2022</b>	<b>1 January- 30 September 2021</b>	<b>1 July- 30 September 2022</b>	<b>1 July- 30 September 2021</b>
Foreign Exchange Expense on Trade Receivables and Payables	(170.937.145)	(55.507.351)	(46.263.910)	(4.744.837)
Lawsuit Provisions	(17.913.952)	(1.863.546)	(10.750.364)	(625.721)
Discount Income on Trade Receivables	(4.022.713)	2.036.814	(3.517.688)	2.271.305
Donations and Grants	(10.000)	(26.000)	-	(8.000)
Other Expenses	(2.014.473)	(2.467.486)	(797.277)	(1.225.440)
<b>Total</b>	<b>(194.898.283)</b>	<b>(57.827.569)</b>	<b>(61.329.239)</b>	<b>(4.332.693)</b>

**NOTE 20- FINANCE INCOME AND EXPENSES**

<b>Finance Income:</b>	<b>1 January- 30 September 2022</b>	<b>1 January- 30 September 2021</b>	<b>1 July- 30 September 2022</b>	<b>1 July- 30 September 2021</b>
Foreign Exchange Gain	292.381.204	68.457.366	66.950.807	32.639.209
Income from Derivative Transactions	3.471.436	12.457.680	3.471.436	(14.375.739)
Interest Income	19.820.700	11.374.235	2.375.306	5.412.921
<b>Total</b>	<b>315.673.340</b>	<b>92.289.281</b>	<b>72.797.549</b>	<b>23.676.391</b>

  

<b>Finance Expenses:</b>	<b>1 January- 30 September 2022</b>	<b>1 January- 30 September 2021</b>	<b>1 July- 30 September 2022</b>	<b>1 July- 30 September 2021</b>
Foreign Exchange Losses	(277.183.214)	(110.569.632)	(73.742.579)	(32.409.830)
Interest Expense	(130.390.264)	(46.846.849)	(53.973.389)	(20.265.649)
Expense from Derivative Transactions	-	-	9.586.911	-
Letter of Guarantee Expenses	(3.324.207)	(1.864.960)	(1.030.864)	(527.853)
Forward Purchase Expense	(3.813.482)	(1.347.606)	(2.475.907)	(730.969)
Other Finance Expenses	(29.111.009)	(1.910.830)	(9.479.782)	355.098
<b>Total</b>	<b>(443.822.176)</b>	<b>(162.539.877)</b>	<b>(131.115.610)</b>	<b>(53.579.203)</b>

(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 2022 is 23% (2021: 22%).

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

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

Within the scope of the incentive certificate numbered 5487, TL 51.670.512 was spent. 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, TL 74.085.646 was spent. The contribution rate to the investment is 45%.

Within the scope of the incentive certificate numbered 535509, TL 57.822.404 was spent. The contribution rate to the investment is 30%.

The amount of the document to be benefited from within the scope of the incentive certificate numbered 541650 is 679.556.369 TL and the expenditures within the scope of the certificate have not been started yet. The contribution rate to the investment is 55% for 2022 and 40% for following years.

(Currency expressed in Turkish Lira unless otherwise indicated.)

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

ii) *Deferred Tax (cont'd)*

	<b>30 September 2022</b>		<b>31 December 2021</b>	
	<b><u>Cumulative Temporary Differences</u></b>	<b><u>Deferred Tax Assets/(Liabilities)</u></b>	<b><u>Cumulative Temporary Differences</u></b>	<b><u>Deferred Tax Assets/(Liabilities)</u></b>
Inventories	(779.680)	(155.936)	1.115.794	223.159
Fixed Assets (Net)	(1.226.124.619)	(151.833.424)	(1.224.500.986)	(151.508.697)
Provision for Employment Termination Benefits	68.609.977	13.721.995	47.235.042	9.447.008
Guarantee Provisions	36.873.937	7.374.787	21.418.335	4.283.667
R&D Discount and Investment Incentive	967.654.463	245.896.889	879.294.322	99.382.056
Derivative Instruments	47.503.416	10.925.786	(102.675.578)	(23.615.383)
Rediscount Expenses/Income (Net)	781.504	179.746	(7.129)	(1.640)
IFRS 15 Revenue from Contracts with Customers	(133.796.272)	(30.773.143)	(11.979.340)	(2.755.248)
Employee Benefits	22.803.208	5.244.738	3.205.155	737.186
Extended Warranty Income	52.560.971	10.512.194	46.677.523	9.335.505
Dealer Premium Provisions	78.794.286	18.122.686	29.299.728	6.738.937
Lawsuit Provisions	26.457.243	5.291.449	8.543.291	1.708.658
Other (Net)	13.462.748	3.061.839	1.196.807	175.338
<b>Total</b>		<b>137.569.606</b>		<b>(45.849.454)</b>

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

	<b>1 January- 30 September 2022</b>	<b>1 January- 30 September 2021</b>	<b>1 July- 30 September 2022</b>	<b>1 July- 30 September 2021</b>
Net Profit / (Loss) for The Period	531.951.677	40.274.691	281.174.947	17.567.906
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
<b>Income Per 100 Share with Nominal Value of TL 1 Each</b>	<b>6,3328</b>	<b>0,4795</b>	<b>3,3473</b>	<b>0,2091</b>

(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 2022**

**Related Parties**

	<b>Receivables</b>		<b>Payables</b>	
	<b><u>Trade</u></b>	<b><u>Non-Trade</u></b>	<b><u>Trade</u></b>	<b><u>Non-Trade</u></b>
Itochu Corporation Tokyo	12.796.530	-	1.282.018.177	-
Isuzu Motors Ltd. Tokyo	1.004.011	-	51.225	-
Çelik Motor Ticaret A.Ş.	538.609	-	-	-
Anadolu Motor Üretim ve Paz. A.Ş.	714.038	-	-	-
Isuzu Motors Europe NV	35.212	-	-	-
AEH Sigorta Acenteliği A.Ş.	-	-	794.947	-
Oyex-Handels GmbH	94.275.516	-	-	-
AG Anadolu Grubu Holding A.Ş.	-	-	621.139	-
Payables to shareholders (*)	-	-	-	9.109
Isuzu Motors International Operation Thailand	347.401	-	-	-
<b>Total</b>	<b>109.711.317</b>	<b>-</b>	<b>1.283.485.488</b>	<b>9.109</b>

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

**31 December 2021**

**Related Parties**

	<b>Receivables</b>		<b>Payables</b>	
	<b><u>Trade</u></b>	<b><u>Non-Trade</u></b>	<b><u>Trade</u></b>	<b><u>Non-Trade</u></b>
Itochu Corporation Tokyo	29.390	-	632.126.548	-
Isuzu Motors Ltd. Tokyo	1.464.103	-	6.187.633	-
Çelik Motor Ticaret A.Ş.	616.018	-	-	-
Anadolu Motor Üretim ve Paz. A.Ş.	870.795	-	-	-
Isuzu Motors Europe NV	98.421	-	-	-
Türkiye'nin Otomobil Girişimi Grubu	168.740	-	-	-
AEH Sigorta Acenteliği A.Ş.	-	-	345.049	-
Oyex-Handels GmbH	295.146.200	-	-	-
AG Anadolu Grubu Holding A.Ş.	-	-	458.729	-
Migros Ticaret A.Ş.	-	-	699.303	-
Adel Kalemcilik Tic. ve San. A.Ş.	-	-	19.394	-
Payables to Shareholders (*)	-	-	-	9.109
<b>Total</b>	<b>298.393.667</b>	<b>-</b>	<b>639.836.656</b>	<b>9.109</b>

(\*) 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 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
<b>Total</b>	<b>79.794.654</b>	<b>-</b>	<b>-</b>	<b>79.794.654</b>

**1 January-30 September 2021**

<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	33.940.345	-	-	33.940.345
Itochu Corporation Tokyo	2.832.481	-	-	2.832.481
Çelik Motor Ticaret A.Ş.	8.998.341	-	-	8.998.341
Anadolu Motor Üretim ve Paz. A.Ş.	7.860.025	-	-	7.860.025
Isuzu Motors International Operation Thailand	568.473	-	-	568.473
AEH Sigorta Acenteligi A.S.	270.000	-	-	270.000
Isuzu Motors Europe NV	439.493	-	-	439.493
AG Anadolu Grubu Holding A.Ş.	-	636	-	636
<b>Total</b>	<b>54.909.158</b>	<b>636</b>	<b>-</b>	<b>54.909.794</b>

**1 January-30 September 2022**

<u>Purchases from Related Parties</u>	<u>Goods and Services Purchases</u>	<u>Fixed Assets Purchases</u>	<u>Other Income</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	-	-	9.028.072
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
<b>Total</b>	<b>1.490.296.529</b>	<b>-</b>	<b>27.338.746</b>	<b>1.517.635.275</b>

(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 2021**

<b><u>Purchases from Related Parties</u></b>	<b><u>Goods and Services Purchases</u></b>	<b><u>Fixed Assets Purchases</u></b>	<b><u>Other Income</u></b>	<b><u>Total Expense/Purchases</u></b>
Itochu Corporation Tokyo	224.382.208	-	-	<b>224.382.208</b>
Isuzu Motors International Operation Thailand	105.036.413	-	-	<b>105.036.413</b>
AG Anadolu Grubu Holding A.Ş.	17.708.288	-	-	<b>17.708.288</b>
Efestur Turizm İşletmeleri A.Ş.	933.963	-	-	<b>933.963</b>
Çelik Motor Ticaret A.Ş.	430.204	-	-	<b>430.204</b>
Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	38.602	-	-	<b>38.602</b>
Adel Kalemçilik Tic. ve San. A.Ş.	55.062	-	-	<b>55.062</b>
Anadolu Bilişim Hizmetleri A.Ş.	25.238	-	-	<b>25.238</b>
Migros Ticaret A.Ş.	568.995	-	-	<b>568.995</b>
<b>Total</b>	<b>349.178.973</b>	<b>-</b>	<b>-</b>	<b>349.178.973</b>

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

As per the Main Articles of Association of the Group, at least 2% - 5% of the Group's profit before tax following the distribution of 1st dividend shall be donated to Anadolu Eğitim ve Sosyal Yardım Vakfı as long as it is subject to tax exemption. Donation was not made to Anadolu Eğitim ve Sosyal Yardım Vakfı by the Group in 2021 (Donation was not made in 2021).

**d) Benefits to Top Management:**

	<b><u>1 January-30 September 2022</u></b>	<b><u>1 January-30 September 2021</u></b>	<b><u>1 July-30 September 2022</u></b>	<b><u>1 July-30 September 2021</u></b>
Salaries and Other Short-Term Liabilities	16.038.354	9.767.195	6.907.228	3.044.085
<b>Total</b>	<b>16.038.354</b>	<b>9.767.195</b>	<b>6.907.228</b>	<b>3.044.085</b>

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

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

**(a) Capital risk management**

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

The Group's equity comprised of cash and cash equivalents in Note 4 and equity items in Note 18.

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).

	<b><u>30 September 2022</u></b>	<b><u>31 December 2021</u></b>
Net Debt	2.914.375.257	1.304.949.188
Total Equity	1.895.233.779	1.392.270.870
<b>Net Debt/Total Equity</b>	<b>1,54</b>	<b>0,94</b>

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

**Foreign Currency Position Sensitivity Analysis**

**30 September 2022**

	<b><u>Profit / Loss</u></b>	
	<b><u>Appreciation of Foreign Currency</u></b>	<b><u>Appreciation of Foreign Currency</u></b>
In case of US Dollar increases / decreases in 10% against TL;		
1 - USD denominated net asset / (liability)	(6.442.471)	6.442.471
2- USD denominated hedging instruments (-)	-	-
<b>3- Net Effect of US Dollar (1 +2)</b>	<b>(6.442.471)</b>	<b>6.442.471</b>
In case of Euro increases / decreases in 10% against TL;		
4- EURO denominated net asset / (liability)	28.282.192	(28.282.192)
5- EURO denominated hedging instruments (-)	-	-
<b>6- Net Effect of Euro (4+5)</b>	<b>28.282.192</b>	<b>(28.282.192)</b>
Increase / decrease in other foreign currencies by 10%:		
7- Other foreign currency denominated net asset / (liability)	(38.298.862)	38.298.862
8- Other foreign currency hedging instruments (-)	-	-
<b>9- Net Effect of Other Exchange Rates (4+5)</b>	<b>(38.298.862)</b>	<b>38.298.862</b>
<b>TOTAL (3+6+9)</b>	<b>(16.459.141)</b>	<b>16.459.141</b>

(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 2021**

	<b><u>Profit / Loss</u></b>	
	<b><u>Appreciation of Foreign Currency</u></b>	<b><u>Appreciation of Foreign Currency</u></b>
In case of US Dollar increases / decreases in 10% against TL;		
1 - USD denominated net asset / (liability)	11.580.398	(11.580.398)
2- USD denominated hedging instruments (-)	-	-
<b>3- Net Effect of US Dollar (1 +2)</b>	<b>11.580.398</b>	<b>(11.580.398)</b>
In case of Euro increases / decreases in 10% against TL;		
4- EURO denominated net asset / (liability)	29.921.799	(29.921.799)
5- EURO denominated hedging instruments (-)	-	-
<b>6- Net Effect of Euro (4+5)</b>	<b>29.921.799</b>	<b>(29.921.799)</b>
Increase / decrease in other foreign currencies by 10%:		
7- Other foreign currency denominated net asset / (liability)	(21.320.018)	21.320.018
8- Other foreign currency hedging instruments (-)	-	-
<b>9- Net Effect of Other Exchange Rates (4+5)</b>	<b>(21.320.018)</b>	<b>21.320.018</b>
<b>TOTAL (3+6+9)</b>	<b>20.182.179</b>	<b>(20.182.179)</b>

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

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

	30 September 2022					Statement of Foreign Currency Position					31 December 2021				
	TL Amount	US Dollars	Euro	Yen	Other	TL Amount	US Dollars	Euro	Yen	Other	TL Amount	US Dollars	Euro	Yen	Other
1. Trade Receivables	824.354.449	1.956.100	42.411.493	129.712.920	608.059	395.294.603	1.772.916	24.640.835	3.100.000	-	560.862.693	7.096.458	30.862.676	8.820.804	10.841
2a. Monetary Financial Assets	69.451.160	17.600	3.802.396	255.714	5.780	-	-	-	-	-	-	-	-	-	-
2b. Non-monetary Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>4. Current Assets (1+2+3)</b>	<b>893.805.609</b>	<b>1.973.700</b>	<b>46.213.889</b>	<b>129.968.634</b>	<b>613.839</b>	<b>956.157.296</b>	<b>8.869.374</b>	<b>55.503.511</b>	<b>11.920.804</b>	<b>10.841</b>					
5. Trade Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>8. Non-current Assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total Assets (4+8)</b>	<b>893.805.609</b>	<b>1.973.700</b>	<b>46.213.889</b>	<b>129.968.634</b>	<b>613.839</b>	<b>956.157.296</b>	<b>8.869.374</b>	<b>55.503.511</b>	<b>11.920.804</b>	<b>10.841</b>					
10. Trade Payables	1.165.466.693	5.452.600	36.398.086	3.129.135.652	-	724.523.796	181.252	33.680.338	1.857.447.077	2.790	130.379.501	-	8.652.339	-	-
11. Financial Liabilities	197.489.109	-	10.867.650	-	-	46.259	-	-	400.500	-	43.854.769	-	2.910.322	-	-
12a. Monetary Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12b. Non-Monetary Other Liabilities	32.429.272	-	1.784.554	-	-	-	-	-	-	-	-	-	-	-	-
<b>13. Current Liabilities (10+11+12)</b>	<b>1.395.385.074</b>	<b>5.452.600</b>	<b>49.050.290</b>	<b>3.129.135.652</b>	<b>-</b>	<b>898.804.325</b>	<b>181.252</b>	<b>45.242.999</b>	<b>1.857.847.577</b>	<b>2.790</b>					
14. Trade Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15. Financial Liabilities	164.860.088	-	9.072.104	-	-	288.619.717	-	19.153.591	-	-	-	-	-	-	-
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>17. Non-current Liabilities (14+15+16)</b>	<b>164.860.088</b>	<b>-</b>	<b>9.072.104</b>	<b>-</b>	<b>-</b>	<b>288.619.717</b>	<b>-</b>	<b>19.153.591</b>	<b>-</b>	<b>-</b>					
<b>18. Total Liabilities (13+17)</b>	<b>1.560.245.162</b>	<b>5.452.600</b>	<b>58.122.394</b>	<b>3.129.135.652</b>	<b>-</b>	<b>1.187.424.042</b>	<b>181.252</b>	<b>64.396.590</b>	<b>1.857.847.577</b>	<b>2.790</b>					
<b>19. Off-balance Sheet Derivative Instruments Net Asset / (Liability) Position (19a-19b)</b>	<b>521.614.310</b>	<b>-</b>	<b>28.755.716</b>	<b>-</b>	<b>-</b>	<b>433.225.125</b>	<b>-</b>	<b>28.750.000</b>	<b>-</b>	<b>-</b>					
19.a. Total Amount of Hedged Assets	167.894.060	-	9.255.716	-	-	-	-	-	-	-	-	-	-	-	-
19.b. Total Amount of Hedged Liabilities	(353.720.250)	-	(19.500.000)	-	-	(433.225.125)	-	(28.750.000)	-	-	-	-	-	-	-
<b>20. Net Foreign Currency Assets/(Liabilities) Position (9-18+19)</b>	<b>(144.825.243)</b>	<b>(3.478.900)</b>	<b>16.847.211</b>	<b>(2.999.167.018)</b>	<b>613.839</b>	<b>201.958.379</b>	<b>8.688.122</b>	<b>19.856.921</b>	<b>(1.845.926.773)</b>	<b>8.051</b>					
<b>21. Monetary Items Net Foreign Currency Assets / (Liabilities) (1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(634.010.281)</b>	<b>(3.478.900)</b>	<b>(10.123.951)</b>	<b>(2.999.167.018)</b>	<b>613.839</b>	<b>(187.411.977)</b>	<b>8.688.122</b>	<b>(5.982.757)</b>	<b>(1.845.926.773)</b>	<b>8.051</b>					
<b>22. Fair Value of Financial Instruments Used for Currency Hedge</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>					
<b>23. Hedged Foreign Currency Assets</b>	<b>(521.614.310)</b>	<b>-</b>	<b>(28.755.716)</b>	<b>-</b>	<b>-</b>	<b>(433.225.125)</b>	<b>-</b>	<b>(28.750.000)</b>	<b>-</b>	<b>-</b>					
<b>24. Hedged Foreign Currency Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>					
<b>25. Export</b>	<b>1.454.277.736</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.165.242.132</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>					
<b>26. Import</b>	<b>2.149.786.744</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.201.538.178</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>					

Derivative contracts that explained in Note 7 and with nominal amount of JPY 2.732.927.500 are done for Euro risks and they aren't included into the foreign exchange risk.

**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 2022, if the market interest rate had increased/decreased by 100 basis point with all other variables held constant, period income before tax and consolidated equity of participations of the Group would have been higher/lower by TL 1.135.153 (31 December 2021: higher/lower by TL 3.013.353).

(f) Funding risk 2

The ability to fund the existing and prospective debt requirements is managed as necessary by obtaining adequate committed funding lines from high quality lenders.

(g) 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.

Impairment analysis on trade receivables is made over the ageing table and though assessing the management's best estimates.

The Group manages liquidity risk by maintaining adequate reserves, and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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

<b><u>Financial assets carried at fair value</u></b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Derivative assets (Note 7)	-	-	-	-
<b>Total</b>	-	-	-	-
<b><u>Financial liabilities carried at fair value</u></b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Derivative liabilities (Note 7)	-	47.503.416	-	47.503.416
<b>Total</b>	-	<b>47.503.416</b>	-	<b>47.503.416</b>

As of 31 December 2022, the Group's foreign currency transaction agreement, which is a derivative financial instrument, is as follows

<b><u>Financial assets carried at fair value</u></b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Derivative assets (Note 7)	-	105.351.238	-	105.351.238
<b>Total</b>	-	<b>105.351.238</b>	-	<b>105.351.238</b>
<b><u>Financial liabilities carried at fair value</u></b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Derivative liabilities (Note 7)	-	2.675.660	-	2.675.660
<b>Total</b>	-	<b>2.675.660</b>	-	<b>2.675.660</b>

*(Currency expressed in Turkish Lira unless otherwise indicated.)*

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**NOTE 25- EVENTS AFTER REPORTING PERIOD**

None.