

DOĐUŐ OTOMOTİV SERVİS VE TİCARET A.Ő.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2023 TOGETHER WITH
AUDITOR’S REVIEW REPORT**

(ORIGINALLY ISSUED IN TURKISH)



**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR’S REPORT
ORIGINALLY ISSUED IN TURKISH**

INDEPENDENT AUDITOR’S REPORT

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

A. Audit of the consolidated financial statements

1. Our opinion

We have audited the accompanying consolidated financial statements of Doğuş Otomotiv Servis ve Ticaret A.Ş. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (“TFRS”).

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”). Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the “Ethical Rules”) the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.



3. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	
Application of TAS 29, “Financial Reporting in Hyperinflationary Economies”	How the key audit matter was addressed in the audit
<p>The Group applied TAS 29 “Financial reporting in hyperinflationary economies” (“TAS 29”) in its consolidated financial statements as of and for the year ending 31 December 2023.</p> <p>According to TAS 29, the consolidated financial statements as of 31 December 2023 should be restated in accordance with 31 December 2023 purchasing power.</p> <p>Applying TAS 29 results in significant changes to financial statement items included in the Group's consolidated financial statements as of and for the year ending 31 December 2023. The application of TAS 29 has pervasive and material impact on the consolidated financial statements. In addition, considering the additional effort required to perform the audit of the application of TAS 29, we identified the application of TAS 29 as a key audit matter.</p> <p>The Group’s accounting policies and related explanations regarding the application of TAS 29 are disclosed in Note 2.1</p>	<p>We performed the following audit procedures in relation to the application of TAS 29 “Financial reporting in hyperinflationary economies”:</p> <ul style="list-style-type: none"> • Understanding and evaluating the process and controls related to application of TAS 29 designed and implemented by management, • Verifying whether management’s determination of monetary and non-monetary items is in compliance with TAS 29, • Obtaining detailed lists of non-monetary items and testing original entry dates and amounts on a sample basis, • Verifying the general price index rates used in calculations correspond with the coefficients in the “Consumer Price Index in Turkey” published by the Turkish Statistical Institute, • Testing the mathematical accuracy of non-monetary items, income statement, and cash flow statement adjusted for inflation effects, • Evaluating the adequacy of disclosures related to the application of TAS 29 in the notes to the consolidated financial statements in accordance with TFRS.



3. Key Audit Matters (Continued)

Fair value of investment properties and land and buildings recognized using the revaluation method	How the key audit matter was addressed in the audit
<p>As further explained in Note 2.6, the Group started to account for its investment properties, land and buildings classified under property, plant and equipment using the revaluation method as of 31 December 2023 for the first time. As of 31 December 2023, the Group made a revaluation study of its investment properties, land and buildings to reflect the changes in market conditions.</p> <p>The valuations completed by an independent real estate appraisal firm resulted in the total fair value of investment properties amounting to TL 10,265,732 thousand, and land and buildings amounting to TL 8,525,599 thousand as of 31 December 2023, a fair value increase of investment properties amounting to TL 1,605,509 thousand in 2023 recognized in consolidated statement of profit or loss and a fair value increase of land and buildings amounting to TL 3,577,145 thousand recognized in consolidated statement of other comprehensive income.</p> <p>As further described in Note 2.3, the accounting policy for investment properties, land and buildings classified under property, plant and equipment is the revaluation method. The fair values of these assets are determined by an independent valuation institution accredited by the Capital Markets Board (“CMB”) and are recognized in the consolidated financial statements following Group management’s assessment. The fair value of land depends on the valuation methods used as well as the input and assumptions used in the valuation model. Fair values are directly affected by factors such as market conditions, the specifications of each piece of assets, its physical condition, and geographic location.</p>	<p>We performed the following audit procedures in relation to accounting for investment properties, land and buildings using the revaluation method:</p> <ul style="list-style-type: none"> • Assessing the capability, competency, and objectivity of the independent property valuation institution appointed by the Group in accordance with SIA 500, • Checking the completeness of the investment properties, land and buildings subject to revaluation by comparing accounting records to valuation reports, • Testing the deeds and ownership ratios of land using the sampling method, • An independent property valuation institution accredited by the CMB and holding a license was appointed as an “auditor’s expert” to support the audit process. The following audit procedures were performed using the sampling method with the support of the auditor’s expert: <ul style="list-style-type: none"> ○ Comparing the location, tenant, and square meter information for the land included in reports with the land registers, ○ Evaluating the nature of the land, ○ Evaluating the appropriateness of the benchmarking analysis method used in revaluation of the relevant land,



3. Key Audit Matters (Continued)

Key audit matters	How the key audit matter was addressed in the audit
<p>Since the value of investment properties and land and building is material to the consolidated financial statements, and in the determination of fair value of land the benchmarking analysis approach (market) and discounted cash flow method are used, which include inputs and assumptions including discount and capitalization rate, rental growth rate, occupancy rate and estimated profitability that can lead to changes in the fair value of the land, the “fair value of investment properties and land and building recognized using the revaluation method” has been identified as a key audit matter.</p>	<ul style="list-style-type: none"> ○ Determining whether the land that was the subject of calculations using the benchmark comparison method have features similar to the Group’s land or not, ○ Assessing reasonableness of key assumptions in discounted cash flow model including rental growth rate, occupancy rate and estimated profitability by comparing them against their historical financial performance, ○ Assessing key assumptions in calculations including discount rates and capitalization rate and benchmarking these against rates used in the relevant industries, ○ Testing management’s sensitivity analysis for key assumptions considering market conditions, ○ Checking whether the valuation reports were prepared in line with the main principles, • Comparing the fair values in the valuation reports to the notes, to assess the consistency of the amounts disclosed in the notes and consolidated financial statements and evaluating whether the disclosures in the notes are adequate in accordance with TFRS.



4. Responsibilities of management and those charged with governance for the consolidated financial statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5. Auditor's responsibilities for the audit of the consolidated financial statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



5. Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2023 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 15 March 2024.

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

Cihan Harman, SMMM
Independent Auditor

Istanbul, 15 March 2024

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

INDEX	PAGE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	1-2
CONSOLIDATED PROFIT OR LOSS STATEMENTS	3
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME	4
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	5
CONSOLIDATED STATEMENTS OF CASH FLOWS	6
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	7-97
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS	7-8
NOTE 2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND APPLIED ACCOUNTING POLICIES	8-40
NOTE 3 JOINT VENTURES	40
NOTE 4 OPERATING SEGMENTS	40-41
NOTE 5 CASH AND CASH EQUIVALENTS	42
NOTE 6 FINANCIAL INVESTMENTS	42-43
NOTE 7 BORROWINGS	43-45
NOTE 8 TRADE RECEIVABLES AND PAYABLES	46-47
NOTE 9 OTHER RECEIVABLES	47
NOTE 10 INVENTORIES	48
NOTE 11 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD	48-51
NOTE 12 PROPERTY, PLANT AND EQUIPMENT	52-53
NOTE 13 INTANGIBLE ASSETS	54
NOTE 14 INVESTMENT PROPERTY	55-56
NOTE 15 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	56-59
NOTE 16 EMPLOYEE BENEFITS	59-60
NOTE 17 PREPAYMENTS / DEFERRED INCOME	60-61
NOTE 18 OTHER CURRENT LIABILITIES	61
NOTE 19 EQUITY	61-65
NOTE 20 SALES AND COST OF SALES	65
NOTE 21 MARKETING EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES	65-66
NOTE 22 EXPENSES BY NATURE	67
NOTE 23 OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES	68
NOTE 24 INVESTMENT ACTIVITY INCOME AND EXPENSES	69
NOTE 25 FINANCE INCOME AND EXPENSES	69
NOTE 26 TAX ASSET AND LIABILITIES	69-72
NOTE 27 EARNINGS PER SHARE	73
NOTE 28 BALANCES AND TRANSACTIONS WITH RELATED PARTIES	73-80
NOTE 29 FINANCIAL INSTRUMENTS	80-96
NOTE 30 RIGHT OF USE ASSET	97
NOTE 31 SUBSEQUENT EVENTS	97

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

			Restated ^(*)	Restated ^(*)
	Notes	2023	2022	2021
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	5	7,643,608	5,574,548	9,262,471
Financial investments	6	1,258,102	3,350,972	-
Trade receivables		12,879,339	5,525,660	2,860,283
<i>Trade receivables due from related parties</i>	28	8,661,659	4,226,117	1,886,642
<i>Trade receivables due from third parties</i>	8	4,217,680	1,299,543	973,641
Other receivables		510,804	307,603	422,352
<i>Other receivables due from related parties</i>	28	28,794	21,663	23,894
<i>Other receivables due from third parties</i>	9	482,010	285,940	398,458
Inventories	10	10,649,598	7,138,612	5,724,189
Prepayments	17	203,954	192,872	120,533
Assets related to current tax		585	598	697
Other current assets		68,469	11,732	14,474
Subtotal		33,214,459	22,102,597	18,404,999
Non current assets classified as held for sale	14	-	-	945,281
Total current assets		33,214,459	22,102,597	19,350,280
NON-CURRENT ASSETS				
Financial investments		3,370,993	3,865,454	2,251,455
<i>Financial assets measured at fair value through other comprehensive income</i>	6	3,370,993	3,865,454	2,251,455
Other receivables		24,048	1,844	5,046
<i>Other receivables due from related parties</i>	28	23,648	1,187	3,974
<i>Other receivables due from third parties</i>		400	657	1,072
Investments accounted for using equity method	11	8,514,194	5,199,835	3,880,804
Investment property	14	10,265,732	8,387,075	5,289,115
Property, plant and equipment	12	11,723,065	8,918,570	7,413,529
Right of use assets	30	63,329	102,509	178,231
Intangible assets	13	519,191	371,861	325,565
Prepayments	17	64,716	26,837	69,893
Deferred tax assets	26	106,843	614,221	-
Other non-current assets		294	364	559
Total non-current assets		34,652,405	27,488,570	19,414,197
TOTAL ASSETS		67,866,864	49,591,167	38,764,477

^(*) The effects of restatement are explained in Note 2.3.

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

			Restated ^(*)	Restated ^(*)
	Notes	2023	2022	2021
LIABILITIES				
CURRENT LIABILITIES				
Current borrowings	7	2,571,420	3,597,665	7,322,649
Short-term portion of long-term borrowings	7	2,023,170	665,688	1,367,660
Trade payables		8,520,912	6,077,852	3,504,029
<i>Trade payables to related parties</i>	28	1,707,016	506,001	460,503
<i>Trade payables to third parties</i>	8	6,813,896	5,571,851	3,043,526
Employee benefit obligations		219,943	187,676	103,445
Other payables		491	37,558	1,005
<i>Other payables to related parties</i>		-	37,074	-
<i>Other payables to third parties</i>		491	484	1,005
Deferred income	17	724,399	481,529	186,981
Current tax liabilities	26	189,009	565,585	702,718
Current provisions		2,823,330	1,870,336	1,072,527
<i>Other current provisions</i>	15	2,823,330	1,870,336	1,072,527
Other current liabilities	18	1,375,563	879,068	446,258
Total current liabilities		18,448,237	14,362,957	14,707,272
NON-CURRENT LIABILITIES				
Long-term borrowings	7	6,185,862	2,914,370	4,635,523
Other payables		3,792	4,073	4,896
Deferred income	17	414,426	200,992	119,304
Non-current provisions		406,961	481,430	391,583
<i>Non-current provisions for employee benefits</i>	16	190,179	324,599	200,906
<i>Other long-term provisions</i>		216,782	156,831	190,677
Deferred tax liabilities	26	561,996	6,319	651,673
Total non-current liabilities		7,573,037	3,607,184	5,802,979
TOTAL LIABILITIES		26,021,274	17,970,141	20,510,251
EQUITY				
Equity attributable to equity holders of the Company				
Issued capital	19	41,339,017	31,254,523	18,139,701
Inflation adjustment on capital	19	220,000	220,000	220,000
Treasury shares (-)	19	3,093,868	3,093,868	3,093,868
Share premium (discount)		(410,682)	(1,433,170)	(1,441,622)
Business combination under common control		2,405,361	78,948	-
Other accumulated comprehensive income (loss) that will not be reclassified in profit or loss		(6,474,777)	1,103,516	1,103,516
<i>Gains (losses) on revaluation and remeasurement</i>		2,676,405	(144,448)	-
<i>Property, plant and equipment revaluation increases(decreases)</i>		2,483,327	(144,448)	-
<i>Gains (losses) on remeasurements of defined benefit plans</i>		2,653,697	-	-
Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method		(170,370)	(144,448)	-
Other accumulated comprehensive income (loss) that will be reclassified in profit or loss		193,078	-	-
<i>Exchange differences on translation</i>	19	1,288,753	1,753,962	198,420
<i>Gains (losses) on revaluation and reclassification</i>		-	37,336	23,229
<i>Gain (loss) on revaluation and reclassification of financial assets held for sale</i>	19	1,182,775	1,627,789	175,191
<i>Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method</i>		1,182,775	1,627,789	175,191
Restricted reserves appropriated from profits	19	105,978	88,837	-
Advance dividend payments (net) (-)		2,378,715	3,348,695	3,084,066
Prior years' profit or losses	19	(2,879,527)	(1,500,495)	-
Profit (loss) for the period		19,418,821	9,120,871	11,881,453
Non-controlling interests		506,573	366,503	114,525
TOTAL EQUITY	19	41,845,590	31,621,026	18,254,226
TOTAL EQUITY AND LIABILITIES		67,866,864	49,591,167	38,764,477

(*) The effects of restatement are explained in Note 2.3.

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONSOLIDATED PROFIT OR LOSS STATEMENTS FOR THE YEARS ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

	Notes	Restated ^(*)	
		2023	2022
Revenue	20	149,244,881	88,487,132
Cost of sales	20	(117,114,933)	(70,014,682)
GROSS PROFIT		32,129,948	18,472,450
General administrative expenses	21	(4,885,669)	(3,585,511)
Marketing expenses	21	(3,783,589)	(2,235,036)
Other income from operating activities	23	4,389,198	4,852,126
Other expenses from operating activities	23	(1,218,984)	(789,394)
PROFIT FROM OPERATING ACTIVITIES		26,630,904	16,714,635
Investment activity income	24	662,278	434,084
Investment activity expense	24	(30,587)	-
Share of profit (loss) from investments accounted for using equity method	11	3,920,935	1,861,357
PROFIT BEFORE FINANCING INCOME (EXPENSE)		31,183,530	19,010,076
Financial income	25	707,221	169,227
Financial expense	25	(5,898,375)	(2,587,147)
Monetary (loss)/gain		(112,143)	1,102,431
PROFIT FROM CONTINUING OPERATIONS, BEFORE TAX		25,880,233	17,694,587
Tax (expense) income, continuing operations		(6,118,083)	(1,829,833)
Current period tax (expense) income	26	(5,919,599)	(3,232,095)
Deferred tax (expense) income	26	(198,484)	1,402,262
PROFIT FROM CONTINUING OPERATIONS		19,762,150	15,864,754
PROFIT FOR THE PERIOD		19,762,150	15,864,754
Profit (loss), attributable to			
Non-controlling interests		140,070	251,978
Owners of parent		19,622,080	15,612,776
Basic earnings per share			
Basic earnings (loss) per share from continuing operations	27	95.5941	78.1912
Diluted earnings per share			
Diluted earnings (loss) per share from continuing operations	27	95.5941	78.1912

^(*) The effects of restatement are explained in Note 2.3.

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

	Notes	2023	Restated(*) 2022
PROFIT (LOSS)		19,762,150	15,864,754
Other comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss		2,820,853	(144,448)
Gains (losses) on revaluation of property, plant and equipment		3,577,145	-
Gains (losses) on remeasurements of defined benefit plans	16	(22,671)	(144,475)
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss		184,391	(28,556)
Defined benefit plans re-measurement gains/(losses) of investments valued by equity method		(8,687)	(28,556)
Intangible asset revaluation gains/(losses) of investments valued by equity method		193,078	-
Taxes related to components of other comprehensive income that will not be reclassified to profit or loss		(918,012)	28,583
Tax effect on revaluation of property, plant and equipment		(923,448)	-
Tax effect on defined benefit plans re-measurement	26	5,436	28,583
Other comprehensive income that will be reclassified to profit or loss		(465,209)	1,555,542
Exchange differences on translation of foreign operations		(37,336)	14,107
Other comprehensive income (loss) related with financial assets measured at fair value through other comprehensive income		(494,462)	1,613,998
- Gains (losses) on financial assets measured at fair value through other comprehensive income	6	(494,462)	1,613,998
Share of other comprehensive income of associates and joint ventures accounted for equity method that will be reclassified to profit or loss		13,148	98,707
Share of other comprehensive income of associates and joint ventures accounted for equity method that will be not reclassified to profit or loss		13,148	98,707
Taxes relating to components of other comprehensive income that will be reclassified to profit or loss		53,441	(171,270)
Taxes relating to financial assets measured at fair value through other comprehensive income	26	49,448	(161,400)
Tax effect on share of other comprehensive income of associates and joint ventures accounted for equity method that will be reclassified to profit or loss		3,993	(9,870)
OTHER COMPREHENSIVE INCOME		2,355,644	1,411,094
TOTAL COMPREHENSIVE INCOME		22,117,794	17,275,848
Total comprehensive income attributable to			
Non-controlling interests		140,070	251,978
Owners of parent		21,977,724	17,023,870

(*) The effects of restatement are explained in Note 2.3.

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

					Accumulated other comprehensive income and expense that will not be reclassified through profit or loss			Accumulated other comprehensive income and expense that will be reclassified through profit or loss										
					Revaluation and remeasurement		Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method				Restricted reserve (Note 19)	Advanced dividend payments (Net)	Retained earnings/ (Accumulated losses)	Net profit/ loss for the period	Total	Non-controlling interests (Note 19)	Total equity	
Issued capital (Note 19)	Inflation adjustments on capital (Note 19)	Treasury shares (Note 19)	Share premiums or discount (Note 19)	Business combinations under common control (Note 19)	Property, plant and equipment revaluation increases (decreases) (Note 19)	Gains / losses on remeasurements of defined benefit plans		Foreign currency translation difference (Note 19)	Gains (losses) on revaluation and reclassification on (Note 19)	Shares classified as profit or loss from other comprehensive income of investments accounted for by equity method (Note 19)								
Balance at 1 January 2022	220,000	3,093,868	(1,441,622)	-	1,103,516	-	-	23,229	175,191	-	3,084,066	-	11,881,453	-	18,139,701	114,525	18,254,226	
Transfers	-	-	-	-	-	-	-	-	-	-	273,080	-	(273,080)	-	-	-	-	
Total comprehensive income (loss)	-	-	-	-	-	-	(144,448)	14,107	1,452,598	88,837	-	-	-	15,612,776	17,023,870	251,978	17,275,848	
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	15,612,776	15,612,776	251,978	15,864,754	
Other comprehensive income (loss)	-	-	-	-	-	-	(144,448)	14,107	1,452,598	88,837	-	-	-	-	1,411,094	-	1,411,094	
Business combinations under common control	-	-	-	-	-	-	-	-	-	-	-	-	449	-	449	-	449	
Advance dividend payments	-	-	-	-	-	-	-	-	-	-	-	(1,500,495)	-	-	(1,500,495)	-	(1,500,495)	
Profit shares	-	-	-	-	-	-	-	-	-	-	-	-	(2,754,997)	-	(2,754,997)	-	(2,754,997)	
Increase (decrease) through treasury shares transactions	-	-	8,452	78,948	-	-	-	-	-	-	(8,451)	-	267,046	-	345,995	-	345,995	
Balances at 31 December 2022	220,000	3,093,868	(1,433,170)	78,948	1,103,516	-	(144,448)	37,336	1,627,789	88,837	3,348,695	(1,500,495)	9,120,871	15,612,776	31,254,523	366,503	31,621,026	
Balance at 1 January 2023	220,000	3,093,868	(1,433,170)	78,948	1,103,516	-	(144,448)	37,336	1,627,789	88,837	3,348,695	(1,500,495)	9,120,871	15,612,776	31,254,523	366,503	31,621,026	
Transfers	-	-	-	-	-	-	-	-	-	-	552,093	-	15,060,683	(15,612,776)	-	-	-	
Total comprehensive income (loss)	-	-	-	-	-	2,653,697	(25,922)	193,078	(37,336)	(445,014)	17,141	-	-	19,622,080	21,977,724	140,070	22,117,794	
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	19,622,080	19,622,080	140,070	19,762,150	
Other comprehensive income (loss)	-	-	-	-	-	2,653,697	(25,922)	193,078	(37,336)	(445,014)	17,141	-	-	-	2,355,644	-	2,355,644	
Business combinations under common control	-	-	-	-	(7,578,293)	-	-	-	-	-	-	-	-	-	(7,578,293)	-	(7,578,293)	
Advance dividend payments	-	-	-	-	-	-	-	-	-	-	-	(2,879,527)	-	-	(2,879,527)	-	(2,879,527)	
Profit shares	-	-	-	-	-	-	-	-	-	-	(499,689)	1,500,495	(5,216,130)	-	(4,215,324)	-	(4,215,324)	
Increase (decrease) through treasury shares transactions	-	-	1,022,488	2,326,413	-	-	-	-	-	-	(1,022,384)	-	453,397	-	2,779,914	-	2,779,914	
Balance at 31 December 2023	220,000	3,093,868	(410,682)	2,405,361	(6,474,777)	2,653,697	(170,370)	193,078	-	1,182,775	105,978	2,378,715	(2,879,527)	19,418,821	19,622,080	41,339,017	506,573	41,845,590

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE YEARS ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

	Notes	2023	Restated ^(*) 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES:		2,610,116	1,995,524
Profit (loss) for the period		19,762,150	15,864,754
Adjustments to for profit (loss) for the period reconciliation:		(2,887,904)	(6,047,149)
Adjustments for depreciation and amortization expense	12, 13, 21, 22, 30	1,215,682	932,593
Adjustments for impairment loss (reversal of impairment loss)		60,616	(7,605)
- Adjustments for impairment loss (reversal of impairment loss) of receivables	8	874	6,189
- Adjustments for impairment loss (reversal of impairment loss) of inventories	10	59,742	(13,794)
Adjustments for provisions		4,051,251	2,563,312
- Adjustments for (reversal of) provisions related with employee benefits	16	146,388	82,703
- Adjustments for (reversal of) lawsuit and/or penalty provision expenses	15	42,675	36,271
- Adjustments for (reversal of) warranty provisions	15	607,885	448,334
- Adjustments for (reversal of) other provisions		3,254,303	1,996,004
Adjustments for interest (income) and expense		881,332	1,199,826
- Adjustments for interest income	25	(707,221)	(169,227)
- Adjustments for interest expense	25	1,588,553	1,369,053
Adjustments for unrealized foreign exchange losses (gains)		3,977,247	950,161
Adjustments for fair value losses (gains)		(1,605,509)	(3,072,843)
- Adjustments for fair value losses (gains) of financial assets		(662,278)	(364,895)
Adjustments for undistributed profits of investments accounted for using equity method	11	(3,920,935)	(1,861,357)
Adjustments for tax (income) expenses	26	6,118,083	1,829,833
Adjustments for losses (gains) on disposal of non-current assets		30,587	(69,190)
- Adjustments for losses (gains) from sale of tangible assets	24	30,587	(69,190)
Monetary gain / (loss)		(13,033,980)	(8,146,984)
Changes in working capital		(5,119,971)	(3,446,077)
Adjustments for decrease (increase) in trade receivables		(7,342,497)	(2,653,718)
- Decrease (increase) in due from related parties		(4,435,542)	(2,339,475)
- Decrease (increase) in due from third parties		(2,906,955)	(314,243)
Adjustments for decrease (increase) in inventories		(3,570,728)	(1,400,629)
Adjustments for increase (decrease) in trade payables		2,443,060	2,572,819
- Increase (decrease) in due to related parties		1,201,015	45,498
- Increase (decrease) in due to third parties		1,242,045	2,527,321
Adjustment for decrease (increase) in other payables		(37,432)	36,735
- Increase (decrease) in due to related parties		(37,074)	37,074
- Increase (decrease) in due to third parties		(358)	(339)
Increase (decrease) in deferred income		456,304	376,236
Adjustments for other increase (decrease) in working capital		2,931,322	(2,377,520)
Cash flows from operations		11,754,275	6,371,528
Payments related with provisions for employee benefits	16	(177,732)	(16,765)
Payments related with other provisions	15	(1,590,777)	(990,861)
Income taxes refund (paid)		(7,376,897)	(3,369,129)
Other cash inflows (outflows)	8	1,247	751
B. CASH FLOWS FROM INVESTING ACTIVITIES		(5,160,720)	(749,576)
Cash outflows arising from purchase of shares or capital increase of associates and/or joint ventures	11	(428,679)	(5,550)
Cash outflows for the acquisition of shares of other enterprises or funds or borrowing instruments		(5,199,315)	-
Cash inflows from sales of fixed assets held for sale		-	945,281
Proceeds from sales of property, plant, equipment and intangible assets		1,119,164	124,879
- Proceeds from sales of property, plant and equipment		1,119,164	124,879
Purchase of property, plant, equipment and intangible assets		(1,888,678)	(2,422,343)
- Purchase of property, plant and equipment	12	(1,518,192)	(2,174,441)
- Purchase of intangible assets	13	(370,486)	(247,902)
Dividends received		1,236,788	608,157
C. CASH FLOWS FROM FINANCING ACTIVITIES		(262,047)	(7,005,790)
Regarding the entity's acquisition of its own shares and other equity instruments cash outflows		4,042,500	79,398
Proceeds from borrowings	7	5,523,806	3,911,643
Repayments of borrowings	7	(2,450,734)	(5,662,940)
Cash outflows on debt payments from leasing agreements	7	(118,978)	(101,497)
Dividends paid	19	(6,641,454)	(3,988,445)
Interest paid		(1,324,408)	(1,413,176)
Interest received		707,221	169,227
MONETARY GAIN / (LOSS) EFFECT ON CASH AND CASH EQUIVALENTS		4,919,047	2,057,812
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)		2,106,396	(3,702,030)
D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(37,336)	14,107
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C+D)		2,069,060	(3,687,923)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	5,574,548	9,262,471
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	5	7,643,608	5,574,548

(*) The effects of restatement are explained in Note 2.3.

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Doğuş Otomotiv Servis ve Ticaret A.Ş. (“Doğuş Otomotiv” or the “Company”) was established on 24 November 1999 as a distributor of Volkswagen AG, and its activities include importing, marketing and selling automobiles and spare parts of Volkswagen Group brands VW, Audi, Seat, Cupra, Porsche, Bentley, Lamborghini, Meiller, Scania, Scania vehicle and spare parts, Scania Power Solutions and Thermoking climate control systems and import, marketing and sales of Wielton semi-trailers and also operates in the field of maritime industry after sales services and spare parts with Doğuş Marine Services business unit. The Company also operates in used car market across Turkey throughout its dealer network under the brand name DOD. In addition, the Company operates in the field of operating a portfolio consisting of real estate projects and real estate-based assets and rights with Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş. (“Doğuş GYO”).

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

The Company’s subsidiaries as at 31 December 2023 are as follows:

- Doğuş Oto Pazarlama ve Ticaret A.Ş. (“Doğuş Oto Pazarlama”): Automobile dealer for group brands distributed by Doğuş Otomotiv and Yüce Auto Motorlu Araçlar Ticaret A.Ş.
- Doğuş Şarj Sistemleri Pazarlama ve Ticaret A.Ş. (“D-Charge”): was established on 16 May 2023 to operate in the establishment, operation and charging service of charging units, charging stations and charging network.
- Doğuş Gayrimenkul Yatırım Ortaklığı (“Doğuş GYO”): was established on 25 July 1997 within the framework of the provisions of the Capital Market Law. The Company’s field of activity, which is traded on Borsa İstanbul A.Ş., is to create and manage a portfolio of real estate and real estate-based capital market instruments, to make changes in the portfolio when necessary, to minimize investment risk through portfolio diversification, to invest in real estate and real estate-based projects, to invest in real estate and real estate-based capital market instruments and to constantly monitor developments regarding real estate-based instruments, take necessary precautions regarding portfolio management and conduct research to protect and increase the value of the portfolio. The sale and transfer process for the purchase of 310,931,093.577 Group B shares, representing 93.6517% of Doğuş GYO's total equity, from Doğuş Holding A.Ş. was completed on March 9, 2023. Doğuş GYO became a subsidiary with the completion of the transaction regarding the purchase of all Group A shares representing 0.7845% of the company capital with a nominal value of full TL 2,604,451.09, which includes the privilege of nominating candidates in the Board of Directors election from Doğuş Holding A.Ş..

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

The Company, Doğuş Oto Pazarlama and D-Charge are registered and operate in Turkey at the following address:

Maslak Mah. Ahi Evran Cad. No. 4 İç Kapı No. 3

Sarıyer, İstanbul, Türkiye.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

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

Maslak Mah. Ahi Evran Cad. No. 4 İç Kapı No. 7

Sarıyer, İstanbul, Türkiye.

The average number of blue-collar employees of the Group for the period ended 31 December 2023 is 672 (31 December 2022: 740) whereas the average number of white-collar employees of the Group for the period ended 31 December 2023 is 1,402 (31 December 2022: 1,402).

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

2.1 Basis of Presentation of Consolidated Financial Statements

(i) *Statement of Compliance to TAS*

The accompanying consolidated financial statements are based in accordance with Turkish Accounting Standards (“TAS”) issued by Public Oversight Accounting and Auditing Standards Authority of Turkey (“POA”) as set out in the Communiqué serial II, No: 14.1 announcement of Capital Markets Board (“CMB”) dated 13 June 2013 related to “Capital Market Communiqué on Principles Regarding Financial Reporting” (“Communiqué”) which is published in official gazette, no 28676. TAS is composed of Turkish Accounting Standards, Turkish Financial Reporting Standards (“TFRS”), appendixes and interpretations. The consolidated financial statements are presented in accordance with the formats specified in the “Announcement on TAS Taxonomy” published by POA on 4 October 2022 and the Financial Table Examples and User Guide published by the CMB.

(ii) *Preparation and approval of financial statements*

The consolidated financial statements of the Group as at 31 December 2023 have been approved by the Board of Directors on 15 March 2024. The legal authorities of the General Assembly of the Company have the right to modify the issued financial statements.

(iii) *Correction on financial statements during hyperinflationary periods*

Group has prepared its consolidated financial statements for the year dated 31 December 2023 and ending on the same date, by applying TAS 29 “Financial Reporting in Hyperinflationary Economies” standard, based on the announcement made by POA on 23 November 2023 and the “Implementation Guide on Financial Reporting in High Inflation Economies” published. In accordance with the said standard, financial statements prepared based on the currency of a hyperinflationary economy are prepared in the purchasing power of this currency at the balance sheet date and comparative information is expressed in terms of the current measurement unit at the end of the reporting period for the purpose of comparison in the financial statements of the previous period. Therefore, Group has presented its consolidated financial statements as of 31 December 2022, in terms of purchasing power of TL at 31 December 2023.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.1 Basis of Presentation of Consolidated Financial Statements (Continued)

(iii) Correction on financial statements during hyperinflationary periods (Continued)

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

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

Date	Index	Correction Coefficient	Three year compound inflation rate
31 December 2023	1,859.38	1.00000	268%
31 December 2022	1,128.45	1.64773	156%
31 December 2021	686.95	2.70672	74%

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

- Current period consolidated financial statements prepared in TL are expressed with the purchasing power at the balance sheet date and the amounts from previous reporting periods are also expressed by adjusting according to the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are currently expressed in current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed the recoverable amount or net realizable value, the provisions of TAS 36 "Impairment of Assets" and TAS 2 "Inventories" were applied respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in current purchasing power at the balance sheet date have been corrected using the relevant correction coefficients.
- All items in the statement of comprehensive income, except those that affect the statement of comprehensive income of non-monetary items in the balance sheet date, are indexed with coefficients calculated over the periods when the income and expense accounts are first reflected in the financial statements.
- Effect of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary position loss account in the consolidated income statement.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.1 Basis of Presentation of Consolidated Financial Statements (Continued)

(iv) *Basis of measurement*

The consolidated financial statements have been prepared based on the historical cost, except for the financial assets measured at fair value through other comprehensive income that measured at fair value.

(v) *Functional and Presentation Currency*

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

The Company and its affiliates registered in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira ("TL") in accordance with the Turkish Commercial Code, tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance. The affiliate in Iraq maintains its books of account and prepares its statutory financial statements in Iraqi Dinar ("IQD") in accordance with the laws and regulations in force in Iraq.

(vi) *Control of Compliance with the Portfolio Limitations*

As of 31 December 2023, presented information in the additional note "Control of Compliance with the Portfolio Limitations", in accordance with CMB's Communique Serial: II, No: 14.1 "Financial Reporting in Capital Markets" Amendment No: 16 comprised condensed information and prepared in accordance with CMB's Communique Serial: III, No: 48.1 "Real Estate Investment Company" published in the Official Gazette dated 28 May 2013 numbered 28660 and CMB's Communique Serial: III, No: 48.1a "Amendment on Real Estate Investment Company" published in the Official Gazette dated 23 January 2014 numbered 28891.

The additional note for "Control of Compliance with Portfolio Limitations" is prepared in accordance with the accompanying consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.2 Amendments and interpretations in the TAS / TFRS

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2023 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards (“TAS”)/TFRS and IFRIC interpretations effective as of 1 January 2023. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

- i) *The new standards, amendments and interpretations which are effective as at 31 December 2023 are as follows:*

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

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

Amendment to IAS 12 - International tax reform ; The temporary exception is effective for December 2023 year ends and the disclosure requirements are effective for accounting periods beginning on or after 1 January 2023, with early application permitted. These amendments give companies temporary relief from accounting for deferred taxes arising from the Minimum Tax Implementation Handbook international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

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

ii) Standards, amendments, and interpretations that are issued but not effective as of 31 December 2023:

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

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

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

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

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

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

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.3 Basis of Consolidation

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognized amount of any non-controlling interests in the acquire; plus
- If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquire; less
- The net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognized in profit or loss.

Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Mergers of Entities Under Common Control

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

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

(ii) *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. If necessary, adjustments regarding accounting policies are made on subsidiaries financial statements in order to equalize accounting policies applied by the Group.

For each business combination, the Group elects to measure any non-controlling interests in the acquire either:

- At fair value; or
- At their proportionate share of the acquirer's identifiable net assets, which are generally at fair value

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognized in profit or loss.

2.3 Basis of Consolidation

Losses of subsidiaries belongs to non-controlling interest shall be attribute to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as a financial assets measured at fair value through other comprehensive income depending on the level of influence retained.

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

	2023	2022	2021
Doğuş Oto Pazarlama	96.20%	96.20%	96.20%
Doğuş GYO (**)	94.64%	-	-
Doğuş Oto Iraq (*)	-	100.00%	100.00%
D-Charge	100.00%	-	-

(*) The liquidation procedures of Doğuş Oto Iraq, whose activities were suspended in 2021, were completed on 26 September 2023.

(**) Explained under Note 1.

(iii) *Joint Arrangements*

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. They are classified and accounted for as follows:

- Joint operation - When the Group has rights to the assets and obligations for the liabilities, relating to an arrangement, it accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.
- Joint venture - When the Group has rights only to the net assets of the arrangements, it accounts for its interest using the equity method.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.3 Basis of Consolidation (Continued)

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

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

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

(iv) Associates

	2023	2022	2021
TÜVTURK Kuzey Taşıt Muayene İstasyonları Yapım ve İşletim A.Ş. ("TÜVTURK Kuzey")	33.33%	33.33%	33.33%
TÜVTURK Güney Taşıt Muayene İstasyonları Yapım ve İşletim A.Ş. ("TÜVTURK Güney")	33.33%	33.33%	33.33%

Associates are those enterprises in which the Group has significant influence, but does not have control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognized gains and losses of associates on an equity accounting basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

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

	2023	2022	2021
Yüce Auto Motorlu Araçlar Ticaret A.Ş. ("Yüce Auto") (*)	50.00%	50.00%	50.00%
Doğuş Sigorta Aracılık Hizmetleri A.Ş. ("Doğuş Sigorta")	42.00%	42.00%	42.00%
VDF Servis ve Ticaret A.Ş. ("VDF Servis")	48.79%	48.79%	48.79%
Doğuş Bilgi İşlem ve Teknoloji Hizmetleri A.Ş. ("Doğuş Teknoloji")	21.76%	21.76%	21.76%

(*) Even though the Group has 50% interest in Yüce Auto (Distributor of Skoda), the Group only exercises a significant influence rather than control on the operations of Yüce Auto.

(v) Transactions Eliminated in Consolidation

Intragroup balances and transactions, and any unrealized income and expenses arising from intragroup transactions are eliminated in preparation of the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. The carrying amount of Doğuş Otomotiv's investment in each subsidiary and dividend income from these subsidiaries are eliminated from the related equity and profit or loss statement accounts.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.4 Offsetting

Financial assets and financial liabilities should be offset and are reported net only when the entity has a legally enforceable right to offset, and it intends to settle the asset and the liability either simultaneously or on a net basis.

2.5 Comparative Information

The Group has prepared the consolidated statement of financial position as at 31 December 2023 comparatively with the consolidated statement of financial position as at 31 December 2022, and the consolidated profit or loss statement, the consolidated statement of other comprehensive income, the consolidated statements of cash flows and changes in equity for the year ended 31 December 2023 comparative to for the year ended 31 December 2022.

On 9 March, 2023, the Group purchased the shares corresponding to 93.6517% of the capital of Doğuş GYO for 5,117,925,800.28 full TL. The acquisition of 310,931,093.577 Group B shares, representing 93.6517% of the total capital of Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş., was completed through a sale and transfer transaction from Doğuş Holding AŞ on 9 March 2023. At this point, as of 21 November 2023 we would like to inform the public that the transaction regarding the acquisition of all Group A shares of Doğuş Gayrimenkul Yatırım Ortaklığı AŞ, representing 0.7845% of the company's capital, with a nominal value of 2,604,451.09 full TL, which carry the privilege of nominating candidates in the board of directors elections has been completed. Accordingly, the difference of 6,474,777 TL between the purchase price and the net assets obtained as a result of the share transfer was accounted for in the effect of business combinations under common control under previous year losses.

The acquisition transaction is classified under "Business Combination under Common Control" since the relevant business was controlled by the same person and persons before and after the merger. This acquisition transaction was reflected in the financial statements of the Group using the "Combination of Rights" method in line with the principle decision of the Public Oversight Authority (POA) "Accounting for Business Combinations Subject to Common Control" published in the Official Gazette dated 21 July 2018 and the board decision published on 11 October 2018. The consolidated financial statements for the current and comparative period have been restated and presented as if the merger had been realized as of the beginning of the comparative period.

The consolidated financial statements of current and comparative period are restated and presented as if the merger had taken place as of the beginning of the period, using the book values of the assets and liabilities of the acquired business for the party holding joint control as of the merger date. In this context, with the acquisition of Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş., the financial position statements of 31 December 2022 and 31 December 2021 and the consolidated statement of profit or loss, other comprehensive income statement, statement of changes in equity and cash flow table dated 31 December 2022 were restated.

The effects of restatements and reclassifications mentioned above are presented below:

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.5 Comparative Information (Continued)

	Notes	Reported previous period 31 December 2022	Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş.	Restatement effect with elimination and inflation effects included	Restated previous (*) period 31 December 2022
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	3,366,150	28,004	2,180,394	5,574,548
Financial investments	6	2,033,691	-	1,317,281	3,350,972
Trade receivables		3,331,831	35,705	2,158,124	5,525,660
Trade receivables due from related parties	28	2,548,419	27,013	1,650,685	4,226,117
Trade receivables due from third parties	8	783,412	8,692	507,439	1,299,543
Other Receivables		181,270	96	126,237	307,603
Other receivables due from related parties	28	7,622	-	14,041	21,663
Other receivables due from third parties	9	173,648	96	112,196	285,940
Inventories	10	4,270,103	-	2,868,509	7,138,612
Prepayments	17	107,723	2,364	82,785	192,872
Assets related to current tax		-	599	(1)	598
Other current assets		6,609	871	4,252	11,732
Total current assets		13,297,377	67,639	8,737,581	22,102,597
Non current assets classified as held for sale					
		-	-	-	-
Total current assets		13,297,377	67,639	8,737,581	22,102,597
NON-CURRENT ASSETS					
Financial investments		2,345,929	-	1,519,525	3,865,454
Other receivables		738	-	1,106	1,844
Other receivables due from related parties	28	339	-	848	1,187
Other receivables due from third parties		399	-	258	657
Investments accounted for using equity method		1,682,377	-	3,517,458	5,199,835
Investment property	14	99,227	8,317,127	(29,279)	8,387,075
Property, plant and equipment	12	2,015,093	9,774	6,893,703	8,918,570
Intangible assets	13	154,909	1,025	215,927	371,861
Right of use assets	30	150,806	-	(48,297)	102,509
Prepayments	17	6,206	9,949	10,682	26,837
Deferred tax assets	26	912,518	-	(298,297)	614,221
Other non-current assets		-	365	(1)	364
Total non-current assets		7,367,803	8,338,240	11,782,527	27,488,570
TOTAL ASSETS		20,665,180	8,405,879	20,520,108	49,591,167

(*) The reported column shows the consolidated financial statement before the Doğuş Gayrimenkul acquisition, and the restated column shows the consolidated financial statement after the Doğuş Gayrimenkul acquisition.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.5 Comparative Information (Continued)

LIABILITIES	Notes	Reported previous period 31 December 2022	Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş.	Restated effect with elimination and inflation effects included	Restated previous (*) period 31 December 2022
CURRENT LIABILITIES					
Current borrowings	7	2,183,408	-	1,414,257	3,597,665
Short-term portion of long-term borrowings	7	189,637	391,462	84,589	665,688
Trade payables		3,586,647	168,016	2,323,189	6,077,852
<i>Trade payables to related parties</i>	28	213,048	154,955	137,998	506,001
<i>Trade payables to third parties</i>	8	3,373,599	13,061	2,185,191	5,571,851
Employee benefit obligations		113,695	338	73,643	187,676
Other payables		-	37,558	-	37,558
<i>Other payables to related parties</i>		-	37,074	-	37,074
<i>Other payables to third parties</i>		-	484	-	484
Deferred income	17	260,748	1,007	219,774	481,529
Current tax liabilities	26	343,251	-	222,334	565,585
Current provisions		1,135,049	82	735,205	1,870,336
<i>Current provisions for employee benefits</i>		-	-	-	-
<i>Other current provisions</i>	15	1,135,049	82	735,205	-
Other current liabilities	18	533,140	590	345,338	879,068
SUBTOTAL		8,345,575	599,053	5,418,329	14,362,957
Liabilities related to assets groups classified for sale		-	-	-	-
Total current liabilities		8,345,575	599,053	5,418,329	14,362,957
NON-CURRENT LIABILITIES					
Long-term borrowings	7	221,458	2,727,053	(34,141)	2,914,370
Other payables		-	4,074	(1)	4,073
<i>Other payables to third parties</i>		-	4,074	(4,074)	-
Deferred income	17	103,563	1,484	95,945	200,992
Non-current provisions		288,058	6,786	186,586	481,430
<i>Non-current provisions for employee benefits</i>	16	192,880	6,786	124,933	324,599
<i>Other long-term provisions</i>		95,178	-	61,653	156,831
Deferred tax liabilities		-	-	6,319	6,319
Total non-current liabilities		613,079	2,739,397	254,708	3,607,184
TOTAL LIABILITIES		8,958,654	3,338,450	5,673,037	17,970,141

(*) The reported column shows the consolidated financial statement before the Doğuş Gayrimenkul acquisition, and the restated column shows the consolidated financial statement after the Doğuş Gayrimenkul acquisition.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.5 Comparative Information (Continued)

EQUITY	Notes	Reported previous period 31 December 2022	Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş.	Restated effect with elimination and inflation effects included	Restated previous (*) period 31 December 2022
Equity attributable to equity holders of the Company		11,669,381	5,067,429	14,457,818	31,254,523
Issued capital	19	220,000	3,026,934	(3,026,934)	220,000
Inflation adjustment on capital	19	23,115	-	3,070,753	3,093,868
Treasury shares (-)	19	(215,241)	-	(1,217,929)	(1,433,170)
Share premium (discount)		63,861	2,016,700	(2,001,613)	78,948
Other accumulated comprehensive income (loss) that will not be reclassified in profit or loss		(118,262)	(1,566)	(24,620)	(144,448)
<i>Gains (losses) on revaluation and measurement</i>		<i>(118,262)</i>	<i>(1,566)</i>	<i>(24,620)</i>	<i>(144,448)</i>
<i>Gains (losses) on remeasurements of defined benefit plans</i>		<i>(118,262)</i>	<i>(1,566)</i>	<i>(24,620)</i>	<i>(144,448)</i>
Shares classified as profit or loss from other comprehensive income		2,302,482	-	(548,520)	1,753,962
<i>Exchange differences on translation</i>	19	<i>22,659</i>	-	<i>14,677</i>	<i>37,336</i>
<i>Gain (losses) on revaluation and reclassification</i>		<i>2,279,823</i>	-	<i>(563,197)</i>	<i>1,716,626</i>
<i>Gain (loss) on revaluation and reclassification of financial assets held for sale</i>	19	<i>2,279,823</i>	-	<i>(563,197)</i>	<i>1,716,626</i>
Restricted reserves appropriated from profits	19	542,047	32,089	2,774,559	3,348,695
Advance dividend payments (net) (-)		(900,000)	-	(600,495)	(1,500,495)
Prior years' profit or losses	19	1,927,193	(3,972,207)	12,269,401	10,224,387
Profit (loss) for the period		7,884,081	3,965,479	3,763,216	15,612,776
Non controlling interests		37,145	-	329,358	366,503
TOTAL EQUITY	19	11,706,526	5,067,429	14,787,176	31,621,026
TOTAL EQUITY AND LIABILITIES		20,665,180	8,405,879	20,460,213	49,591,167

(*) The reported column shows the consolidated financial statement before the Doğuş Gayrimenkul acquisition, and the restated column shows the consolidated financial statement after the Doğuş Gayrimenkul acquisition.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.5 Comparative Information (Continued)

	Notes	Reported previous period 31 December 2021	Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş.	Restatement effect with elimination and inflation effects included	Restated previous (*) period 31 December 2021
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	3,409,576	33,644	5,819,251	9,262,471
Financial investments	6	-	-	-	-
Trade receivables		1,010,816	124,289	1,725,178	2,860,283
<i>Trade receivables due from related parties</i>	28	656,025	110,966	1,119,651	1,886,642
<i>Trade receivables due from third parties</i>	8	354,791	13,323	605,527	973,641
Other receivables		150,347	8	271,996	422,352
<i>Other receivables due from related parties</i>	28	6,942	-	16,952	23,894
<i>Other receivables due from third parties</i>	9	143,405	8	255,044	398,457
Inventories	10	1,969,481	-	3,754,708	5,724,189
Prepayments	17	39,858	1,943	78,732	120,533
Asset related to current tax		-	697	-	697
Other current assets		3,214	5,775	5,485	14,474
Subtotal		6,583,292	166,357	11,615,491	18,404,999
Non current assets classified as held for sale					
		-	945,281	-	945,281
Total current assets		6,583,292	1,111,637	11,615,491	19,350,280
NON-CURRENT ASSETS					
Financial investments		831,804	-	1,419,651	2,251,455
Other receivables		1,372	-	3,674	5,046
<i>Other receivables due from related parties</i>	28	975	-	2,999	3,974
<i>Other receivables due from third parties</i>		397	-	675	1,072
Investments accounted for using equity method	11	880,235	-	3,000,569	3,880,804
Investment property	14	121,463	5,470,290	(302,638)	5,289,115
Property, plant and equipment	12	1,096,291	13,767	6,303,471	7,413,529
Intangible assets	13	89,645	1,177	234,743	325,565
Right of use assets	30	109,068	-	69,163	178,231
Prepayments	17	18,790	12,585	38,518	69,893
Deferred tax assets	26	22,639	-	(22,639)	-
Other non-current assets		-	559	-	559
Total non-current assets		3,171,307	5,498,378	10,725,725	19,414,197
TOTAL ASSETS		9,754,599	6,610,016	22,341,216	38,764,477

(*) The reported column shows the consolidated financial statement before the Doğuş Gayrimenkul acquisition, and the restated column shows the consolidated financial statement after the Doğuş Gayrimenkul acquisition.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.5 Comparative Information (Continued)

LIABILITIES	Notes	Reported previous period 31 December 2021	Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş.	Restatement effect with elimination and inflation effects included	Restated previous (*) period 31 December 2021
CURRENT LIABILITIES					
Current borrowings	7	2,705,361	-	4,617,288	7,322,649
Short-term portion of long-term borrowings	7	232,254	766,929	368,477	1,367,660
Trade payables		1,231,202	171,513	2,101,314	3,504,029
<i>Trade payables to related parties</i>	28	113,323	153,770	193,410	460,503
<i>Trade payables to third parties</i>	8	1,117,879	17,743	1,907,904	3,043,526
Employee benefit obligations		38,116	275	65,054	103,445
Other payables		-	1,005	-	1,005
<i>Other payables to related parties</i>		-	-	-	-
<i>Other payables to third parties</i>		-	1,005	-	1,005
Deferred income	17	59,269	711	127,001	186,981
Current tax liabilities	26	259,620		443,098	702,718
Current provisions		396,216	81	676,230	1,072,527
<i>Current provisions for employee benefits</i>		-	-	-	-
<i>Other current provisions</i>	15	396,216	81	676,230	1,072,527
Other current liabilities	18	164,700	467	281,091	446,258
Subtotal		5,086,738	940,981	8,679,553	14,707,272
Liabilities related to assets groups classified for sale		-	-	-	-
Total current liabilities		5,086,738	940,981	8,679,553	14,707,272
NON-CURRENT LIABILITIES					
Long-term borrowings	7	90,669	4,554,632	(9,778)	4,635,523
Other payables		-	4,896	-	4,896
<i>Other payables to third parties</i>		-	4,896	-	4,896
Deferred income	17	35,279	1,001	83,024	119,304
Non-current provisions		142,662	5,437	243,484	391,583
<i>Non-current provisions for employee benefits</i>	16	72,217	5,437	123,252	200,906
<i>Other long-term provisions</i>		70,445	-	120,232	190,677
Deferred tax liabilities		35,568	-	616,105	651,673
Total non-current liabilities		304,178	4,565,967	932,834	5,802,979
TOTAL LIABILITIES		5,390,916	5,506,948	9,612,387	20,510,251

(*) The reported column shows the consolidated financial statement before the Doğuş Gayrimenkul acquisition, and the restated column shows the consolidated financial statement after the Doğuş Gayrimenkul acquisition.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.5 Comparative Information (Continued)

		Reported previous period 31 December 2021	Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş.	Restatement effect with elimination and inflation effects included	Restated previous (*) period 31 December 2021
EQUITY	Notes				
Equity attributable to equity holders of the Company		4,350,425	1,103,067	12,686,209	18,139,701
Issued capital	19	220,000	3,026,934	(3,026,934)	220,000
Inflation adjustment on capital	19	23,115	-	3,070,753	3,093,868
Treasury shares (-)	19	(220,393)	-	(1,221,229)	(1,441,622)
Share premium (discount)		-	2,016,700	(2,016,700)	-
Other accumulated comprehensive income (loss) that will not be reclassified in profit or loss		(28,935)	(448)	29,383	-
<i>Gains (losses) on revaluation and remeasurement</i>		(28,935)	(448)	29,383	-
<i>Gains (losses) on remeasurements of defined benefit plans</i>		(28,935)	(448)	29,383	-
Other accumulated comprehensive income (loss) that will be reclassified in profit or loss		762,398	-	(563,978)	198,420
<i>Exchange differences on translation</i>	19	8,582	-	14,647	23,229
<i>Gains (losses) on revaluation and reclassification</i>		753,816	-	(578,625)	175,191
<i>Gains on revaluation of financial assets held for sale</i>	19	753,816	-	(578,625)	175,191
Restricted reserves appropriated from profits	19	423,295	32,089	2,628,682	3,084,066
Prior years' profit or losses	19	839,364	(3,351,621)	15,497,226	12,984,969
Profit (loss) for the period		2,331,581	(620,586)	(1,710,995)	-
Non-controlling interests		13,258	-	101,267	114,525
TOTAL EQUITY	19	4,363,683	1,103,067	12,787,476	18,254,226
TOTAL EQUITY AND LIABILITIES		9,754,599	6,610,015	22,399,863	38,764,477

(*) The reported column shows the consolidated financial statement before the Doğuş Gayrimenkul acquisition, and the restated column shows the consolidated financial statement after the Doğuş Gayrimenkul acquisition.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.5 Comparative Information (Continued)

	Notes	Reported previous period 31 December 2022	Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş.	Restatement effect with elimination and inflation effects included	Restated previous (*) period 31 December 2022
Revenue	20	46,781,376	476,660	41,229,096	88,487,132
Cost of sales	20	(36,255,256)	(82,057)	(33,677,369)	(70,014,682)
GROSS PROFIT (LOSS)		10,526,120	394,602	7,551,728	18,472,450
General administrative expenses	21	(1,752,047)	(44,130)	(1,789,334)	(3,585,511)
Marketing expenses	21	(1,218,539)	-	(1,016,497)	(2,235,036)
Other income from operating activities	23	766,834	2,731,983	1,353,309	4,852,126
Other expenses from operating activities	23	(397,589)	(48,910)	(342,895)	(789,394)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		7,924,779	3,033,545	5,756,311	16,714,635
Investment activity income	24	243,549	-	190,535	434,084
Investment activity expense	24	-	-	-	-
Share of profit (loss) from investments accounted for using equity method	11	1,032,454	-	828,903	1,861,357
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		9,200,782	3,033,545	6,775,749	19,010,076
Financial income	25	89,576	2,539	77,112	169,227
Financial expense	25	(769,399)	(1,101,240)	(716,508)	(2,587,147)
Monetary (loss)/gain		-	2,030,635	(928,204)	1,102,431
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		8,520,959	3,965,479	5,208,149	17,694,587
Tax (expense) income, continuing operations		(672,886)	-	(1,156,947)	(1,829,833)
Current period tax (expense) income	26	(1,656,694)	-	(1,575,401)	(3,232,095)
Deferred tax (expense) income	26	983,808	-	418,454	1,402,262
PROFIT (LOSS) FROM CONTINUING OPERATIONS		7,848,073	3,965,479	4,051,202	15,864,754
PROFIT (LOSS)		7,848,073	3,965,479	4,051,202	15,864,754
Profit (loss), attributable to					
Non-controlling interests		23,887	-	228,091	251,978
Owners of parent		7,824,186	-	7,788,590	15,612,776

(*) The reported column shows the consolidated financial statement before the Doğuş Gayrimenkul acquisition, and the restated column shows the consolidated financial statement after the Doğuş Gayrimenkul acquisition.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.5 Comparative Information (Continued)

	Notes	Reported previous period 31 December 2022	Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş.	Restatement effect with elimination and inflation effects included	Restated previous (*) period 31 December 2022
PROFIT (LOSS)		7,848,073	-	-	-
Other comprehensive income		-	-	-	15,864,761
Other comprehensive income that will not be reclassified to profit or loss		(89,327)	-	(55,121)	(144,448)
Gains (losses) on remeasurements of defined benefit plans	16	(86,730)	(1,118)	(56,627)	(144,475)
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss		(19,943)	-	(8,613)	(28,556)
Defined benefit plans remeasurement gains (losses) of investments valued by equity method		-	-	-	(28,556)
Taxes related to components of other comprehensive income that will not be reclassified to profit or loss		17,346	-	11,237	28,583
Tax effect on defined benefit plans remeasurement	26	17,346	-	11,237	28,583
Other comprehensive income that will be reclassified to profit or loss		1,540,084	-	15,458	1,555,542
Exchange differences on translation of foreign operations		14,077	-	31	14,108
Other comprehensive income (loss) related with financial assets measured at fair value through other comprehensive income		1,514,125	-	99,872	1,613,997
Gains (losses) on financial assets measured at fair value through other comprehensive income	6	1,514,125	-	99,872	1,613,997
Share of other comprehensive income of associates and joint ventures accounted for equity method that will be reclassified to profit or loss		87,589	-	11,118	98,707
Taxes relation to components of other comprehensive income that will be reclassified to profit or loss		(75,707)	-	(95,563)	(171,270)
Taxes relating to financial assets measured at fair value through other comprehensive income	26	(75,707)	-	(85,693)	(161,400)
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss		87,589	-	(97,459)	(9,870)
OTHER COMPREHENSIVE INCOME (LOSS)		1,450,757	-	(39,663)	1,411,094
TOTAL COMPREHENSIVE INCOME (LOSS)		9,298,830	-	7,977,018	17,275,848
Total comprehensive income attributable to					
Non-controlling interests		23,887	-	-	251,978
Owners of parent		9,274,943	-	-	17,023,870

(*) The reported column shows the consolidated financial statement before the Doğuş Gayrimenkul acquisition, and the restated column shows the consolidated financial statement after the Doğuş Gayrimenkul acquisition.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.6 Significant Accounting Policies

TFRS 16 “Leases”

The Group - as a lessee

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, The Group assess whether:

- a) the contract involved the use of an identified asset - this may be specified explicitly or implicitly.
- b) the asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified.
- c) the Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use; and
- d) the Group has the right to direct use of the asset. The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset. The Group has the right to direct use of asset if either:
 - i. the Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
 - ii. the Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Right of use asset

The right of use asset is initially recognized at cost comprising of:

- a) amount of the initial measurement of the lease liability;
- b) any lease payments made at or before the commencement date, less any lease incentives received;
- c) any initial direct costs incurred by the Group; and
- d) an estimate of costs to be incurred by the lessee for restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.6 Significant Accounting Policies (Continued)

The Group re-measure the right of use asset:

- a) after netting-off depreciation and reducing impairment losses from right of use asset,
- b) adjusted for certain re-measurements of the lease liability recognized at the present value

The Group applies IAS16 “Property, Plant and Equipment” to amortize the right of use asset and to asses for any impairment. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the Group depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

Otherwise, The Group depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group apply IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease liabilities are discounted to present value by using the interest rate implicit in the lease if readily determined or with the Group’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- a) fixed payments, including in-substance fixed payments;
- b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date,
- c) the exercise price of purchase option if the Group is reasonably certain to exercise that option; and
- d) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

After initial recognition, the lease liability is measured:

- a) increasing the carrying amount to reflect interest on lease liability
- b) reducing the carrying amount to reflect the lease payments made and
- c) remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The Group determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee’s incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined. After the commencement date, The Group remeasure the lease liability to reflect changes to the lease payments. The Group recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.6 Significant Accounting Policies (Continued)

The Group shall remeasure the lease liability by discounting the revised lease payments using a revised discount rate, if either:

- a) There is a change in the lease term. The Group determine the revised lease payments on the basis of the revised lease term; or
- b) There is a change in the assessment of an option to purchase the underlying asset. The Group determine the revised lease payments to reflect the change in amounts payable under the purchase option.

The Group determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined.

The Group remeasure the lease liability by discounting the revised lease payments, if either:

- a) There is a change in the amounts expected to be payable under a residual value guarantee. The Group determine the revised lease payments to reflect the change in amounts expected to be payable under the residual value guarantee.
- b) there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments. The Group remeasure the lease liability to reflect those revised lease payments only when there is a change in the cash flows.

The Group determines its revised lease payments related to the remaining leasing period considering its payments related to the revised agreement. Under these circumstances, the Group uses an unadjusted interest rate.

The Group recognises the restructuring of the lease as a separate leasing if both of the following are met:

- a) The restructuring extends the scope of the leasing by including the right of use of one or more underlying assets, and
- b) The lease payment amount increases as much as the appropriate adjustments to the price mentioned individually so that the increase in scope reflects the individual price and the terms of the relevant agreement.

Leases with a lease term of 12 months or less and leases of low-value assets determined by the Group are evaluated in scope of the exemption of TFRS 16 and payments associated with those leases are recognised on a straight-line basis as an expense in profit or loss.

Extension and termination options

In determining the lease liability, the Group considers the extension and termination options. The majority of extension and termination options held are exercisable both by the group and by the respective lessor. Extension options are included in the lease term if the lease is a reasonably certain to be extended. The group remeasures the lease term, if a significant event or a significant change in circumstances occurs which affects the initial assessment.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.6 Significant Accounting Policies (Continued)

Revenue recognition

Revenues are recognized in the consolidated financial statements when the performance obligation is satisfied by delivering the committed product or service to the customer and transferring the risks and rewards of ownership of the goods.

The Company recognizes revenue by the five step model framework mentioned below:

- (a) Identification of customer contracts,
- (b) Identification of performance obligations
- (c) Determination of transaction price in the contract,
- (d) Allocation of price to performance obligations,
- (e) Recognition of revenue when the performance obligations are fulfilled.

The Group recognizes revenue from its customers only when all of the following criteria are met:

- (a) The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,
- (b) Company can identify each party's rights regarding the goods or services to be transferred,
- (c) Company can identify the payment terms for the goods or services to be transferred,
- (d) The contract has commercial substance
- (e) It is probable that Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

In the event that the group is entitled to collect a consideration directly corresponding to the value of its completed operation from the customer (in the delivery of products/services), the group takes the amount of revenue in the financial statements as much as it has the right to bill. The group determines and does not make any adjustments as no significant financing component will have an effect on the promised price, as it foresees that the period between the transfer date of the goods or services it has committed to the customer and the date the customer has paid the price of that goods or services will be one year or less at the contract inception.

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost elements included in inventories comprise all costs of purchase and the other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is determined on actual costing basis for trade goods, moving weighted average basis for spare parts and other inventories. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.6 Significant Accounting Policies (Continued)

Property, plant and equipment

Recognition and measurement

Property, plant and equipment are carried at indexed cost less indexed accumulated depreciation. Historical costs include the costs directly related to the acquisition of Property, plant and equipment. As of the date of revaluation, the accumulated depreciation of the relevant tangible asset subject to appraisal is netted with the cost of the asset and followed up over the revalued net book value in subsequent periods. Cost incurred after the acquisition can be added to the net book value of assets or can be booked as another asset if and only if it is probable that the future economic benefits will flow to the Group and cost of the asset can be measured reliably. All other repair and maintenance costs are expensed in consolidated statement of comprehensive income for the period. Depreciation is provided using straight line method base on the estimated useful lives of gross book value of assets.

Land is not depreciated as it is deemed to have indefinite useful life. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Recoverable amount is higher of asset net selling price or value in use. Net selling price is calculated by deducting the selling costs from the fair value of asset. Value in use calculated as the discounted value of the estimated future cash flow the entity expects to derive from the asset. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. Gains or losses on disposal of property, plant and equipment determined by comparing proceeds with their relevant revaluation fund and are included in the retained earnings, appropriate. cost approach has been used in determining the fair value of lands owned by the Group. The fair value increases from revaluation of tangible assets are recognized in gain on revaluation of properties account which is under equity, after the netting of the deferred tax effect.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized within “Investment activity income” or “Investment activity expense” in profit or loss.

Depreciation

The estimated useful lives of property and equipment for the current and comparative years are as follows:

Buildings	25-50 years
Land improvements	4-50 years
Machinery and equipment	5-15 years
Furniture and fixtures	3-15 years
Motor vehicles	4-5 years

Property and equipment are depreciated over the estimated useful lives of the related assets from the date of purchase or the date of setup on a straight-line basis. Useful lives of property and equipment are reviewed at each reporting date and necessary adjustments are applied if necessary.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.6 Significant Accounting Policies (Continued)

Intangible assets

Intangible assets are consisted of rights and software programs. Intangible assets are measured at cost less accumulated amortization and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent expenditures

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss incurred.

Amortization

The estimated useful lives of intangible assets for the current and comparative years are as follows:

Rights	15 years
Software programs	3-5 years

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The useful lives are reviewed at each reporting date and necessary adjustments are applied if necessary.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. As of the date of the report, the properties held for a currently undetermined future use by the Group management, have been classified as investment properties.

Subsequent to initial recognition, at the end of each year when there is an indication of impairment, in accordance with the appraisal reports obtained from licensed real estate appraisal organizations under the Capital Market Legislation, investment properties are stated at fair value which reflects the market conditions as of the statement of financial position date. Gains or losses arising from changes in the fair values of investment properties are included in the consolidated profit or loss in the period in which they arise. Deferred tax (liability)/asset has been calculated from all the temporary differences from investment properties.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property is included in consolidated profit or loss in the period in which the property is derecognized.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.6 Significant Accounting Policies (Continued)

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. The difference between cost value and fair value at the date of the change is recognized as revaluation fund in consolidated statement of other comprehensive income (Note 14).

Assets classified as held-for-sale

In compliance with TAS 31 “Shares in Joint Ventures” and TFRS 5 “Assets Classified as Held For Sale and Discontinuing Operations”, the interests in equity accounted investee which are classified as assets held for sale are accounted for in accordance with TFRS 5. Assets classified as held for sale is accounted for at the lower of its carrying amount (being the net amount of the assets or liabilities directly associated with them) or fair value less costs to sell.

Lease Transactions

A leasing transaction in which a significant portion of the risks and gains of ownership belongs to the lessee is classified as financial leasing. All other leases are classified as operating leases.

Operating lease income is recorded in the profit or loss statement on a straight-line basis throughout the lease period..

Operating lease expenses are recorded in the profit or loss statement on a straight-line basis throughout the lease period. Direct initial costs incurred in realizing and negotiating the lease are also included in the cost of the leased asset and are amortized on a straight-line basis over the lease term.

Tangible assets acquired through financial leasing are recorded as assets in the Company’s assets and as financial liabilities in its liabilities. In determining the amounts included as assets and liabilities in the statement of financial position, the lower of the fair values of the assets and the present values of the lease payments is taken as basis. Financing costs arising from leasing are spread over periods to form a fixed interest rate throughout the leasing period.

Sale and leaseback transactions

Due to the Sale and Leaseback transaction; Within the scope of the “Communique on Common Principles and Separation Right for Significant Transactions (II-23.1)” published by the Capital Market Board in the Official Gazette dated 24.12.2013 and numbered 28861; As stated in Article 12/f titled Situations That Do Not Give rise to the right of withdrawal, “the asset transfer transactions carried out for the purpose of immediate retrieval of the asset subject to the transaction through Financial Lease”, the right of separation does not arise.

Government incentives and aid

As explained below in taxation, the company is exempt from corporate tax since it has real estate investment trust status.

Taxation

Based on Article 5/1(d) (4) of the Corporate Tax Law No. 5520, the profits obtained from real estate investment trusts are exempt from Corporate Tax.

Since the Company’s corporate income is exempt from Corporate Tax in accordance with Article 5 of the Corporate Tax Law, no deferred tax has been calculated.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.6 Significant Accounting Policies (Continued)

Borrowing costs

In accordance with TAS 23 “Borrowing Costs (Revised)”, the borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized by the Group as part of the cost of that asset, until the activities to prepare the qualifying asset for its intended use or sale are complete. Other borrowing costs are recognized in profit or loss within related period by using effective interest rate method expressed in TAS 39 “Financial Instruments: Recognition and Measurement”.

Financial instruments

Classification

The Group classifies the financial assets as three groups such as subsequently measured at amortised cost and fair value through other comprehensive income the classification is made on the basis of the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Group makes the classification of its financial assets on the date of purchase. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Measurement and accounting

“Financial assets measured at amortised cost”, are the financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, not have an active market and non-derivative financial assets. “Cash and cash equivalents”, “trade receivables” are classified as financial assets measured at amortised cost. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Gains and losses recognised as a result of the fair value adjustments of financial assets amortised at cost and non-derivative financial assets are included in the income statement.

“Financial assets measured at fair value through other comprehensive income”, are non-derivative assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company make a choice for the equity instruments during the initial recognition and elect profit or loss or other comprehensive income for the presentation of fair value gain and loss. The Company carried these assets at their fair values. The fair value gains and losses are recognized in other comprehensive income after the deduction of impairment losses and foreign exchange income and expenses. When the financial assets carried at fair value through other comprehensive income are sold, fair value gain or loss classified in other comprehensive income is classified to retained earnings.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.6 Significant Accounting Policies (Continued)

“Gains or losses on a financial asset measured at fair value through other comprehensive income” is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified to retained earnings.

De-recognition of financial instrument

A financial asset is derecognized from the consolidated financial statements where the Group has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset through a sales transaction, any rights created or held by the financial asset transferred by the Group are recognized as a separate asset or liability.

Impairment

The Group accounts for the impairment of trade receivables by using “Expected Credit Loss” (ECL) model. Impairment model is applied for financial assets measured at amortized costs and contractual assets.

Loss provisions are measured according to the following principles;

- 12 months ECL’s: ECL’s arising from default events within 12 months after reporting date.
- Life time ECL’s: ECL’s arising from all possible default events over the expected life time of the financial instrument.

ECL’s of the lifetime is applied at reporting date when the credit risk related to a financial asset increases significantly after initial recognition date. In all other cases where the relevant increase did not occur, 12 month ECL calculation is applied. The Group can determine if the credit risk of the financial asset has a low credit risk at the reporting date, that the credit risk of the financial asset does not increase significantly. However ECL’s of the lifetime (practical expedient) is always valid and applied for the trade receivables and contractual assets that do not contain a significant financing component.

Foreign currency transactions

Transactions in foreign currencies are translated to TL at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to TL at the exchange rate at that date. Foreign currency differences arising on retranslation are recognized in profit or loss.

Assets and liabilities of those Group entities with a different functional currency than the reporting currency of the Group are translated into the reporting currency of the Group at the rate of exchange ruling at the reporting date. The income and expenses of the Group entities are translated into the reporting currency at the average exchange rates for the period. These foreign currency differences are recognized in other comprehensive income, and presented in translation reserve in equity.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.6 Significant Accounting Policies (Continued)

Earnings per share

Earnings per share disclosed in the consolidated income statement are determined by dividing net income by the weighted average number of shares outstanding during the period concerned. Parent company shares owned by the Group are not taken into consideration in the calculation of earnings per share.

In Turkey, companies can increase their share capital through a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings and inflation adjustment. For the purpose of earnings per share computations, the weighted average number of shares in existence during the period has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the period.

Provisions, contingent assets and contingent liabilities

Provisions are recognized when the Group has a present legal or constructive obligation because of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Unless related criteria occur, the Group discloses the related issue in disclosures. Contingent assets are not recognized and solely disclosed until they are realized.

Change and errors in the accounting policies and estimates

Material changes in accounting policies or material errors are corrected; retrospectively by restating the prior period consolidated financial statements. The effect of changes in accounting estimates affecting the current period is recognized in the current period; the effect of changes in accounting estimates affecting current and future periods is recognized in the current and future periods.

Leases

(i) Financial lease

Leases of property and equipment where the Group substantially assumes all the risks and rewards of ownership are classified as finance leases. Financial leases are included in the property and equipment at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments are charged by deducting accumulated depreciation and permanent impairment. Payables arising from financial leases are decreased when the principals are paid as well as the interest payments are recognized in profit or loss statement.

(ii) Operational lease

Leases where a significant portion of the risks and rewards of ownership are retained by the leaser are classified as operating leases. Payments made under operating leases (net off any incentives received from the leaser) are charged to the consolidated profit or loss statement on a straight-line basis over the period of the lease.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.6 Significant Accounting Policies (Continued)

(iii) *Determining whether an arrangement contains a lease*

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease. The following two criteria must be met for a “lease”:

- the fulfillment of the arrangement is dependent on the use of a specific asset or asset(s); and
- the arrangement contains a right to use the asset(s).

At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other considerations required by the arrangement into those for the lease and those for other elements based on their relative fair values. If the Group concludes for a finance lease that is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the Group’s incremental borrowing rate.

Related parties

Parties are considered related to the Group if;

- directly, or indirectly through one or more intermediaries, the party:
 - controls, is controlled by, or is under common control with the Group (this includes parent, subsidiaries and fellow subsidiaries);
 - has an interest in the Group that gives it significant influence over the Group;
 - or has joint control over the Group;
- the party is an associate of the Group;
- the party is a joint venture in which the Group is a venturer;
- the party is member of the key management personnel of the Group and its parent;
- the party is a close member of the family of any individual referred to in (a) or (d);
- the party is an entity that is controlled or significantly influenced by, or for which significant voting power in such entity resides with directly or indirectly, any individual referred to in (d) or (e);
- the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

A number of transactions are entered into with related parties in the normal course of business.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.6 Significant Accounting Policies (Continued)

Segment reporting

Operating segments are reported in a manner consistent with the reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments. Board of Directors is determined as the chief operating decision maker of the Group.

Taxes on income

Taxes include current period income tax liabilities and deferred tax liabilities. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Effective tax rates are used for deferred tax calculation.

Most of temporary differences are derived from the timing differences in recognition of income and expenses between the consolidated financial statements that are prepared in accordance with the principals mentioned in Note 2 and statutory records.

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

When the deferred tax assets and deferred tax liabilities levied by the same taxation authority and there is a legally enforceable right to set off current tax assets against current tax liabilities, deferred tax assets and deferred tax liabilities are offset accordingly.

Transfer pricing regulations

Transfer pricing is disclosed in the 13th clause of the Corporate Tax Law under the heading “veiled shifting of profit” via transfer pricing. The application details are stated in the “general communiqué regarding veiled shifting of profits via transfer pricing” published on 18 November 2007. Veiled shifting of profits via transfer pricing will not be deducted from tax assessment for the purposes of corporate tax.

Tax exposure

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will affect tax expense in the period that such a determination is made.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.6 Significant Accounting Policies (Continued)

The provisions concerning to the "thin capitalization" are stated in the Article 12 of new corporate tax law. According to the Article 12, if the borrowings obtained directly or indirectly from the shareholders of the companies or persons related to shareholders exceeds three times of the shareholders' equity of the company at any time during the related year, the exceeding portion of the borrowing will be treated as thin capital.

The financial borrowings were regarded as thin capitalization provided with;

- The borrowings obtained directly or indirectly from the shareholders of the companies or persons related to shareholders,
- Used for/in the entity,
- Borrowings exceeds three times of the shareholders' equity of the company at any time during the related year.

Employee benefits / Provision for employee termination benefits

In accordance with existing labor law in Turkey, the Group is required to make lump-sum payments to employees who have completed one year of service and whose employment is terminated without cause or who retire. Employee benefits are the estimation of the present value of future probable obligation of the Group arising from the retirement of the employees. It is computed and recognized in the financial statements considering the retirement pay cap and actuarial information.

Cash flow

Cash flows during the period are classified and reported by operating, investing and financing activities in the cash flow statements.

Cash flows from operating activities represent the cash flows generated from the Group's activities.

Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (capital expenditures and financial investments).

Cash flows arising from financial activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

Repurchase and resale transactions

Securities purchased under agreements to resell ("reverse repurchase agreements") are classified under cash and cash equivalents in the consolidated financial statements. The difference between the purchase and resale price of these repurchase agreements is treated as interest income and accrued over the life of the reverse repurchase agreement.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.6 Significant Accounting Policies (Continued)

Treasury shares

Treasury shares is recognized under the equity in accordance with the Communiqué on Buy Backed Shares (II-22.1) announced by CMB and accounted as "Treasury shares" under the equity. Additionally, the Group classifies "Treasury share reserve" in the amount of the value of the reacquired shares under "Restricted reserves appropriated from profits" in accordance with the relevant communiqué.

Dividends

Dividend income is recognized by the Group at the date right to collect the dividend is realized. Dividend payables are recognized after the profit distribution approval in the General Assembly.

Subsequent events

Subsequent events comprised of events that occur between the reporting date and authorization for publication date both in favor of and against the Company. Subsequent events are divided in two:

- as of reporting date there are new evidences that related events exist, and
- evidence that the related events occurred after the reporting date (events that do not require correction subsequently).

As at reporting date, there is new evidence that related events exist or related events occurred subsequently and these events requires correction on consolidated financial statements, the Group corrects its consolidated financial statements in accordance with the new situation. If these subsequent events do not require consolidated financial statements to be corrected, the Group discloses that issues in the footnotes.

2.7 Accounting Estimates

The preparation of the consolidated financial statements requires making judgments estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ the estimations.

Preparation of financial statements in accordance with CMB's Communiqué Serial: II No: 14.1 requires management to make decisions, estimates and assumptions that affect the implementation of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are reviewed and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is stated in the following:

The Group accounts for its investment properties at fair value, and the revalued amounts of these assets are determined by independent valuation institutions authorized by the Capital Markets Board and are taken as basis as the carrying value in the statement of financial position. The critical assessments, estimates and assumptions used in determining the fair value of immovable properties classified as investment properties in the consolidated financial statements are explained below.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.7 Accounting Estimates (Continued)

The Group accounts for its land and buildings at fair value, and the revalued amounts of these assets are determined by independent valuation institutions authorized by the Capital Markets Board and are taken as basis as the carrying value in the statement of financial position. Important assumptions such as the valuation method used in determining fair values, market conditions, the unique characteristics of each plot and land, its physical condition, geographical location and comparable value are used (Note 12).

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

The Group assesses whether there is any impairment indicator in investment properties and compares carrying values of the investment property with the fair value determined in the valuation report obtained by a property appraiser company licensed by CMB (Note 14).

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

2.7 Accounting Estimates (Continued)

The data in the discounted price list are used to calculate inventory impairment. If expected net realizable value is less than cost, the Group allocates provisions for inventory impairment (Note 10).

To calculate the provisions for legal claims, the probability of losing the case and the liabilities that would arise if the case is lost, is evaluated by the Group's Legal Counselor and by the Group management team taking into account the expert opinions. The management determines the amount of the provisions based on the best estimates (Note 15).

The warranties on vehicles sold by the Group are issued by the original equipment manufacturers ("OEM"). The Group acts as an intermediary between the customers and the OEM. The claims of customers from the Group are recognized as warranty expense. The Group recognizes the amount claimed from the OEM's as warranty income and offset against warranty expense. The Group incurs the cost that is not paid by the manufactures. Accordingly, the Group recognizes the estimated liability for the difference between possible warranty claims of customers and possible warranty claims from the manufacturers based on historical service statistics (Note 15).

Deferred tax asset is recognized to the extent that taxable profit will be available, against which the deductible temporary differences can be utilized. When taxable profit is probable, deferred tax assets is recognized for all temporary differences.

To calculate the employee benefit provision, actuarial assumptions relating to turnover ratio, discount rate and salary increase are used. Calculation details are given in Employee Benefits (Note 16).

NOTE 3 - JOINT VENTURES

The Group accounts for its interests in joint ventures indicated in Note 2.3 through equity method. Therefore, financial information regarding to aforementioned joint ventures are presented in Note 11 "Investments in Equity Accounted Investees".

NOTE 4 - OPERATING SEGMENTS

Operating segments have been determined based on the reports reviewed by the steering committee that make strategic decisions.

Group management believes that risk and rewards of the Group is strictly related with the changes in automotive sector and determined the Group's primary segments according to operation types. The Group have taken into account the nature of the operations in the Group's field of activity, the operating segments are determined as automotive and real estate. Group's operating activities include importing, marketing and selling passenger and commercial vehicles, spare parts of Volkswagen Group brands VW, Audi, Seat, Cupra, Porsche, Bentley, Lamborghini, Meiller, Scania, Scania Power Solutions, Wielton semi-trailers and Thermoking climate control systems and used car operations in Turkey through its dealer network under the brand name DOD. The field of activity under the real estate operation is to operate a portfolio consisting of real estate based assets and rights.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

NOTE 4 - OPERATING SEGMENTS (Continued)

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

Accounting policies for certain types of transactions differ for management reporting from those used in preparation of the consolidated financial statements:

Warranty expenses and provision for legal matters have been included in the operating results when they are realized. Provisions for employee termination benefits expenses represent the undiscounted estimated future obligation of the Group arising from the retirement of the employees. Inventories are carried at cost. Depreciation and amortization which are not computed on a pro-rata basis are recognized in profit or loss on a straight-line method over the estimated useful lives of tangible and intangible assets and leases are considered straight-line rent expense under the related financial statement line items.

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

2023	Passenger segment	Real estate segment	Elimination between segments	Total
Revenue from external customers	148,779,188	548,510	(82,817)	149,244,881
Cost of sales	(117,029,783)	(85,150)	-	(117,114,933)
Gross profit	31,749,405	463,360	(82,817)	32,129,948
General administration expenses	(3,617,311)	(52,676)	-	(3,669,987)
Marketing expenses	(3,783,589)	-	-	(3,783,589)
Depreciation expenses	(1,212,025)	(3,657)	-	(1,215,682)
Other income from operating activities, net	1,736,859	1,532,840	(99,485)	3,170,214
Operating income	24,873,338	1,939,867	(182,301)	26,630,904

2022	Passenger segment	Real estate segment	Elimination between segments	Total
Revenue from external customers	88,091,586	476,660	(81,113)	88,487,132
Cost of sales	(69,932,625)	(82,057)	-	(70,014,682)
Gross profit	18,158,961	394,602	(81,113)	18,472,450
General administration expenses	(2,608,788)	(44,130)	-	(2,652,918)
Marketing expenses	(2,235,036)	-	-	(2,235,036)
Depreciation expenses	(929,050)	(3,543)	-	(932,593)
Other income from operating activities, net	1,379,659	2,683,073	-	4,062,732
Operating income	13,765,747	3,030,002	(81,113)	16,714,635

The Group management assesses the performance of the operating segments based on the measure of operating income. The measurement basis excludes the effects of non-recurring expenses (i.e. restructuring expenses and one-offs) from the operating income. The measurement basis also excludes the share of profit of equity accounted investees. Finance income and costs are not allocated to segments, as this type of activity is driven by the central finance function of the Group.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

NOTE 5 - CASH AND CASH EQUIVALENTS

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

	2023	2022	2021
Cash on hand	55	200	347
Cash at banks	7,643,553	5,574,348	9,262,124
- Demand deposits	5,442,531	2,168,940	9,016,136
- Time deposits	2,190,908	3,394,600	244,572
- Other cash and cash equivalents	10,114	10,808	1,416
Total	7,643,608	5,574,548	9,262,471

As of 31 December 2023, average effective interest rate on TL and EUR denominated time deposits are 39.30% and 0.01% - 0.45% respectively (31 December 2022: TL 20.84% and EUR 0.01% - 1.80%) and (31 December 2021: TL 18.05%, USD 0.25% and EUR 0.01% - 0.45%) , As at 31 December 2023, the maturity range valid for TL and EUR time deposits are 3 - 4 days and 3 - 87 days (31 December 2022: TL 3 days and EUR 32 - 66 days) and (31 December 2022: TL 3 days, USD 32 days and EUR 3 - 4 days) respectively.

There is no blocked deposit as at 31 December 2023, 2022 and 2021.

Foreign currency risk exposure of cash and cash equivalents are presented under Note 29.

NOTE 6 - FINANCIAL INVESTMENTS

6.1 Short-term financial investments

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

	2023	2022	2021
FX protected time deposit	1,258,102	3,350,972	-
Total	1,258,102	3,350,972	-

6.2 Long-term financial investments

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

	2023		2022		2021	
	Ownership interest (%)	Carrying amount	Ownership interest (%)	Carrying amount	Ownership interest (%)	Carrying amount
Doğuş Holding A.Ş. ("Doğuş Holding")	3.69	3,370,993	3.69	3,865,454	3.69	2,251,455
Total		3,370,993		3,865,454		2,251,455

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

NOTE 6 - FINANCIAL INVESTMENTS (Continued)

As of 31 December 2023, since Doğu Holding is not publicly traded, fair value of Doğu Holding is determined by using current market information's for publicly traded companies under Doğu Holding governance. Fair value of Doğu Holding is also determined by using other valuation methods such as nominal values, net carrying amount, acquisition price and discounted cash flows for non-public companies under Doğu Holding governance. Discounts were applied on the net asset value of Doğu Holding.

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

	2023	2022
Balance at 1 January	3,865,454	2,251,455
Change in fair value of financial assets measured at fair value through other comprehensive income	(494,461)	1,613,999
Balance at 31 December	3,370,993	3,865,454

NOTE 7 - BORROWINGS

As at 31 December, financial liabilities with the effective interest rates, comprise the following:

	2023		2022		2021	
	Interest rate (%)	Amount	Interest rate (%)	Amount	Interest rate (%)	Amount
Short-term bank borrowings:						
TL denominated interest borrowings	46.01	2,571,420	21.13	3,597,665	21.30	7,322,649
Total		2,571,420		3,597,665		7,322,649

	2023		2022		2021	
	Interest rate (%)	Amount	Interest rate (%)	Amount	Interest rate (%)	Amount
Short term portion of long term borrowings:						
TL denominated interest borrowings	35.70	90,571	15.51	94,511	12.29	979,857
EUR denominated interest borrowings (*)	9.81	1,721,862	8.26	358,788	4.65	124,560
Total		1,812,433		453,299		1,104,417

	2023		2022		2021	
	Interest rate (%)	Amount	Interest rate (%)	Amount	Interest rate (%)	Amount
Long-term bank borrowings:						
TL denominated interest borrowings	35.70	40,580	13.53	72,416	-	-
EUR denominated interest borrowings (*)	8.74	5,365,065	6.78	1,924,231	4.65	3,254,488
Total		5,405,645		1,996,647		3,254,488

(*) On 17 February 2022, the Group obtained a green loan amounting to EUR 8,750,000 full from HSBC Bank for the purpose of importing Porsche branded Taycan model vehicles.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

NOTE 7 - BORROWINGS (Continued)

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

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

Payment period	31.12.2023	31.12.2022	31.12.2021
2022	-	-	1,104,417
2023	-	453,299	122,727
2024	1,852,526	333,180	135,000
2025	1,392,216	109,523	149,318
2026	2,715,358	1,553,944	2,847,443
2027	877,278	-	-
2028	380,700	-	-
Total	7,218,078	2,449,946	4,358,905

Foreign currency, interest and liquidity risk exposure of financial liabilities are presented under Note 29.

Lease transactions including effective interest rate information as 31 December are summarized below:

	Minimum lease payments			Present value of minimum lease payments		
	31 December 2023	31 December 2022	31 December 2021	31 December 2023	31 December 2022	31 December 2021
Lease Borrowings						
In a year	174,940	176,409	219,705	169,978	171,422	152,912
Between two and five years	918,436	661,532	878,819	738,546	574,859	689,610
More than five years	-	396,921	659,117	-	298,740	610,534
Minus: Future financial expenses	(184,852)	(189,841)	(304,584)	-	-	-
Present value of the lease obligation	908,524	1,045,021	1,453,057	908,524	1,045,021	1,453,056
Minus: Payable within 12 months						
Debts (shown in the short-term debts section)				(169,978)	(171,422)	(152,912)
Debts to be paid after 12 months				738,546	873,599	1,300,144

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

As of the balance sheet date, the fair value of the asset subject to financial leasing is 2,775,000 TL. (31 December 2022: 2,588,294 TL)

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

NOTE 7 - BORROWINGS (Continued)

Movements of financial borrowings as 31 December 2023 and 2022 are summarized below:

Bank Borrowings	2023	2022
Balance at 1 January	7,092,632	13,134,610
Additions during the period	5,523,806	3,911,643
Payments during the period	(2,450,734)	(5,662,940)
Foreign exchange (gains) / losses	3,973,367	881,157
Changes in interest accrual	231,134	(65,488)
Monetary gain / (loss)	(3,672,183)	(5,106,350)
Balance at 31 December	10,698,022	7,092,632

As of 31 December 2023 and 2022, the details of the financial lease liabilities are as follows:

	2023		2022		2021	
	Interest rate (%)	Amount	Interest rate (%)	Amount	Interest rate (%)	Amount
Short term portion of long term leases:						
TL leases	23.89	37,984	19.45	38,346	19.82	110,331
EUR leases	6.82	2,775	6.82	2,621	-	-
Total		40,759		40,967		110,331
	2023		2022		2021	
	Interest rate (%)	Amount	Interest rate (%)	Amount	Interest rate (%)	Amount
Long term leases:						
TL leases	23.89	40,825	19.45	40,472	19.82	80,891
EUR leases	6.82	846	6.82	3,652	-	-
Total		41,671		44,124		80,891

Movements of financial lease liabilities for the year ended 31 December are summarized below:

Lease Liabilities	2023	2022
Balance at 1 January	85,091	191,222
Additions	130,441	56,081
Payments	(118,978)	(101,497)
Disposals	(1,471)	(6,828)
Interest expenses	33,011	21,365
Foreign exchange gain / loss	3,880	1,857
Monetary gain loss	(49,544)	(77,109)
Balance at 31 December	82,430	85,091

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

8.1 Trade Receivables

As at 31 December, trade receivables due from third parties are consisted of the following:

	2023	2022	2021
Trade receivables	4,238,400	1,333,939	1,021,197
Allowance for doubtful receivables (-)	(20,720)	(34,396)	(47,556)
Total	4,217,680	1,299,543	973,641

As at 31 December 2023, the Group charges 4% monthly interest to the dealers regarding overdue receivables (31 December 2022: 4%) and (31 December 2021: 4%).

The movement of individually impaired receivables is as follows:

	2023	2022
Balance as at 1 January	34,396	47,556
Additions	1,819	7,334
Provisions released (-)	(945)	(1,145)
Recoveries during the year (-)	(1,247)	(751)
Monetary gain loss	(13,303)	(18,598)
Balance at 31 December	20,720	34,396

Guarantees received for trade receivables due from non-related parties

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

As at 31 December 2023, TL 981,016 of trade receivables due from third parties are covered via letters of guarantee (31 December 2022: TL 242,603) and (31 December 2021: TL 267,008)

As at 31 December 2023, overdue trade receivables due from non-related parties that are not impaired amount to TL 87,878 (31 December 2022: TL 54,101) and (31 December 2021: TL 6,496), TL 7 of such overdue receivables are covered via guarantee letters (31 December 2022: TL 2,622) and (31 December 2021: TL 907).

As at 31 December 2023, the Group's average maturity of trade receivables due from third parties is 31 days (31 December 2022: 26 days) and (31 December 2021: 15 days).

Credit and foreign currency exposure of trade receivables are presented under Note 29.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

8.2 Trade Payables

As at 31 December, trade payables to third parties consist of the following:

	2023	2022	2021
Payables to OEM companies	4,094,311	3,824,919	2,069,702
Payables to dealers (*)	1,573,680	986,611	541,498
Other trade payables (**)	1,121,153	740,971	414,143
Other expense accruals	24,752	19,350	18,183
Total	6,813,896	5,571,851	3,043,526

OEM's provide a credit option to the Group up to 1 year, which is free from interest for 10 days. The OEM's charge the Group an interest of 4.75% per annum for trade payables not settled within 10 days (31 December 2022: 1.65% per annum) and (31 December 2021: 0.50% per annum).

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

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

Foreign currency and liquidity risk exposure of trade payables are presented under Note 29.

NOTE 9 - OTHER RECEIVABLES

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

	2023	2022	2021
Warranty claims and price difference receivables (*)	400,018	207,979	282,966
Receivables due to insurance claims	60,783	69,776	67,779
Other	21,209	8,185	47,713
Total	482,010	285,940	398,458

(*) Warranty receivables represent the receivable of the warranty expenses related to the vehicles imported by the Group. As at 31 December 2023, the other receivables that has not been billed are TL 273,546 (31 December 2022: TL 53,404) and (31 December 2021: TL 153,476)

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

NOTE 10 - INVENTORIES

As at 31 December, inventories comprise of the following:

	2023	2022	2021
Goods in transit (*)	4,914,876	4,711,815	2,171,041
Merchandise stocks - vehicles	4,863,155	1,493,342	2,453,012
Merchandise stocks - spare parts	947,551	949,697	1,130,172
	10,725,582	7,154,854	5,754,225
Provision for diminution in the value of inventories (-)	(75,984)	(16,242)	(30,036)
Total	10,649,598	7,138,612	5,724,189

(*) Goods in transit comprise of vehicles and spare parts, custom transactions of which have not been completed yet, but risks and rewards of which have been transferred to the Group.

The cost of inventories recognized as expense and included in cost of sales amounted to TL 116,140,304 for the year ended 31 December 2023 (31 December 2022: TL 69,277,655).

The Group has provided provision for damaged and slow-moving items in inventories. The current year stock provision is included in “cost of sales”. The movement of provision for diminution in the carrying value of inventories is provided below:

	2023	2022
Balance at 1 January	16,242	30,036
Additions in the current period	59,742	(13,794)
Balance at 31 December	75,984	16,242

NOTE 11 - INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

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

	2023		2022		2021	
	Ownership (%)	Carrying amount	Ownership (%)	Carrying amount	Ownership (%)	Carrying amount
Associates						
VDF Servis	48.79	5,573,037	48.79	3,528,744	48.79	2,646,499
Yüce Auto	50.00	1,491,330	50.00	718,407	50.00	277,270
Doğuş Sigorta	42.00	225,149	42.00	242,063	42.00	157,173
Doğuş Teknoloji	21.76	176,292	21.76	132,860	21.76	133,909
Total		7,465,808		4,622,074		3,214,851
Joint ventures						
TÜVTURK Kuzey - Güney	33.33	1,048,386	33.33	577,761	33.33	665,953
Total		1,048,386		577,761		665,953
Grand total		8,514,194		5,199,835		3,880,804

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2023 unless otherwise indicated.)

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

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

	2023	2022
Balance at 1 January	5,199,835	3,880,804
Shares in profits of associates, net	3,268,684	1,594,320
Shares in profits of joint ventures, net	652,251	267,037
Change in fair value of available-for-sale financial assets held by associates	(39,944)	98,707
Dividend income from associates	(865,008)	(270,425)
Dividend income from joint ventures	(371,780)	(337,731)
Participation in capital increase of associates and joint ventures	428,679	5,550
Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method	53,092	-
Intangible asset revaluation increases (decreases) of investments accounted for by equity method.	193,078	-
Shares of other comprehensive income of associates and joint ventures	(8,687)	(28,556)
Deferred tax effect in relation to change in fair value of available-for-sale financial assets held by associates	3,994	(9,871)
Balance at 31 December	8,514,194	5,199,835

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

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

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

	2023								
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Income	Expenses (-)	Net profit/(loss)
Investment in associates	24,929,110	17,846,134	42,775,244	26,983,280	328,636	27,311,916	45,641,441	(39,101,611)	6,539,830
Joint ventures	1,899,180	5,962,849	7,862,029	2,404,764	2,312,107	4,716,871	16,265,045	(14,308,096)	1,956,949
	2022								
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Income	Expenses (-)	Net profit/(loss)
Investment in associates	18,945,831	9,523,111	28,468,942	22,596,874	412,266	23,009,140	22,144,014	(19,498,646)	2,645,368
Joint ventures	1,052,503	5,449,399	6,501,902	1,800,076	2,968,542	4,768,618	10,636,880	(9,835,687)	801,193

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

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

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

		2023							
		Cash and cash equivalents	Short-term financial liabilities	Long-term financial liabilities	Revenues	Amortization and depreciation expenses	Interest income	Interest expense	Tax expense
Investment in associates		5,014,795	20,252,870	135,167	41,149,561	(404,707)	1,012,256	(1,092,222)	442,596,955
Joint ventures		939,309	22,112	82,545	15,940,188	(420,214)	273,127	(67,923)	(98,894)
		2022							
		Cash and cash equivalents	Short-term financial liabilities	Long-term financial liabilities	Revenues	Amortization and depreciation expenses	Interest income	Interest expense	Tax expense
Investment in associates		3,275,661	18,812,304	221,662	21,183,358	(301,664)	73,692	(269,466)	(32,777)
Joint ventures		429,715	23,292	53,746	10,486,509	(372,482)	107,598	(49,656)	(520,414)

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 12 – PROPERTY, PLANT AND EQUIPMENT

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

	1 January 2023	Additions	Disposals	Transfers	Transfer from investment properties	Fair value adjustment	31 December 2023
Cost:							
Land	2,149,024	-	(485,075)	-	-	2,450,952	4,114,901
Land improvements	81,989	3,295	(84)	1,464	-	-	86,664
Buildings	4,795,629	-	(519,268)	29,027	(269,190)	287,836	4,324,034
Machinery and equipments	491,568	83,690	(88,110)	6,889	-	-	494,037
Motor vehicles	2,668,059	963,129	(162,462)	367	-	-	3,469,093
Furniture and fixtures	583,933	133,156	(91,698)	86,149	-	-	711,540
Leasehold improvements	470,547	1,469	(174,392)	222,286	-	-	519,910
Constructions in progress	112,263	333,453	(882)	(394,433)	-	-	50,401
	11,353,012	1,518,192	(1,521,971)	(48,251)	(269,190)	2,738,788	13,770,580
Accumulated depreciation:							
Land improvements	(54,548)	(3,740)	58	-	-	58,230	-
Buildings	(794,497)	(91,513)	105,883	-	-	780,127	-
Machinery and equipments	(234,370)	(45,118)	41,837	-	-	-	(237,651)
Motor vehicles	(910,065)	(554,184)	91,722	-	-	-	(1,372,527)
Furniture and fixtures	(256,224)	(86,365)	57,118	-	-	-	(285,471)
Leasehold improvements	(184,738)	(42,730)	75,602	-	-	-	(151,866)
	(2,434,442)	(823,650)	372,220	-	-	838,357	(2,047,515)
Carrying amount	8,918,570						11,723,065

Total depreciation expense amounting to TL 823,650 has been allocated to general administrative expenses in the consolidated profit or loss statement for the year ended 31 December 2023 (31 December 2022: TL 610,323).

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 12 – PROPERTY, PLANT AND EQUIPMENT (Continued)

The movements in property, plant and equipment and related accumulated depreciation for the year ended 31 December 2022 are as follows:

	1 January 2022	Additions	Disposals	Transfers	31 December 2022
Cost:					
Land	2,149,024	-	-	-	2,149,024
Land improvements	80,418	1,527	-	45	81,990
Buildings	4,250,962	232,448	-	312,220	4,795,630
Machinery and equipments	385,856	102,188	(1,879)	5,403	491,568
Motor vehicles	1,609,363	1,156,628	(97,932)	-	2,668,059
Furniture and fixtures	402,761	126,651	(22,394)	76,915	583,933
Leasehold improvements	414,950	2,294	(8,914)	62,216	470,546
Constructions in progress	20,381	552,705	(636)	(460,187)	112,263
	9,313,715	2,174,441	(131,755)	(3,388)	11,353,013
Accumulated depreciation:					
Land improvements	(48,903)	(5,645)	-	-	(54,548)
Buildings	(714,388)	(80,109)	-	-	(794,497)
Machinery and equipments	(199,909)	(36,041)	1,580	-	(234,370)
Motor vehicles	(565,688)	(392,184)	47,807	-	(910,065)
Furniture and fixtures	(223,373)	(53,566)	20,714	-	(256,225)
Leasehold improvements	(147,925)	(42,778)	5,965	-	(184,738)
	(1,900,186)	(610,323)	76,066	-	(2,434,443)
Carrying amount	7,413,529				8,918,570

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 13 – INTANGIBLE ASSETS

The movements in intangible assets and related accumulated amortization during the year ended 31 December 2023 are as follows:

	1 January 2023	Additions	Disposals	Transfers	31 December 2023
Cost:					
Rights and software	926,651	370,486	(372)	48,251	1,345,016
	926,651	370,486	(372)	48,251	1,345,016
Accumulated amortization:					
Rights and software	(554,790)	(271,231)	196	-	(825,825)
	(554,790)	(271,231)	196	-	(825,825)
Carrying amount	371,861				519,191

Total amortization expense amounting to TL 271,231 for the year ended 31 December 2023 has been allocated to general administrative expenses in consolidated profit or loss statement (31 December 2022: TL 204,995).

The movements in intangible assets and related accumulated amortization during the year ended 31 December 2022 are as follows:

	1 January 2022	Additions	Disposals	Transfers	31 December 2022
Cost:					
Rights and software	675,360	247,903	-	3,388	926,651
	675,360	247,903	-	3,388	926,651
Accumulated amortization:					
Rights and software	(349,795)	(204,995)	-	-	(554,790)
	(349,795)	(204,995)	-	-	(554,790)
Carrying amount	325,565				371,861

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 14 – INVESTMENT PROPERTY

Fair values of investment properties as of 31 December 2023 are as follows:

Real estate name	Valuation method	Valuation report date	Expert value
Gebze Center Mall	“Discounted cash flow”	27 December 2023	4,022,960
Gebze Center Hotel	“Discounted cash flow”	27 December 2023	667,150
Gebze Center Showroom and Service Area	“Discounted cash flow”	27 December 2023	271,150
Gebze Land	“Market Approach”	27 December 2023	21,000
D-Ofis Maslak	“Discounted cash flow”	27 December 2023	2,775,000
Doğuş Center Maslak	“Discounted cash flow”	27 December 2023	769,784
Doğuş Center Etiler	“Discounted cash flow”	27 December 2023	280,320
Kartal Kule	“Cost Approach”	20 December 2023	988,340
Ankara Etimesgut	“Cost Approach”	27 December 2023	463,070
Kayseri Sağiroğlu	“Cost Approach”	26 December 2023	6,958
Total			10,265,732

Fair values of investment properties as of 31 December 2022 are as follows:

Real estate name	Valuation method	Valuation report date	Expert value
Gebze Center Mall	“Discounted cash flow”	23 December 2022	2,896,593
Gebze Center Hotel	“Discounted cash flow”	23 December 2022	625,330
Gebze Land	“Market Approach”	23 December 2022	22,244
D-Ofis Maslak	“Discounted cash flow”	23 December 2022	2,588,294
Doğuş Center Maslak	“Discounted cash flow”	23 December 2022	698,112
Doğuş Center Etiler	“Discounted cash flow”	23 December 2022	248,354
Kartal Kule	“Cost Approach”	01 December 2022	975,546
Ankara Etimesgut	“Cost Approach”	01 December 2022	332,602
Total			8,387,075

Fair values of investment properties as of 31 December 2021 are as follows:

Real estate name	Valuation method	Valuation report date	Expert value
Gebze Center Mall	“Discounted cash flow”	30 December 2021	1,650,919
Gebze Center Hotel	“Discounted cash flow”	30 December 2021	191,495
Gebze Land	“Market Approach”	30 December 2021	15,312
D-Ofis Maslak	“Discounted cash flow”	28 December 2021	1,952,599
Doğuş Center Maslak	“Discounted cash flow”	28 December 2021	657,110
Doğuş Center Etiler (*)	“Discounted cash flow”	28 December 2021	945,281
Kartal Kule	“Cost Approach”	22 December 2021	651,169
Ankara Etimesgut	“Cost Approach”	22 December 2021	170,511
Total			6,234,396

(*) As of 31 December 2021, it was classified under “Assets Classified as Held for Sale”.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 14 – INVESTMENT PROPERTY (Continued)

The fair value movement table of active investment properties as of December 2023 and 2022 is as follows:

	2023	2022
1 January	8,387,075	5,289,115
Additions	273,148	13,681
Disposals	-	11,436
Income from increase of investment properties (Not 23.1)	1,605,509	3,072,843
31 January	10,265,732	8,387,075

As of 31 December 2023, 2022 and 2021, the total insurance amounts on investment properties are EUR 476,756, EUR 366,340 and EUR 458,281 in Euro, respectively.

As of 31 December 2023, the TL equivalent of the total insurance amount on investment properties is 15,529,802 TL (31 December 2022: 12,033,286 TL) and (31 December 2021: 18,714,108 TL).

The rental income of 493,768 TL obtained by the company from its investment properties in the current period is shown in the revenue income in consolidated statement profit or loss (31 December 2022: 402,820 TL)

There is a mortgage of 100,000 EUR on investment properties (31 December 2022: 100,000 EUR) and (31 December 2021: 100,000 EUR).

NOTE 15 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

15.1 Short-Term Provisions

The breakdown of short-term provisions as at 31 December is presented below:

	2023	2022	2021
Legal provisions	88,101	104,239	135,674
Warranty provisions	25,169	32,688	43,635
Other provisions	2,710,060	1,733,409	893,218
Total	2,823,330	1,870,336	1,072,527

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 15 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

The breakdown of long-term provisions as at 31 December is presented below:

	2023	2022	2021
Warranty provisions	216,782	156,831	190,677
Total	216,782	156,831	190,677

The movements of provisions during the year are as follows:

	Balance at 1 January 2023	Provision set during the year	Provisions no longer required	Paid during the year	Monetary gain/loss	Balance at 31 December 2023
Legal provisions	104,239	43,011	(419)	(10,853)	(47,877)	88,101
Other provisions	1,733,409	3,464,959	(210,655)	(1,134,333)	(1,143,320)	2,710,060
Warranty provisions (*)	189,519	607,885	-	(445,591)	(109,862)	241,951
Total	2,027,167	4,115,855	(211,074)	(1,590,777)	(1,301,059)	3,040,112

	Balance at 1 January 2022	Provision set during the year	Provisions no longer required	Paid during the year	Monetary gain/loss	Balance at 31 December 2022
Legal provisions	135,674	36,184	-	(10,594)	(57,025)	104,239
Other provisions	893,218	2,052,375	(56,372)	(587,435)	(568,377)	1,733,409
Warranty provisions (*)	234,312	448,340	-	(392,832)	(100,301)	189,519
Total	1,263,204	2,536,899	(56,372)	(990,861)	(725,703)	2,027,167

(*) Warranty expenses which paid during the year regarding with the warranty provisions, also include revenues from spare parts sales to dealers and the movement comprise of both long term and short term warranty provisions.

15.2 Collaterals / Pledges / Mortgages / Bill of Guarantees Given

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

	Total TL equivalent	2023			
		Original balances			
		Full TL	Full USD	Full Euro	Full CHF
A. Total amount of CPMB given on behalf of own legal personality	17,439,116	5,185,663,470	-	376,173,962	-
B. Total amount of CPMB given in favor of partnerships which is consolidated	47,688	47,688,196	-	-	-
C. Total amount of CPMB given for assurance of third parties debts in order to conduct of usual business activities	244,304	-	-	7,500,000	-
D. Total amount of other CPMB	-	-	-	-	-
i. Total amount of CPMB given in favor of parent company	-	-	-	-	-
ii. The amount of CPMB given in favor of other group companies which B and C don't comprise	-	-	-	-	-
iii. The amount of CPMB given in favor of 3 rd parties which C doesn't comprise	-	-	-	-	-
Total CPMB	17,731,108	5,233,351,666	-	383,673,962	-

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 15 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Other CPMBs given by the Group as at 31 December 2023 are equivalent to 0% of the Company's equity (31 December 2022: 0%).

As at 31 December 2023, CPMB amounting to TL 26,000 was given in favor of partnerships within the scope of consolidation is related to general loan agreements (31 December 2022: TL 42,841) and (31 December 2021: TL 70,375)

In return for the loan amounting to EUR 100,000 from Credit Europe Bank (CEB) in 2018, there is a first degree mortgage in favor of CEB on the Gebze Center Shopping Mall, Hotel and Showroom real estate (31 December 2022: EUR 100,000) and (31 December 2021: EUR 100,000).

As at 31 December 2022 and 2021, the Group's position related to letters of collaterals / pledges / mortgages / bill of guarantees guarantee given, pledges and mortgages ("CPMB") are as follows:

	Total equivalent (*)	2022			
		Original balances			
		Full TL	Full USD	Full Euro	Full CHF
A. Total amount of CPMB given on behalf of own legal personality	9,294,125	102,480,642	-	279,829,372	-
B. Total amount of CPMB given in favor of partnerships which is consolidated	67,292	67,292,170	-	-	-
C. Total amount of CPMB given for assurance of third parties debts in order to conduct of usual business activities	246,355	-	-	7,500,000	-
D. Total amount of other CPMB	-	-	-	-	-
i. Total amount of CPMB given in favor of parent company	-	-	-	-	-
ii. The amount of CPMB given in favor of other group companies which B and C don't comprise	-	-	-	-	-
iii. The amount of CPMB given in favor of 3 rd parties which C doesn't comprise	-	-	-	-	-
Total CPMB	9,607,772	169,772,812	-	287,329,372	-
	Total TL equivalent (*)	2021			
		Original balances			
		Full TL	Full USD	Full Euro	Full CHF
A. Total amount of CPMB given on behalf of own legal personality	14,465,625	177,805,835	-	349,887,700	-
B. Total amount of CPMB given in favor of partnerships which is consolidated	118,781	118,780,923	-	-	-
C. Total amount of CPMB given for assurance of third parties debts in order to conduct of usual business activities	306,266	-	-	7,500,000	-
D. Total amount of other CPMB	-	-	-	-	-
i. Total amount of CPMB given in favor of parent company	-	-	-	-	-
ii. The amount of CPMB given in favor of other group companies which B and C don't comprise	-	-	-	-	-
iii. The amount of CPMB given in favor of 3 rd parties which C doesn't comprise	-	-	-	-	-
Total CPMB	14,890,672	296,586,758	-	357,387,700	-

(*) Previous year's TL equivalent amounts of guarantees with original balance amounts in foreign currency have been prepared in terms of 2023 purchasing power.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

15.3 Collaterals / Pledges / Mortgages / Bill of Guarantees Received

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

	2023	2022	2021
Letters of guarantees received from fixed asset and service suppliers	225,374	300,547	242,682
Letters of guarantees received from dealers	327,244	261,938	256,762
Letter of guarantees received from fleet customers	896,500	72,436	68,480
Letter of guarantees received from lessees	56,981	49,391	65,738
Total	1,506,099	684,312	633,662

NOTE 16 - EMPLOYEE BENEFITS

The breakdown of short-term provisions related to employee benefits as at 31 December is presented below:

	2023	2022	2021
Provision for unused vacation	87,693	77,034	59,729
Provision for employee termination benefits	102,486	247,565	141,177
Total	190,179	324,599	200,906

The movements of provision for unused vacation for the year ended 2023 and 2022 are as follows:

	Balance at 1 January 2023	Provision set during the year	Provisions no longer required	Paid during the year	Monetary gain/loss	Balance at 31 December 2023
Unused vacation liability provision	77,034	69,915	-	(17,566)	(41,690)	87,693
Total	77,034	69,915	-	(17,566)	(41,690)	87,693

	Balance at 1 January 2022	Provision set during the year	Provisions no longer required	Paid during the year	Monetary gain/loss	Balance at 31 December 2022
Unused vacation liability provision	59,729	50,365	-	(2,191)	(30,869)	77,034
Total	59,729	50,365	-	(2,191)	(30,869)	77,034

The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. TFRS require actuarial valuation methods to be developed to estimate enterprises' obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 16 - EMPLOYEE BENEFITS (Continued)

	2023	2022	2021
Discount rate	2.94%	0.50%	3.64%
Turnover rate to estimate the probability of retirement	91.45%	90.75%	90.87%

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. The liability cap amounting to TL 23,489.83 full has been taken into consideration in calculating the provision (31 December 2022: TL 25,327.90 full). The movements in the provision for employee termination benefits for the years ended 31 December are as follows:

	2023	2022
Balance at 1 January	247,565	141,177
Interest cost	59,451	9,216
Current service cost	17,022	23,122
Actuarial gains / losses, net	21,747	144,025
Paid during the year (-)	(160,165)	(14,574)
Monetary gain / loss	(83,134)	(55,401)
Balance at 31 December	102,486	247,565

The movements in employee termination benefits are recognized under personnel expenses in consolidated profit or loss statement and actuarial losses are recognized under other comprehensive income.

NOTE 17 - PREPAYMENTS / DEFERRED INCOME

17.1 Short-Term Prepayments

As at 31 December, short-term prepayments comprise of the following:

	2023	2022	2021
Prepaid expenses	149,844	154,561	111,304
Advances given	54,110	38,311	9,229
Total	203,954	192,872	120,533

17.2 Long-Term Prepayments

As at 31 December, long-term prepayments comprise of the following:

	2023	2022	2021
Prepaid expenses	48,525	26,837	45,887
Advances given	16,191	-	24,006
Total	64,716	26,837	69,893

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 17 - PREPAYMENTS / DEFERRED INCOME (Continued)

17.3 Deferred Income

As at 31 December 2023 deferred income comprise of the advances received from customers amounting to TL 83,256 (31 December 2022: TL 102,277) and (31 December 2021: TL 50,833), repair and maintenance packages amounting to TL 337,656 (31 December 2022: TL 200,572) and (31 December 2021: TL 124,828), and other deferred income amounting to TL 303,487 (31 December 2022: TL 178,680) and (31 December 2021: TL 11,320). As of 31 December 2023, long term deferred income amounting to TL 414,426 (31 December 2022: TL 200,992) and (31 December 2021: TL 119,304) consists of repair and maintenance packages, contribution income and other income.

NOTE 18 - OTHER CURRENT LIABILITIES

As at 31 December, other current liabilities comprise of the following:

	2023	2022	2021
VAT payable	1,364,713	873,395	442,852
Other current liabilities	10,850	5,673	3,406
Total	1,375,563	879,068	446,258

NOTE 19 - EQUITY

Issued Capital

As at 31 December 2023, the registered capital of the Company is TL 220,000 (31 December 2022: TL 220,000). The paid-in share capital of the Company comprises of 220,000,000 units of registered shares with a nominal value of TL 1 each. There is no different type of share and no privilege given to specific shareholders. The Company's registered authorized capital ceiling is TL 660,000.

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

Shareholders	2023		2022		2021	
	TL	Shareholding (%)	TL	Shareholding (%)	TL	Shareholding (%)
Doğuş Holding A.Ş.	144,100	65.50	144,100	65.50	165,585	75.27
Doğuş Otomotiv Servis ve Ticaret A.Ş. (*)	6,085	2.77	21,485	9.77	22,000	10.00
Publicly traded	69,815	31.73	54,415	24.73	32,415	14.73
Paid-in capital	220,000	100.00	220,000	100.00	220,000	100.00
Inflation adjustment difference	3,093,868		3,093,868		3,093,868	
Total	3,313,868		3,313,868		3,313,868	

(*) In accordance with communique of CMB, the group reclaimed 22,000,000 shares corresponding to 10% of its capital in 2016. Of the reclaimed shares, it sold 514,993 shares corresponding to 0.23% of its capital in 2022 and 15,400,000 shares corresponding to 7% of its capital in 2023 on the Borsa İstanbul using the special order method.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 19 – EQUITY (Continued)

Restricted reserves appropriated from profits

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

	PPI indexed legal records	CPI indexed amounts	Differences followed in previous years' profit and loss
Capital adjustment differences	6,648,943	3,093,868	(3,555,075)
Premium / discount on shares	3,109,607	2,405,361	(704,246)
Restricted reserves allocated from profit	1,254,639	2,378,715	1,124,075
Total	11,013,189	7,877,944	(3,135,246)

Under the Turkish Commercial Code, Turkish companies are required to set aside first and second level legal reserves out of their profits. First level legal reserves are set aside as up to 5% of the distributable income per the statutory accounts each year. The ceiling of the first level reserves is 20% of the paid-in share capital. In case of a profit distribution in accordance with CMB regulations, second level legal reserves are set aside by rate of 1/10 for all cash distribution exceeding 5% of the share capital. In case of a profit distribution in accordance with statutory records, second level legal reserves are set aside by rate of 1/11 for all cash distribution exceeding 5% of the share capital.

Under the Turkish Commercial Code, first and second level legal reserves cannot be distributed until they exceed 50% of the capital, but the reserves can solely be used for offsetting the losses in case of running out of arbitrary reserves. In accordance with CMB Regulations, legal reserves shall presented under "restricted reserves appropriated from profits". As at 31 December 2023, the legal reserves of the Group amounted to TL 2,378,715 (31 December 2022: TL 3,348,695) and (31 December 2021: TL 3,084,066)

Treasury shares

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

Gains (Losses) on remeasurements of defined benefit plans

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 19 - EQUITY (Continued)

Retained earnings / (Accumulated losses)

Accumulated profits other than net current year profit and extraordinary reserves are classified under retained earnings. As at 31 December 2023, retained earnings are TL 19,418,821 (31 December 2022: TL 9,120,871) and (31 December 2021: TL 11,881,453).

	2023	2022
Balance at 1 January	9,120,871	11,881,453
Transfer of 2022 profit	15,612,776	-
Dividend payment	(5,216,130)	(2,754,997)
Transfer to reserves	(552,093)	(273,080)
Business combinations under common control	-	449
Increase (decrease) through treasury shares transactions	453,397	267,046
Balance at 31 December	19,418,821	9,120,871

	1 January 2022 - before inflation accounting amount (*)	1 January 2022 - after inflation accounting (**) (***)	1 January 2022 - before inflation accounting (except 2022 net profit/loss) ¹	1 January 2022 - after inflation accounting (***)
Retained earnings	3,170,945	12,984,969	839,364	12,984,969

(*) The relevant amount must be the cumulative (including net profit/loss figure) previous years' profits/losses for the year 31.12.2021 without inflation adjustment.

(**) Adjustment differences arising from the first transition to inflation accounting

(***) Amounts should be expressed in 31.12.2023 purchasing power.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 19 - EQUITY (Continued)

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

Financial assets measured at fair value through other comprehensive income are recognized in consolidated financial statements at their fair values. The valuation differences realized at the reporting date in carrying amount of the financial assets is recognized in “gains (losses) on remeasuring and/or reclassification of financial assets measured at fair value through other comprehensive income” account under equity in the consolidated financial statements. As at 31 December 2023, gains (losses) on remeasuring and/or reclassification of financial assets measured at fair value through other comprehensive income of the Group amounted to TL 1,182,775 (31 December 2022: TL 1,627,789) and (31 December 2021: TL 175,191).

Foreign currency translation differences

Foreign currency translation differences comprise the foreign currency exchange rate differences arising from the translation of the financial statements on foreign currencies from functional currency to the presentation currency of the Group. As at 31 December 2023, the Group has no foreign currency translation differences. (31 December 2022: TL 37,336) and (31 December 2021: TL 23,229).

Dividend

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

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

Additionally, dividends can be paid via equal or different installments and companies can distribute dividend advances based on profits at financial statements.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 19 - EQUITY (Continued)

Dividend (Continued)

In the General Assembly Meeting which was held on 28 March 2023, it has been decided to distribute cash dividends amounting to TL 4,215,324 to shareholders on previous year's distributable profit which was calculated by deducting legal reserves from period income. It has been decided that TL 288,900 of the net profit of the period will not be distributed and be kept within the Company as "legal reserve". With the authorisation granted to the Board of Directors at the Group's General Assembly dated 28 March 2023, the company decided to distribute 2,879,527 TL as dividend advance by deducting the legal reserves from the interim period net profit between 01 January 2023 - 30 June 2023, and the dividend advanced was paid.

Non-controlling interests

Equity in a subsidiary that is not attributable, directly or indirectly, to a parent is classified under the "non-controlling interests" in the consolidated financial statements. As at 31 December 2023, 2022 and 2021, the related amounts in the "non-controlling interests" account in the consolidated financial statements are TL 506,573, TL 366,503 and TL 114,525 respectively. In addition, net profit or loss in a subsidiary that is not attributable, directly or indirectly, to a parent is also classified under the "non-controlling interests" in the consolidated profit or loss statement.

NOTE 20 - SALES AND COST OF SALES

For the years ended 31 December, gross profit comprise of the following:

	2023	2022
Vehicle sales	140,334,417	78,886,795
Spare part sales	14,036,767	12,415,771
Service sales	842,226	662,768
Other	493,768	402,820
Sales return (-)	(94,390)	(67,394)
Sales discounts (-)	(6,367,907)	(3,813,628)
Net sales	149,244,881	88,487,132
Cost of sales	(117,114,933)	(70,014,682)
Gross profit	32,129,948	18,472,450

NOTE 21 - MARKETING EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

The breakdown of operating expenses for the years ended 31 December is presented below:

	2023	2022
General administration expenses	4,885,669	3,585,511
Marketing expenses	3,783,589	2,235,036
Total	8,669,258	5,820,547

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 21 - MARKETING EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES (Continued)

21.1 Marketing Expenses

The breakdown of marketing expenses for the years ended 31 December is presented below:

	2023	2022
Personnel expenses	1,360,167	830,597
Distribution expenses	1,077,879	543,932
Advertising expenses	629,528	361,831
Warrant expenses, net	598,444	429,138
Customer service expenses	61,068	51,283
Support expenses	56,503	18,255
Total	3,783,589	2,235,036

21.2 General Administrative Expenses

The breakdown of general administration expenses for the years ended 31 December is presented below:

	2023	2022
Personnel expenses	2,587,417	1,904,963
Depreciation and amortization expenses	1,215,682	932,593
Maintenance expenses	239,986	159,238
Building expenses	229,986	236,802
Donation expenses	108,683	13,063
Insurance expenses	67,132	47,369
Consultancy expenses	60,658	49,547
Travelling expenses	44,204	20,943
Litigation and compensation expenses	38,685	33,091
Vehicle expenses	36,414	41,684
Taxes and duties	25,748	18,218
Communication expenses	8,547	7,637
Other	222,527	120,363
Total	4,885,669	3,585,511

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 22 - EXPENSES BY NATURE

The breakdown of the expenses by nature for the years ended 31 December is presented below:

	2023	2022
Cost of trade goods	116,140,304	69,277,655
Personnel expenses	3,947,584	2,735,560
Depreciation and amortization expenses	1,215,682	932,593
Distribution expenses	1,077,879	543,932
Service costs	974,629	737,027
Advertisement and promotion expenses	629,528	361,831
Warranty expenses, net	598,444	429,138
Maintenance expenses	239,986	159,238
Building expenses	229,986	236,802
Donations	108,683	13,063
Insurance expenses	67,132	47,369
Consultancy expenses	60,658	49,547
Customer service expenses	61,068	51,283
Support expenses	56,503	18,255
Travelling expenses	44,204	20,943
Litigation expenses	38,685	33,091
Vehicle expenses	36,414	41,684
Other	256,822	146,218
Total	125,784,191	75,835,229

Fees for Services Received from Independent Auditor / Independent Audit Firms

The Group's disclosure regarding the fees for the services received from the independent audit firms, which is based on the letter of POA dated 19 August 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on 30 March 2021, are as follows:

	2023	2022
Audit and assurance fee	4,151	2,428
Other assurance services fee	818	241
Other service fee apart from audit	57	218
Total	5,026	2,887

The fees above have been determined through including the legal audit and other related service fees of all subsidiaries and joint ventures.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 23 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

23.1 Other Income from Operating Activities

The breakdown of other income from operating activities for the years ended 31 December is presented below:

	2023	2022
Income from increase of investment properties	1,605,509	3,072,843
Foreign exchange gains other than financing activities, net	1,305,500	1,062,222
Service income	459,387	148,242
Commission income	229,586	236,465
Insurance damage income	41,215	28,280
Other	748,001	304,074
Total	4,389,198	4,852,126

23.2 Other Expense from Operating Activities

The breakdown of other expense from operating activities for the years ended 31 December is presented below:

	2023	2022
Commission expenses	435,680	328,734
After sales expenses	329,336	191,371
Service expenses	221,553	76,517
Interest expense, net	122,760	39,046
Insurance damage expenses	31,313	21,593
Destruction expenses	1,483	6,062
Other foreign exchange losses other than financing activities, net	2,197	3,546
Other	74,662	122,525
Total	1,218,984	789,394

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 24 - INVESTMENT ACTIVITY INCOME AND EXPENSES

The breakdown of income from investment activities for the years ended 31 December is presented below:

	2023	2022
Gain on interest and foreign exchange	662,278	364,894
Gain on sale of property and equipment	-	69,190
Total	662,278	434,084

The breakdown of expense from investment activities for the years ended 31 December is presented below:

	2023	2022
Loss on sale of property and equipment	30,587	-
Total	30,587	-

NOTE 25 - FINANCE INCOME AND EXPENSES

The breakdown of finance expenses for the years ended 31 December is presented below:

	2023	2022
Interest expense on borrowings	1,555,542	1,347,688
Commission expenses on letters of guarantee	219,708	182,161
Foreign exchange losses on borrowings, net	3,973,367	948,304
Interest expense on lease liabilities (Note 7)	33,011	21,365
Other	116,747	87,629
Total	5,898,375	2,587,147

The breakdown of finance income for the years ended 31 December is presented below:

	2023	2022
Financial income	707,221	169,227
Total	707,221	169,227

NOTE 26 - TAX ASSET AND LIABILITIES

Turkish tax legislation does not allow for the submission of tax returns over consolidated financial statements prepared by the parent company, which include its subsidiaries and associates. Accordingly tax considerations reflected in these consolidated financial statements have been calculated separately for each of the companies in the scope of the consolidation.

The Corporate Tax Law was amended by Law No.5520 dated 13 September 2006. Most of the articles of the new Corporate Tax Law in question, No.5520, have come into force effective from 1 January 2006. Corporation tax is payable at a rate of 25% for 31 December 2022 on the total income of the Company and its subsidiaries registered in Turkey after adjusting for certain disallowable expenses, exempt income and investment and other allowances (e.g. research and development allowance). No further tax is payable unless the profit is distributed (except for withholding tax at the rate of 19.8%, calculated on an exemption amount if an investment allowance is granted in the scope of Income Tax Law temporary article 61).

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 26 - TAX ASSET AND LIABILITIES (Continued)

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is do not considered as a profit distribution.

Corporations are required to pay advance corporation tax quarterly at the valid rate on their corporate income. Advance tax is declared by the 14th and paid by the 17th of the second month following each calendar quarter end. Advance tax paid during the year is offset against the annual corporation tax payable, which is calculated over the corporate tax return declared in the following year. If, despite offsetting, there remains an amount for advance tax amount paid, it may be refunded or offset against other liabilities to the government. Dividend income of a resident arising from the investments in another resident is not subject to corporate tax (Except mutual funds participation certificate and dividend income from mutual fund).

Accordingly, income items complying with the abovementioned rules and included in accounting profit or loss are taken into account in corporate tax computation.

In determining the tax base, in addition to abovementioned exceptions, exceptions indicated in article 8 of Corporate Tax Law and article 40 of Income Tax Law are also taken into account.

There is no such application for the reconciliation of payable taxes with the tax authority. Corporate tax returns are submitted to the related tax office by the 25th day of the 4th month following the month when the accounting period ends.

Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue reassessments based on their findings.

Losses can be carried forward for offsetting against future taxable income for up to 5 years.

50% of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property, which has remained in assets for more than two full years, are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to held in a fund account and it must not be withdrawn from the entity for a period of 5 years. The cost of the sale has to be collected up until the end of the second calendar year following the year the sale was realized.

For the years ended 31 December, taxation charge comprise of the following:

	2023	2022
Current tax income / (expense)	(5,919,599)	(3,232,095)
Deferred tax income / (expense)	(198,484)	1,402,262
Total tax expense	(6,118,083)	(1,829,833)

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 26 - TAX ASSET AND LIABILITIES (Continued)

For the years ended 31 December, the tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Group as follows:

	2023	2022
Profit before tax	25,880,233	17,694,587
Income tax using the Company's domestic tax rate	(6,470,058)	(4,069,756)
Disallowable expenses	(19,770)	(72,648)
Share of profit in equity accounted investees exempt from deferred tax calculation	980,234	428,113
Inflation accounting adjustment exempt from deferred tax calculation	(1,670,537)	1,126,108
Corporate income exemption from real estate investment trusts	461,512	912,061
Affiliate sales income exemption	-	(220,117)
Adjustments for deferred tax effects recognized in other comprehensive income	579,284	
Other	21,252	66,406
Total tax expense	(6,118,083)	(1,829,833)

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

Deferred taxes

As at 31 December, deferred tax assets and liabilities are attributable to the items detailed in the table below:

	Deferred tax asset		Deferred tax liability		Net deferred tax assets/(liabilities)	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Fair value change of available-for sale financial assets	-	-	(137,297)	(190,736)	(137,297)	(190,736)
Investment properties carried at fair value	-	-	(344,163)	-	(344,163)	-
Other tangible and intangible assets	-	690,405	(78,768)	-	(78,768)	690,405
Warranty provision, net	60,488	37,904	-	-	60,488	37,904
Legal provision	14,809	15,701	-	-	14,809	15,701
Provision for diminution in value of inventories	-	-	(49,131)	(21,033)	(49,131)	(21,033)
Employee termination benefit	46,563	48,903	-	-	46,563	48,903
Unused vacation liability	951	14,660	-	-	951	14,660
Other	31,395	12,098	-	-	31,395	12,098
Total deferred tax asset/(liabilities)	154,206	819,671	(609,359)	(211,769)	(455,153)	607,902
Net off tax	(47,363)	(205,450)	47,363	205,450	-	-
Total deferred tax assets/(liabilities)	106,843	614,221	(561,996)	(6,319)	(455,153)	607,902

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 26 - TAX ASSET AND LIABILITIES (Continued)

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

	1 January 2023	Recognized in the profit or loss	Recognized in other comprehensive income	31 December 2023
Fair value change of available for sale financial assets	(190,737)	-	53,440	(137,297)
Investment properties carried at fair value	-	579,284	(923,447)	(344,163)
Other tangible and intangible assets	690,406	(769,174)	-	(78,768)
Warranty provision, net	37,904	22,584	-	60,488
Legal provision	15,701	(892)	-	14,809
Provision for diminution in value of inventories	(21,033)	(28,098)	-	(49,131)
Employee termination benefit	48,903	(7,776)	5,436	46,563
Unused vacation liability	14,660	(13,709)	-	951
Other	12,098	19,297	-	31,395
	607,902	(198,484)	(864,571)	(455,153)

The movements in temporary differences as at 31 December 2022 are as follows:

	1 January 2022	Recognized in the profit or loss	Recognized in other comprehensive income	31 December 2022
Fair value change of available for sale financial assets	(19,466)	-	(171,270)	(190,737)
Investment properties carried at fair value	-	-	-	-
Other tangible and intangible assets	(587,689)	1,278,094	-	690,405
Warranty provision, net	48,175	(10,270)	-	37,904
Legal provision	21,473	(5,772)	-	15,701
Provision for diminution in value of inventories	(98,264)	77,231	-	(21,033)
Employee termination benefit	27,746	(7,425)	28,581	48,903
Unused vacation liability	11,346	3,314	-	14,660
Other	(54,994)	67,090	-	12,099
	(651,673)	1,402,262	(142,689)	607,902

As at 31 December 2023, current income tax liabilities amounting to TL 189,009 (31 December 2022: TL 565,585) and (31 December 2021: TL 702,718) is comprised by tax provision for the year ended 31 December 2023.

As at 31 December 2023, the Group has TL 585 period tax assets. (31 December 2022: TL 598) and (31 December 2021: TL 697).

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 27 - EARNINGS PER SHARE

Earnings per share is calculated by dividing net income attributable to equity holders of the Company for the period by the weighted average number of shares of the Company available during the period. For the years ended 31 December, earnings per share are calculated as follows:

	2023	2022
Net profit attributable to the equity holders of the Company	19,622,080	15,612,776
Number of basic shares	205,264,456	199,674,319
Basic / diluted earnings per share (in full TL)	95.5941	78.1912

NOTE 28 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

28.1 Due from related parties

28.1.1 Due from associates

	2023	2022	2021
Yüce Auto	51,528	22,7402	13,726
VDF Servis	101	148	-
Total	51,629	22,888	13,726

28.1.2 Due from joint ventures

	2023	2022	2021
TÜVTURK	60	9,044	27
Total	60	9,044	27

28.1.3 Due from other related parties

	2023	2022	2021
VDF Faktoring Hizmetleri A.Ş. ("VDF Faktoring")	8,169,226	4,152,704	1,754,040
VDF Sigorta Aracılık Hizmetleri A.Ş.	11,036	6,884	3,846
VDF Filo Kiralama A.Ş.	356,040	3,867	2,555
VDF	5,532	229	148
Other	19,001	27,965	36,783
Total	8,560,835	4,191,649	1,797,372

28.1.4 Due from shareholders

	2023	2022	2021
Doğuş Holding	49,135	2,536	75,517
Total	49,135	2,536	75,517

Grand total	8,661,659	4,226,117	1,886,642
--------------------	------------------	------------------	------------------

As at 31 December 2023, the Group imposes 2.37% interest charge on the receivables from related parties (31 December 2022: 1.91% per month) and (31 December 2021: 1% per month).

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 28 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

28.2 Other receivables due from related parties

28.2.1 Other current receivables due from associates

	2023	2022	2021
Doğuş Teknoloji	3,747	4,457	12,771
Total	3,747	4,457	12,771

28.2.2 Other current receivables due from other related parties

	2023	2022	2021
VDF Filo Kiralama A.Ş. (sublease receivables)	25,047	17,206	11,123
Total	25,047	17,206	11,123

Grand total	28,794	21,663	23,894
--------------------	---------------	---------------	---------------

28.2.3 Other non-current receivables due from related parties

	2023	2022	2021
VDF Filo Kiralama A.Ş. (sublease receivables)	23,648	1,187	3,974
Total	23,648	1,187	3,974

28.3 Current prepayments due from related parties

28.3.1 Current prepaid expenses to related parties

28.3.1.1 Current prepaid expenses to associates

	2023	2022	2021
Doğuş Teknoloji	11,384	12,534	2,119
Total	11,384	12,534	2,119

28.3.1.2 Current prepaid expenses to other related parties

	2023	2022	2021
Pozitif Arena Salon İşletmeleri A.Ş.	26,358	26,805	23,881
Antur Turizm A.Ş.	3,381	1,590	41
Pozitif Müzik A.Ş.	205	914	874
Diğer	548	70	-
Total	30,492	29,379	24,796

28.3.1.3 Current prepaid expenses to shareholders

	2023	2022	2021
Doğuş Holding	1,441	2,839	2,450
Total	1,441	2,839	2,450
Grand total	43,317	44,752	29,365

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 28 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

28.3 Current prepayments due from related parties (Continued)

28.3.2 Non- Current prepaid expenses to related parties

28.3.2.1 Non-current prepaid expenses

	2023	2022	2021
Doğuş Teknoloji	3,766	4,638	1,269
Antur Turizm	1	-	-
Pozitif Arena Salon İşletmeleri A.Ş.	-	11,242	11,382
Pozitif Müzik A.Ş.	-	214	1,077
Total	3,767	16,094	13,728

28.3.3 Advances given

28.3.3.1 Advances given to other related parties

	2023	2022	2021
Doğuş Yayın Grubu A.Ş.	-	-	2,225
Total	-	-	2,225

28.4 Trade payables due to related parties

28.4.1 Trade payables due to associates

	2023	2022	2021
Yüce Auto	1,099,488	204,533	250,003
Doğuş Teknoloji	138,810	74,194	32,718
Total	1,238,298	278,727	282,721

28.4.2 Trade payables due to joint ventures

	2023	2022	2021
TÜVTURK	-	7	-
Total	-	7	-

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 28 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

28.4 Trade payables due to related parties (Continued)

28.4.3 Trade payables due to other related parties

	2023	2022	2021
VDF	190,612	36	26
Antur Turizm A.Ş.	98,878	19,097	5,752
Doğuş Verimlilik ve Merk. Satın Alm. Hizm. Tic. A.Ş.	14,798	11,224	750
Doğuş İnşaat ve Ticaret A.Ş.	7,579	3,587	-
VDF Filo Kiralama A.Ş.	5,388	25,978	3,516
Nahita Restaurant İşletmeciliği ve Yatırım A.Ş.	4,077	4,426	4,758
VDF Faktoring	2,692	1,445	1,131
TDB Kalibrasyon Hizmetleri A.Ş.	1,668	1,712	455
Semanticum Bilişim Sanayi ve Ticaret A.Ş.	19	672	1,058
Diğer	1,500	2,176	4,729
Total	327,211	70,353	22,175

28.4.4 Trade payables due to shareholders

	2023	2022	2021
Doğuş Holding	141,507	156,914	155,607
Total	141,507	156,914	155,607
Grand total	1,707,016	506,001	460,503

28.4.5 Other payables due to shareholders

	2023	2022	2021
Doğuş Holding	-	37,074	-
Total	-	37,074	-

28.5 Deferred income from related parties

28.5.1 Deferred income from shareholders

	2023	2022	2021
Doğuş Holding	1,060	-	-
Total	1,060	-	-

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 28 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

28.6 Related party transactions

The amounts of transactions made with related parties as of December 31 are as follows:

28.6.1 Associates

Sales and other income generating transactions:	2023	2022
Other income	441,985	186,726
Sale of products and returns, net	200,341	138,004
Sale of services, net	3,331	2,747
Financial income	1,116	2,239
Total	646,773	329,716
Purchases and expenses incurring transactions:	2023	2022
Inventory purchase	7,268,725	2,675,462
Other purchases	458,490	338,790
Fixed asset purchases	446,491	276,720
Services rendered	145,174	96,255
Other expenses	16,500	4,068
Total	8,335,380	3,391,295

28.6.2 Joint ventures

Sales and other income generating transactions:	2023	2022
Sale of products and returns, net	7,144	23,238
Sale of service, net	386	213
Other income	8	19
Total	7,538	23,470
Purchases and expense creating transactions:	2023	2022
Inventory purchases	11,080	-
Services purchases	378	133
Other purchases	3	14
Total	11,461	147

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER**

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 28 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)**28.6 Related party transactions (Continued)****28.6.3 Other related parties****a) Income generated from other related parties**

	2023					
	Sale of products	Sale of services	Sale of fixed assets	Other income from operating activities	Financial income	Total
VDF Filo	2,920,589	26,840	-	14,262	-	2,961,691
VDF Sigorta	5	3	-	63,505	-	63,513
VDF Faktoring	-	-	-	-	-	-
Other	111,205	854	11	14,517	-	126,587
	3,031,799	27,697	11	92,284	-	3,151,791

	2022					
	Sale of products	Sale of services	Sale of fixed assets	Other income from operating activities	Financial income	Total
VDF Filo	756,189	23,755	-	3,175	-	783,119
VDF Sigorta	-	3	-	50,691	-	50,694
VDF Faktoring	-	-	-	-	-	-
Other	108,757	1,869	13	8,049	285	118,973
	864,946	25,627	13	61,915	285	952,786

b) Expenses arising from transactions with other related parties

	2023						
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Consumer loan incentive expenses
Antur Turizm	297,102	-	5,787	-	8	61,885	-
VDF Faktoring	-	-	-	31,446	-	-	-
VDF Sigorta	648	-	-	-	1	11	-
VDF Filo	48,038	-	135,052	-	11	-	-
Other	52,655	15,896	7,082	-	7,436	47,479	244,091
	398,443	15,896	147,921	31,446	7,456	109,375	244,091

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 28 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

28.6 Related party transactions (Continued)

	2022							
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Consumer loan incentive expenses	Total
Antur Turizm	95,795	-	-	-	19	20,676	-	116,490
VDF Faktoring	-	-	-	19,081	-	-	-	19,081
VDF Sigorta	-	662	-	-	1,547	2	-	2,211
VDF Filo	49,280	387	228,751	-	216	-	-	278,634
Other	34,401	17,982	2,485	234	929	34,574	-	90,605
	179,476	19,031	231,236	19,315	2,711	55,252	-	507,021

28.6.4 Transactions with shareholders

a) Income generated from shareholders

	2023				
	Sale of Products	Sale of services	Sale of fixed assets	Financial income	Total
Doğuş Holding	143,925	6,013	1	53,281	203,220
	143,925	6,013	1	53,281	203,220

	2022				
	Sale of products	Sale of services	Sale of fixed assets	Financial income	Total
Doğuş Holding	129,797	6,383	484	-	136,664
	129,797	6,383	484	-	136,664

b) Expenses arising from transactions with shareholders

	2023					
	Services rendered	Purchase of fixed assets	Financial expense	Purchase of inventory	Other expense	Total
Doğuş Holding	57,418	-	24,710	1,817	3,643	87,588
	57,418	-	24,710	1,817	3,643	87,588

	2022					
	Services rendered	Purchase of fixed assets	Financial expense	Purchase of inventory	Other expense	Total
Doğuş Holding	27,921	1,987	48,423	-	2,460	80,791
	27,921	1,987	48,423	-	2,460	80,791

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 28 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

28.7 Key Management Personnel Compensation

	2023	2022	2021
Salaries and other short-term employee benefits	731,350	488,504	99,704
Total	731,350	488,504	99,704

The Group classifies members of the Board of Directors and senior executives who have administrative responsibilities as key management personnel, since they are responsible for the planning, management and control of the Group's operations.

Remuneration of Board of Directors and senior executive who have administrative responsibilities, for the period ended 31 December 2023 and 2022 includes salaries, health insurance and employer shares of Social Security Institution.

NOTE 29 - FINANCIAL INSTRUMENTS

Financial instruments and capital risk management

Financial risk factors

The Group's objectives are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other shareholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's capital structure includes payables including loans and respectively cash and cash equivalents, paid-in capital, reserves and retained earnings.

The board of directors monitors the return on capital and the level of dividends to ordinary shareholders.

The Group monitors its share capital by using financial liability to equity ratio. The ratio is calculated by dividing financial liabilities deducting to cash and cash equivalents to equity. Total of financial liabilities comprises entire current and non-current financial liabilities whereas total equity comprises each equity item on the statement of financial position.

The following table sets out the Group's financial liability to equity ratio as at 31 December:

	2023	2022	2021
Total financial liabilities	10,780,452	7,177,723	13,325,832
Cash and cash equivalents	(7,643,608)	(5,574,548)	(9,262,471)
Total financial liabilities, net	3,136,844	1,603,175	4,063,361
Total equity	41,845,590	31,621,026	18,254,226
Financial liabilities / equity ratio	0.07	0.05	0.22

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

The risk management program is applied by the Company and its subsidiaries, joint ventures and associates in line with the policies set by the Board of Directors.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 29 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

(a) Credit risk

The Group's significant portions of receivables from dealers are collected through VDF Faktoring. The receivables from dealers through VDF Faktoring are collected when they are due and these are irrevocable transactions.

The credit risk arising from dealers' and other customers' transactions are followed by the management and these risks are limited for each debtor. These risks arising from relevant receivables are guaranteed with proper instruments (Note 8).

31 December 2023	Receivables				Bank deposits	Derivative instruments	Other
	Trade receivables		Other receivables				
	Related parties	Other parties	Related parties	Other parties			
Exposure to maximum credit risk as at reporting date (A+B+C+D) (*)	8,661,659	4,217,680	52,442	482,410	7,643,553	-	-
- Guaranteed portion of the maximum exposure	-	981,016	-	-	-	-	-
A. Net carrying amount of financial assets which are neither impaired nor overdue (**)	8,660,856	4,129,802	52,442	482,410	7,643,553	-	-
B. Net carrying amount of financial assets which are overdue but not impaired (***)	803	87,878	-	-	-	-	-
C. Net carrying amount of impaired assets	-	-	-	-	-	-	-
- Past due (gross book value)	-	20,720	-	-	-	-	-
- Impairment (-)	-	(20,720)	-	-	-	-	-
- Guaranteed portion of net values (*)	-	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Guaranteed portion of net values (*)	-	981,016	-	-	-	-	-
D. Off financial statement items with credit risks (****)	-	-	-	-	-	-	-

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

(**) As at 31 December 2023 and 31 December 2022, information regarding to credit quality of trade receivables which are not past due or not impaired and restructured are indicated in Note 8.

(***) As at 31 December 2023 and 31 December 2022, information regarding to aging of receivables which are past due but not impaired are indicated in the table of aging analysis of receivables which are past due but not impaired.

(****) As at 31 December 2023 and 31 December 2022, maximum level of credit risk born in relation to letter of guarantees given in favor of related parties are indicated.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 29 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

31 December 2022	Receivables				Bank deposits	Derivative instruments	Other
	Trade receivables		Other receivables				
	Related parties	Other parties	Related parties	Other parties			
Exposure to maximum credit risk as at reporting date (A+B+C+D) (*)	4,226,117	1,299,543	22,850	286,597	5,574,348	-	-
- Guaranteed portion of the maximum exposure	-	242,603	-	-	-	-	-
A. Net carrying amount of financial assets which are neither impaired nor overdue (**)	4,223,306	1,245,442	22,850	286,597	5,574,348	-	-
B. Net carrying amount of financial assets which are overdue but not impaired (***)	2,811	54,101	-	-	-	-	-
C. Net carrying amount of impaired assets	-	-	-	-	-	-	-
- Past due (gross book value)	-	34,396	-	-	-	-	-
- Impairment (-)	-	(34,396)	-	-	-	-	-
- Guaranteed portion of net values (*)	-	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Guaranteed portion of net values (*)	-	242,603	-	-	-	-	-
D. Off financial statement items with credit risks (****)	-	-	-	-	-	-	-

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

(**) As at 31 December 2023 and 31 December 2022, information regarding to credit quality of trade receivables which are not past due or not impaired and restructured are indicated in Note 8.

(***) As at 31 December 2023 and 31 December 2022, information regarding to aging of receivables which are past due but not impaired are indicated in the table of aging analysis of receivables which are past due but not impaired.

(****) As at 31 December 2023 and 31 December 2022, maximum level of credit risk born in relation to letter of guarantees given in favor of related parties are indicated.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 29 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

31 December 2021	Receivables				Bank deposits	Derivative instruments	Other
	Trade receivables		Other receivables				
	Related parties	Other parties	Related parties	Other parties			
Exposure to maximum credit risk as at reporting date (A+B+C+D) (*)	1,886,642	973,641	27,868	399,529	9,262,124	-	-
- Guaranteed portion of the maximum exposure	-	267,008	-	-	-	-	-
A. Net carrying amount of financial assets which are neither impaired nor overdue (**)	1,883,359	967,145	27,868	399,529	9,262,124	-	-
B. Net carrying amount of financial assets which are overdue but not impaired (***)	3,283	6,496	-	-	-	-	-
C. Net carrying amount of impaired assets	-	-	-	-	-	-	-
- Past due (gross book value)	-	47,556	-	-	-	-	-
- Impairment (-)	-	(47,556)	-	-	-	-	-
- Guaranteed portion of net values (*)	-	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Guaranteed portion of net values (*)	-	267,008	-	-	-	-	-
D. Off financial statement items with credit risks (****)	-	-	-	-	-	-	-

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

(**) As at 31 December 2023, 31 December 2022 and 31 December 2021, information regarding to credit quality of trade receivables which are not past due or not impaired and restructured are indicated in Note 8.

(***) As at 31 December 2023, 31 December 2022 and 31 December 2021, information regarding to aging of receivables which are past due but not impaired are indicated in the table of aging analysis of receivables which are past due but not impaired.

(****) As at 31 December 2023, 31 December 2022 and 31 December 2021, maximum level of credit risk born in relation to letter of guarantees given in favor of related parties are indicated.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 29 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Aging of past due receivables that are not impaired

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

31 December 2023	Receivables		Deposits on banks	Derivative instruments	Other
	Trade receivables	Other receivables			
Past due 1-30 days	88,681	-	-	-	-
Past due 1-3 months	-	-	-	-	-
Past due 3-12 months	-	-	-	-	-
Past due 1-5 years	-	-	-	-	-
More than 5 years	-	-	-	-	-
Portion of assets overdue secured by guarantee etc.	7	-	-	-	-

31 December 2022	Receivables		Deposits on banks	Derivative instruments	Other
	Trade receivables	Other receivables			
Past due 1-30 days	56,912	-	-	-	-
Past due 1-3 months	-	-	-	-	-
Past due 3-12 months	-	-	-	-	-
Past due 1-5 years	-	-	-	-	-
More than 5 years	-	-	-	-	-
Portion of assets overdue secured by guarantee etc.	2,622	-	-	-	-

31 December 2021	Receivables		Deposits on banks	Derivative instruments	Other
	Trade receivables	Other receivables			
Past due 1-30 days	9,779	-	-	-	-
Past due 1-3 months	-	-	-	-	-
Past due 3-12 months	-	-	-	-	-
Past due 1-5 years	-	-	-	-	-
More than 5 years	-	-	-	-	-
Portion of assets overdue secured by guarantee etc.	907	-	-	-	-

(b) Liquidity risk

Liquidity risk management refers to capacity of holding adequate amount of cash and marketable securities, adequate credit lines and ability to close out market position.

Risk of funding current and potential requirements is mitigated by ensuring the availability of adequate number of creditworthy lending parties. The Group, in order to minimize liquidity risk, holds adequate cash and available line of credit (including factoring capacity). In this regard, as at 31 December 2023, the Group have lines of credit amounting to EUR 1,275,686, USD 317,000, CHF 5,000 and TL 4,032,500 (31 December 2022: lines of credit amounting to EUR 1,095,686, USD 317,000, CHF 5,000 and TL 6,644,468) and (31 December 2021: lines of credit amounting to EUR 1,034,686, USD 307,000, CHF 5,000, TL 10,914,841). The utilized portions of the aforementioned total credit lines are disclosed in Note 7.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 29 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

In addition, the Group has a non-cash credit line obtained from underwriting banks amounting to EUR 276,100 equivalent to TL 8,993,654 (31 December 2022: EUR 179,700 equivalent to TL 5,902,663 and 31 December 2021: EUR 249,735 equivalent to TL 10,198,040) that enables the Group to perform credit purchases from original equipment manufacturers with an option to pay in 12 months. The Group's credit card purchase limit amounting to EUR 123,025, amounting to TL 4,007,393 are utilized (31 December 2022: EUR 105,020, amounting to TL 3,449,632 and 31 December 2021: EUR 51,070, amounting to TL 2,085,475 is used).

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

Contractual maturities	Carrying amount	Total contractual cash outflows	2023			
			Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Loans and borrowings	8,154,811	11,730,313	1,747,866	3,285,240	6,697,207	-
Trade payables to related parties	1,707,016	1,707,016	1,707,016	-	-	-
Other payables to third parties	4,283	4,283	492	-	3,791	-
Other payables to related parties	-	-	-	-	-	-
Trade payables to third parties	6,813,896	6,813,896	2,889,420	3,924,476	-	-
Employee benefit obligations	219,943	219,943	219,943	-	-	-
Lease liabilities	2,625,641	1,204,196	58,722	170,219	963,385	11,870
Other current liabilities (*)	10,851	10,851	10,851	-	-	-
Total non-derivative financial liabilities	19,536,441	21,690,498	6,634,310	7,379,935	7,664,383	11,870

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 29 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

	2022					
Contractual maturities	Carrying amount	Total contractual cash outflows	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Loans and borrowings	4,365,579	6,761,916	1,302,761	3,034,101	2,425,054	-
Trade payables to related parties	506,001	506,001	506,001	-	-	-
Other payables to third parties	4,557	4,557	484	-	4,073	-
Other payables to related parties	37,074	37,074	-	37,074	-	-
Trade payables to third parties	5,571,851	5,571,851	2,151,733	3,420,118	-	-
Employee benefit obligations	187,676	187,676	187,676	-	-	-
Lease liabilities	2,812,144	1,348,477	57,887	170,583	752,789	367,218
Other current liabilities (*)	5,673	5,673	5,673	-	-	-
Total non-derivative financial liabilities	13,490,555	14,423,225	4,212,215	6,661,876	3,181,916	367,218

	2021					
Contractual maturities	Carrying amount	Total contractual cash outflows	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Loans and borrowings	8,579,980	12,932,131	2,932,625	6,170,074	3,829,432	-
Trade payables to related parties	460,503	460,503	460,503	-	-	-
Other payables to third parties	5,901	5,901	5,901	-	-	-
Other payables to related parties	-	-	-	-	-	-
Trade payables to third parties	3,043,526	3,043,526	1,239,738	1,803,788	-	-
Employee benefit obligations	103,445	103,445	103,445	-	-	-
Lease liabilities	4,745,852	2,010,054	87,667	260,245	978,302	683,839
Other current liabilities (*)	3,406	3,406	3,406	-	-	-
Total non-derivative financial liabilities	16,942,613	18,558,966	4,833,285	8,234,107	4,807,734	683,839

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 29 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

(c) *Currency risk*

The Group is exposed to foreign exchange risk through the impact of rate changes on the translation of foreign currency denominated payables to original equipment manufacturers and borrowings from financial institutions. This risk is monitored by the Board of Directors through periodic meetings. The Group's foreign currency position is managed through taking limited positions within limits recommended by executive board and approved by board of directors as well using derivative instruments where necessary.

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

Currency sensitivity analysis		
31 December 2023		
	Profit/loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against TL		
1- Net USD asset/liability	(9,921)	9,921
2- USD risk averse portion (-)	-	-
3- Net USD effect (1+2)	(9,921)	9,921
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	398,878	(398,878)
5- Euro risk averse portion (-)	-	-
6- Net Euro effect (4+5)	398,878	(398,878)
TOTAL (3+6)	388,957	(388,957)

Currency sensitivity analysis		
31 December 2022		
	Profit/loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against TL		
1- Net USD asset/liability	(8,104)	8,104
2- USD risk averse portion (-)	-	-
3- Net USD effect (1+2)	(8,104)	8,104
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	208,881	(208,881)
5- Euro risk averse portion (-)	-	-
6- Net Euro effect (4+5)	208,881	(208,881)
TOTAL (3+6)	200,777	(200,777)

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 29 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Currency sensitivity analysis		
31 December 2021		
	Profit/loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against TL		
1- Net USD asset/liability	4,263	(4,263)
2- USD risk averse portion (-)	-	-
3- Net USD effect (1+2)	4,263	(4,263)
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	934,386	(934,386)
5- Euro risk averse portion (-)	-	-
6- Net Euro effect (4+5)	934,386	(934,386)
TOTAL (3+6)	938,649	(938,649)

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

	31 December 2023	31 December 2022	31 December 2021
USD	29.4382	18.6983	13.3290
EUR	32.5739	19.9349	15.0867
CHF	34.9666	20.2019	14.5602

As at 31 December 2022, net position of the Group is resulted from foreign currency assets and liabilities as shown below:

	Total TL equivalent	2023			
		Original balances			
		USD	EUR	CHF	Other
Assets:					
Trade receivables	-	-	-	-	-
Monetary financial assets	4,699,450	16	144,252	3	8
Other monetary assets	5,384,740	582	164,782	-	5
Total assets	10,084,190	598	309,034	3	13
Trade payables	4,295,124	3,968	128,220	-	46
Financial liabilities	1,894,628	-	58,164	-	-
Other monetary liabilities	6,417	-	197	-	-
Current liabilities	6,196,169	3,968	186,581	-	46
Financial liabilities	6,104,447	-	187,403	-	-
Non-current liabilities	6,104,447	-	187,403	-	-
Total liabilities	12,300,616	3,968	373,984	-	46
Net foreign currency liability position of derivative financial liabilities off statement of financial position	1,258,102	-	38,623	-	-
Net foreign currency (liability)/asset position	(958,324)	(3,370)	(26,327)	3	(33)
Monetary items net foreign (liability)/asset position					
Sureties and letters of guarantee taken	145,714	495	4,026	-	-
Sureties and letters of guarantee given	9,240,369	-	283,674	-	-
Import	107,784,234	-	3,308,914	-	-

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 29 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

As at 31 December 2022, net position of the Group is resulted from foreign currency assets and liabilities as shown below:

	Total TL equivalent	2022			
		Original balances			
		USD	EUR	CHF	Other
Assets:					
Trade receivables	-	-	-	-	-
Monetary financial assets	1,540,482	10	46,884	3	9
Other monetary assets	4,951,022	-	150,728	-	4
Total assets	6,491,504	10	197,612	3	13
Trade payables	3,950,095	2,640	117,780	-	-
Financial liabilities	532,816	-	16,221	-	-
Other monetary liabilities	718	2	20	-	-
Current liabilities	4,483,629	2,642	134,021	-	-
Financial liabilities	2,801,482	-	85,288	-	-
Non-current liabilities	2,801,482	-	85,288	-	-
Total liabilities	7,285,111	2,642	219,309	-	-
Net foreign currency liability position of derivative financial liabilities off statement of financial position	3,350,972	-	102,003	-	-
Net foreign currency (liability)/asset position	2,557,365	(2,632)	80,306	3	13
Monetary items net foreign (liability)/asset position					
Sureties and letters of guarantee taken	171,625	1,323	3,984	-	-
Sureties and letters of guarantee given	6,153,256	-	187,329	-	-
Import	60,864,737	-	1,852,959	-	-

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 29 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

As at 31 December 2021, net position of the Group is resulted from foreign currency assets and liabilities as shown below:

	Total TL equivalent	2021			
		Original balances			
		USD	EUR	CHF	Other
Assets:					
Trade receivables	-	-	-	-	-
Monetary financial assets	8,988,426	1,070	219,163	3	18
Other monetary assets	2,542,014	701	61,626	-	5
Total assets	11,530,440	1,771	280,789	3	23
Trade payables	2,142,286	554	51,972	-	-
Financial liabilities	285,112	-	6,982	-	-
Other monetary liabilities	73	2	-	-	-
Current liabilities	2,427,471	556	58,954	-	-
Financial liabilities	4,680,069	-	114,608	-	-
Non-current liabilities	4,680,069	-	114,608	-	-
Total liabilities	7,107,540	556	173,562	-	-
Net foreign currency liability position of derivative financial liabilities off statement of financial position	-	-	-	-	-
Net foreign currency (liability)/asset position	4,422,900	1,215	107,227	3	23
Monetary items net foreign (liability)/asset position					
Sureties and letters of guarantee taken	156,892	1,244	2,743	-	-
Sureties and letters of guarantee given	10,510,541	-	257,388	-	-
Import	74,346,406	-	1,820,634	-	-

As at 31 December 2023, goods-in-transit of the Group amount to EUR 150,884 equivalent to TL 4,914,876 (31 December 2022: EUR 143,446 equivalent to TL 4,711,815) and (31 December 2021: EUR 53,163 equivalent to TL 2,171,041)

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 29 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

(d) *Market risk*

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

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

Under the assumption of 10% increase/decrease in share prices as at 31 December 2023, all other variables held constant, the Group's equity would have been increased/decreased by TL 14,410 (31 December 2022: TL 166.447).

(e) *Interest rate risk*

If the interest rates of floating interest-bearing TL and EUR denominated borrowings were 100 basis points higher/lower with all other variables held constant, profit before tax for the year would have been lower/higher by TL 155,285 at 31 December 2023 due to higher/lower interest expense (31 December 2022: TL 2,711).

(f) *Fair value*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date except involuntary liquidation or distress sale. When available, the quoted price in an active market provide the best estimate of its fair value.

If a quoted market price is not available, the Group using available market information and appropriate valuation methodologies estimates the fair value of the instrument. However, judgment is necessarily required to interpret market data to develop the estimated fair value. Accordingly, the estimates made are not necessarily indicative of the amounts that could be realized in current market exchange.

Financial assets

The principles used in determining the fair values of financial assets and liabilities are as follows:

Cash and cash equivalents are presented on cost basis and are assumed to reflect their fair values as they are liquid and classified as current assets.

Trade receivables are presented netted off related doubtful portion of the receivable and are assumed to reflect their fair value.

Since Doğuş Holding is not a publicly traded, fair value of Doğuş Holding is determined by using current market information's for publicly traded companies under Doğuş Holding governance. Fair value of Doğuş Holding is also determined by using other valuation methods for non-public companies under Doğuş Holding governance. Therefore Doğuş Holding presented under financial assets is assumed to reflect its fair value.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 29 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Financial liabilities

Short-term TL denominated bank borrowings are assumed to converge to its fair value. Some of long-term borrowings, denominated in foreign currency and TL are assumed to reflect their fair value due to their floating rates. Long-term and fixed rate borrowings are considered to converge to its fair value, when it is valued with fixed interest rate valid as of the balance sheet date.

Since trade payables are short-term and foreign currency denominated, they are assumed to reflect their fair values. Estimated fair value of financial instruments is determined by the Group whom using the existing market information or appropriate valuation methods, if possible.

However, market value may not reflect the fair value as contentment is used in finding out the expected fair value. Therefore, except for mentioned assumptions, inputs for the financial asset or liabilities that are not based on observable market data (unobservable inputs) and the Group utilize for their contentment regarding fair value analysis, are considered as level 3 in relation to valuation method for comparable fair value analysis of long-term financial liabilities under the classifications defined.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 29 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

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

31 December 2023	Financial assets at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial liabilities at amortised cost	Net carrying amount	Note
<u>Financial assets</u>					
Cash and cash equivalents	7,643,608	-	-	7,643,608	5
Financial investments	-	4,629,095	-	4,629,095	6
Trade receivables from third parties	4,217,680	-	-	4,217,680	8
Other receivables from third parties	482,410	-	-	482,410	-
Trade receivables from related parties	8,661,659	-	-	8,661,659	28
Other receivables from related parties	52,442	-	-	52,442	28
<u>Financial liabilities</u>					
Trade payables to third parties	-	-	6,813,896	6,813,896	8
Other payables to third parties	-	-	4,283	4,283	
Trade payables to related parties	-	-	1,707,016	1,707,016	28
Other payables to related parties	-	-	-	-	28
Borrowings	-	-	8,154,811	8,154,811	7
Lease liabilities	-	-	2,625,641	2,625,641	7

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 29 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

31 December 2022	Financial assets at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial liabilities at amortised cost	Net carrying amount	Note
<u>Financial assets</u>					
Cash and cash equivalents	5,574,548	-	-	5,574,548	5
Financial investments	-	7,216,426	-	7,216,426	6
Trade receivables from third parties	1,299,543	-	-	1,299,543	8
Other receivables from third parties	286,597	-	-	286,597	-
Trade receivables from related parties	4,226,117	-	-	4,226,117	28
Other receivables from related parties	22,850	-	-	22,850	28
<u>Financial liabilities</u>					
Trade payables to third parties	-	-	5,571,851	5,571,851	8
Other payables to third parties	-	-	4,557	4,557	
Trade payables to related parties	-	-	506,001	506,001	28
Other payables to related parties	-	-	37,074	37,074	28
Borrowings	-	-	4,365,579	4,365,579	7
Lease liabilities	-	-	2,812,144	2,812,144	7

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 29 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

31 December 2021	Financial assets at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial liabilities at amortised cost	Net carrying amount	Note
<u>Financial assets</u>					
Cash and cash equivalents	9,262,471	-	-	9,262,471	5
Financial investments	-	2,251,455	-	2,251,455	6
Trade receivables from third parties	973,641	-	-	973,641	8
Other receivables from third parties	399,530	-	-	399,530	-
Trade receivables from related parties	1,886,642	-	-	1,886,642	28
Other receivables from related parties	27,868	-	-	27,868	28
<u>Financial liabilities</u>					
Trade payables to third parties	-	-	3,043,526	3,043,526	8
Other payables to third parties	-	-	5,901	5,901	
Trade payables to related parties	-	-	460,503	460,503	28
Other payables to related parties	-	-	-	-	28
Borrowings	-	-	8,579,978	8,579,978	7
Lease liabilities	-	-	4,745,854	4,745,854	7

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 29 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Classification regarding fair value measurement

The fair values of financial assets and financial liabilities are determined as follows:

- Level 1: The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- Level 2: The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on prices from observable current market transactions
- Level 3: The fair value of the financial assets and financial liabilities is determined in accordance with the unobservable current market data.

Classification requires use observable market inputs where available. In this respect, fair value classifications of financial assets which are valued with their fair values are as follows:

	2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
FX protected time deposit	1,258,102	-	-	1,258,102
Financial assets measured at fair value through other comprehensive income (Note 6)	-	3,370,993	-	3,370,993
Total financial assets	1,258,102	3,370,993	-	4,629,095

	2022			
	Level 1	Level 2	Level 3	Total
Financial assets:				
FX protected time deposit	3,350,972	-	-	3,350,972
Financial assets measured at fair value through other comprehensive income (Note 6)	-	3,865,454	-	3,865,454
Total financial assets	3,350,972	3,865,454	-	7,216,426

	2021			
	Level 1	Level 2	Level 3	Total
Financial assets:				
FX protected time deposit	-	-	-	-
Financial assets measured at fair value through other comprehensive income (Note 6)	-	2,251,455	-	2,251,455
Total financial assets	-	2,251,455	-	2,251,455

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

NOTE 30 - RIGHT OF USE ASSET

As of 31 December 2023, the net book value of the right of use assets is TL 63,329 (31 December 2022: TL 102,509) and (31 December 2021: TL 178,231). As of 31 December 2023, 2022 and 2021, the balances of the right to use assets and the depreciation and amortization expenses during the period are as follows:

2023	Showroom and area leases	Motor vehicles	Total
Right of use asset - 1 January	30,275	72,234	102,509
Additions	70,571	13,001	83,572
Disposals	-	(1,951)	(1,951)
Depreciation expenses	(69,909)	(50,892)	(120,801)
Right of use asset - 31 December	30,937	32,392	63,329

2022	Showroom and area leases	Motor vehicles	Total
Right of use asset - 1 January	79,796	98,435	178,231
Additions	26,770	25,650	52,420
Disposals	(9,817)	(1,050)	(10,867)
Depreciation expenses	(66,474)	(50,801)	(117,275)
Right of use asset - 31 December	30,275	72,234	102,509

As of 31 December 2023, TL 120,801 depreciation expense arising from the usage rights is accounted under general administrative expenses (31 December 2022: TL 117,275).

NOTE 31 - SUBSEQUENT EVENTS

The sale of all 6,085,007 shares repurchased by our company, representing 2.77% of the company's capital, was executed at a price of 268 TL per unit. All of these shares allocated to corporate foreign investors. The transaction was executed using the special order method at Borsa Istanbul.

A distributorship agreement has been signed between B-SHIVER S.R.L. and our Company. This agreement outlines the principles governing the sales and service of 'NOVAMARINE' brand 'Boats and Speedboats' in Türkiye, which will be carried out by our Company.

.....