

**DOĐUŐ OTOMOTİV SERVİS VE TİCARET A.Ő.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2022  
WITH AUDITOR'S REVIEW REPORT**

**(ORIGINALLY ISSUED IN TURKISH)**



**CONVENIENCE TRANSLATION INTO ENGLISH OF  
INDEPENDENT AUDITOR’S REVIEW REPORT  
ORIGINALLY ISSUED IN TURKISH  
REPORT ON REVIEW OF CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION**

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

*Introduction*

1. We have reviewed the accompanying condensed balance sheet of Dođuş Otomotiv Servis ve Ticaret A.Ş. (the “Company”) and its subsidiaries (“collectively referred as the “Group”) as at 30 September 2022, the condensed consolidated statement of income, the condensed consolidated statement of other comprehensive income, the condensed consolidated statement of changes in equity and condensed consolidated cash flows for the nine-month period then ended (“interim condensed consolidated financial information”). The management of the Group is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with Turkish Accounting Standard 34 (“TAS 34”) “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

*Scope of review*

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

*Conclusion*

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



*Additional explanation for convenience translation into English*

4. Turkish Financial Reporting Standards differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board with respect to the application of IAS 29 - Financial Reporting in Hyperinflationary Economies by 30 September 2022. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position and results of operations of the Group in accordance with IFRS.

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

Cihan Harman, SMMM  
Partner

Istanbul, 9 November 2022

# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2022 AND 31 DECEMBER 2021

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

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# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022 AND 31 DECEMBER 2021

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

	<u>Notes</u>	<u>Reviewed 30 September 2022</u>	<u>Audited 31 December 2021</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	3,556,513	3,409,576
Financial investments	6.1	1,137,451	-
Trade receivables		2,408,361	1,010,816
<i>Trade receivables due from related parties</i>	22.1	1,683,644	656,025
<i>Trade receivables due from third parties</i>	8.1	724,717	354,791
Other receivables		178,339	150,347
<i>Other receivables due from related parties</i>	22.2	14,337	6,942
<i>Other receivables due from third parties</i>	9	164,002	143,405
Inventories	10	4,139,362	1,969,481
Prepayments		182,163	39,858
Other current assets		7,589	3,214
<b>Total current assets</b>		<b>11,609,778</b>	<b>6,583,292</b>
<b>NON-CURRENT ASSETS</b>			
Financial investments		831,804	831,804
<i>Financial assets measured at fair value through other comprehensive income</i>	6.2	831,804	831,804
Other receivables		1,915	1,372
<i>Other receivables due from related parties</i>		1,519	975
<i>Other receivables due from third parties</i>		396	397
Investments accounted for using equity method	11	1,245,236	880,235
Investment property	13	118,908	121,463
Property, plant and equipment	12	1,358,917	1,096,291
Right of use asset	24	165,519	109,068
Intangible assets		127,827	89,645
Prepayments		3,679	18,790
Deferred tax asset	20	947,552	22,639
<b>Total non-current assets</b>		<b>4,801,357</b>	<b>3,171,307</b>
<b>TOTAL ASSETS</b>		<b>16,411,135</b>	<b>9,754,599</b>

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

# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022 AND 31 DECEMBER 2021

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

	Notes	Reviewed 30 September 2022	Audited 31 December 2021
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Current borrowings	7	2,325,570	2,705,361
Short-term portion of long-term borrowings	7	137,743	232,254
Trade payables		3,626,662	1,231,202
<i>Trade payables to related parties</i>	22.5	117,918	113,323
<i>Trade payables to third parties</i>	8.2	3,508,744	1,117,879
Employee benefit obligations		27,545	38,116
Deferred income		141,836	59,269
Current tax liabilities	20	508,883	259,620
Current provisions		107,609	396,216
<i>Other current provisions</i>	14	107,609	396,216
Other current liabilities	15	367,069	164,700
<b>Total current liabilities</b>		<b>7,242,917</b>	<b>5,086,738</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	7	186,914	90,669
Deferred income		78,430	35,279
Non-current provisions		217,827	142,662
<i>Non-current provisions for employee benefits</i>		141,481	72,217
<i>Other long-term provisions</i>		76,346	70,445
Deferred tax liabilities	20	-	35,568
<b>Total non-current liabilities</b>		<b>483,171</b>	<b>304,178</b>
<b>TOTAL LIABILITIES</b>		<b>7,726,088</b>	<b>5,390,916</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>		<b>8,653,300</b>	<b>4,350,425</b>
Issued capital	16	220,000	220,000
Inflation adjustment on capital	16	23,115	23,115
Treasury shares (-)	16	(220,498)	(220,393)
Other accumulated comprehensive income (loss) that will not be reclassified in profit or loss		(71,265)	(28,935)
<i>Gains (losses) on revaluation and remeasurement</i>		(71,265)	(28,935)
<i>Gains (losses) on remeasurements of defined benefit plans</i>		(71,265)	(28,935)
Other accumulated comprehensive income (loss) that will be reclassified in profit or loss		772,414	762,398
<i>Exchange differences on translation</i>	16	18,598	8,582
<i>Gains (losses) on revaluation and reclassification</i>		753,816	753,816
<i>Gains (losses) from financial assets measured at fair value through other comprehensive income</i>	16	753,816	753,816
Restricted reserves appropriated from profits	16	547,300	423,295
<i>Legal reserves</i>		323,363	199,463
<i>Treasury share reserves</i>		220,498	220,393
<i>Other restricted profit reserves</i>		3,439	3,439
Prior years' profit or losses	16	1,921,940	839,364
Profit (loss) for the period		5,460,294	2,331,581
<b>Non-controlling interests</b>		<b>31,747</b>	<b>13,258</b>
<b>TOTAL EQUITY</b>		<b>8,685,047</b>	<b>4,363,683</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,411,135</b>	<b>9,754,599</b>

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

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

		<b>Reviewed</b>	<b>Reviewed</b>	<b>Reviewed</b>	<b>Reviewed</b>
		<b>1 January – 30 September 2022</b>	<b>1 January – 30 September 2021</b>	<b>1 July – 30 September 2022</b>	<b>1 July – 30 September 2021</b>
<b>PROFIT OR LOSS</b>					
Revenue	<b>Notes</b>	30,712,276	18,445,946	11,857,895	4,846,202
Cost of sales		(23,929,764)	(15,962,447)	(9,057,734)	(4,070,161)
<b>GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS</b>		<b>6,782,512</b>	<b>2,483,499</b>	<b>2,800,161</b>	<b>776,041</b>
<b>GROSS PROFIT (LOSS)</b>		<b>6,782,512</b>	<b>2,483,499</b>	<b>2,800,161</b>	<b>776,041</b>
General administrative expenses	17.2	(690,440)	(404,139)	(275,195)	(143,750)
Marketing expenses	17.1	(561,183)	(327,188)	(220,369)	(104,038)
Other income from operating activities		461,564	103,217	95,697	39,106
Other expenses from operating activities		(222,917)	(127,493)	(89,275)	(40,491)
<b>PROFIT (LOSS) FROM OPERATING ACTIVITIES</b>		<b>5,769,536</b>	<b>1,727,896</b>	<b>2,311,019</b>	<b>526,868</b>
Investment activity income	18	122,490	31,413	44,269	14,901
Share of profit (loss) from investments accounted for using equity method	11	526,402	256,053	162,376	78,773
<b>PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)</b>		<b>6,418,428</b>	<b>2,015,362</b>	<b>2,517,664</b>	<b>620,542</b>
Financial income	19	39,074	45,499	34,703	20,032
Financial expense	19	(584,668)	(463,191)	(181,068)	(179,362)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX</b>		<b>5,872,834</b>	<b>1,597,670</b>	<b>2,371,299</b>	<b>461,212</b>
<b>Tax (expense) income, continuing operations</b>		<b>(394,051)</b>	<b>(337,516)</b>	<b>334,771</b>	<b>(89,901)</b>
Current period tax (expense) income	20	(1,346,488)	(372,917)	(548,354)	(115,638)
Deferred tax (expense) income	20	952,437	35,401	883,125	25,737
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>		<b>5,478,783</b>	<b>1,260,154</b>	<b>2,706,070</b>	<b>371,311</b>
<b>PROFIT (LOSS)</b>		<b>5,478,783</b>	<b>1,260,154</b>	<b>2,706,070</b>	<b>371,311</b>
<b>Profit (loss), attributable to</b>					
Non-controlling interests		18,489	4,260	8,009	1,352
Owners of parent		5,460,294	1,255,894	2,698,061	369,959
<b>Basic earnings per share</b>					
Basic earnings(loss) per share from continuing operations	21	27,5772	6,3429	13,6266	1.8685
<b>Diluted earnings per share</b>					
Diluted earnings(loss) per share from continuing operations	21	27,5772	6,3429	13,6266	1.8685

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

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

	<u>Reviewed</u> 1 January - 30 September 2022	<u>Reviewed</u> 1 January - 30 September 2021	<u>Reviewed</u> 1 July - 30 September 2022	<u>Reviewed</u> 1 July - 30 September 2021
Notes				
<b>PROFIT (LOSS)</b>	<b>5,478,783</b>	<b>1,260,154</b>	<b>2,706,070</b>	<b>371,311</b>
<b>Other comprehensive income</b>				
<b>Other comprehensive income that will not be reclassified to profit or loss</b>	<b>(42,330)</b>	<b>(3,486)</b>	<b>(22,230)</b>	<b>(1,616)</b>
Gains (losses) on remeasurements of defined benefit plans	(40,220)	(4,357)	(25,439)	(2,020)
Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method	(10,154)	-	(1,879)	-
Other comprehensive income that will not be reclassified to profit or loss, tax effect	8,044	871	5,088	404
<i>Gains (losses) on remeasurements of defined benefit plans, tax effect</i>	20 8,044	871	5,088	404
<b>Other comprehensive income that will be reclassified to profit or loss</b>	<b>10,016</b>	<b>3,898</b>	<b>6,037</b>	<b>(430)</b>
Foreign currency translation differences	10,016	3,898	6,037	(430)
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>(32,314)</b>	<b>412</b>	<b>(16,193)</b>	<b>(2,046)</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>5,446,469</b>	<b>1,260,566</b>	<b>2,698,877</b>	<b>369,265</b>
<b>Total comprehensive income attributable to</b>				
Non-controlling interests	18,489	4,260	8,009	1,351
Owners of parent	5,427,980	1,256,306	2,681,868	367,914

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



# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

	Issued capital (Note 16)	Inflation adjustments on capital (Note 16)	Treasury shares (Note 16)	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		Restricted reserve (Note 16)	Accumulated earnings		Equity attributable to equity holders of the Company	Non-controlling interests (Note 16)	Total Equity
				Gains / losses on remeasurements of defined benefit plans	Foreign currency translation difference (Note 16)	Gains / losses on remeasuring of financial assets measured at fair value through other comprehensive income (Note 16)		Retained earnings / (Accumulated losses)	Net profit / loss for the period			
<b>Balance at 1 January 2021</b>	<b>220,000</b>	<b>23,115</b>	<b>(220,325)</b>	<b>(22,080)</b>	<b>2,078</b>	<b>481,437</b>	<b>405,826</b>	<b>359,566</b>	<b>1,037,334</b>	<b>2,286,951</b>	<b>8,783</b>	<b>2,295,734</b>
Transfers	-	-	-	-	-	-	63,227	974,107	(1,037,334)	-	-	-
<b>Total comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,486)</b>	<b>3,898</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,255,894</b>	<b>1,256,306</b>	<b>4,260</b>	<b>1,260,566</b>
Profit (loss) for the period	-	-	-	-	-	-	-	-	1,255,894	1,255,894	4,260	1,260,154
Other comprehensive income (loss)	-	-	-	(3,486)	3,898	-	-	-	-	412	-	412
<b>Profit shares</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(600,000)</b>	<b>-</b>	<b>(600,000)</b>	<b>-</b>	<b>(600,000)</b>
<b>Increase due to repurchase transactions of shares</b>	<b>-</b>	<b>-</b>	<b>(55)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55</b>	<b>59,890</b>	<b>-</b>	<b>59,890</b>	<b>-</b>	<b>59,890</b>
<b>Balance at 30 September 2021</b>	<b>220,000</b>	<b>23,115</b>	<b>(220,380)</b>	<b>(25,566)</b>	<b>5,976</b>	<b>481,437</b>	<b>469,108</b>	<b>793,563</b>	<b>1,255,894</b>	<b>3,003,147</b>	<b>13,043</b>	<b>3,016,190</b>
<b>Balance at 1 January 2022</b>	<b>220,000</b>	<b>23,115</b>	<b>(220,393)</b>	<b>(28,935)</b>	<b>8,582</b>	<b>753,816</b>	<b>423,295</b>	<b>839,364</b>	<b>2,331,581</b>	<b>4,350,425</b>	<b>13,258</b>	<b>4,363,683</b>
Transfers	-	-	-	-	-	-	123,900	2,207,681	(2,331,581)	-	-	-
<b>Total comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(42,330)</b>	<b>10,016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,460,294</b>	<b>5,427,980</b>	<b>18,489</b>	<b>5,446,469</b>
Profit (loss) for the period	-	-	-	-	-	-	-	-	5,460,294	5,460,294	18,489	5,478,783
Other comprehensive income (loss)	-	-	-	(42,330)	10,016	-	-	-	-	(32,314)	-	(32,314)
<b>Profit shares</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,250,000)</b>	<b>-</b>	<b>(1,250,000)</b>	<b>-</b>	<b>(1,250,000)</b>
<b>Increase due to repurchase transactions of shares</b>	<b>-</b>	<b>-</b>	<b>(105)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>105</b>	<b>124,895</b>	<b>-</b>	<b>124,895</b>	<b>-</b>	<b>124,895</b>
<b>Balance at 30 September 2022</b>	<b>220,000</b>	<b>23,115</b>	<b>(220,498)</b>	<b>(71,265)</b>	<b>18,598</b>	<b>753,816</b>	<b>547,400</b>	<b>1,921,940</b>	<b>5,460,294</b>	<b>8,653,300</b>	<b>31,747</b>	<b>8,685,047</b>

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

# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

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

	Notes	Reviewed 30 September 2022	Reviewed 30 September 2021
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
<b>Profit (loss)</b>		<b>2,479,343</b>	<b>1,626,887</b>
Profit (loss) from continued operations		5,478,783	1,260,154
<b>Adjustments to for profit (loss) for the period reconciliation:</b>		<b>1,053,845</b>	<b>763,156</b>
Adjustments for depreciation and amortization expense	17.2, 24	205,647	131,455
Adjustments for (reversal of) impairment		6,907	3,853
-Adjustments for (reversal of) impairment loss of receivables		136	(36)
-Adjustments for (reversal of) impairment loss of inventories	10	6,771	3,889
Adjustments for provisions		635,327	224,267
-Adjustments for provisions for employee benefits		38,090	10,748
-Adjustments for (reversal of) lawsuit and/or penalty provision expenses		7,552	3,981
-Adjustments for (reversal of) warranty provisions		128,804	97,152
-Adjustments for (reversal of) other provisions		460,881	112,386
Adjustments for interest (income) and expense		432,965	353,173
-Adjustments for interest income	19	(39,074)	(45,499)
-Adjustments for interest expense	19	472,039	398,672
Adjustments for unrealized foreign exchange losses (gains)		27,841	358
Adjustments for fair value losses (gains)		(86,124)	-
-Adjustments for fair value losses (gains) of financial assets		(86,124)	-
Adjustments for undistributed profits of investments accounted for using equity method	11	(526,402)	(256,053)
Adjustments for tax (income) expenses	20	394,051	337,516
Adjustments for losses (gains) on disposal of non-current assets		(36,367)	(31,413)
-Adjustments for losses (gains) on disposal of property, plant and equipment	18	(36,367)	(31,413)
<b>Changes in working capital</b>		<b>(2,520,479)</b>	<b>(21,419)</b>
Adjustments for decrease (increase) in trade receivables		(1,397,999)	108,698
-Decrease (increase) in due from related parties		(1,027,619)	(175,916)
-Decrease (increase) in due from third parties		(370,380)	284,614
Adjustments for decrease (increase) in inventories		(2,176,652)	939,927
Adjustments for increase (decrease) in trade payables		1,942,371	(986,499)
-Increase (decrease) in due to related parties		4,595	(82,161)
-Increase (decrease) in due to third parties		1,937,776	(904,338)
Increase (decrease) in deferred income		125,717	36,848
Adjustments for other increase (decrease) in working capital		(1,013,916)	(120,393)
<b>Cash flows from operations</b>		<b>(4,012,149)</b>	<b>2,001,891</b>
Payments related with provisions for employee benefits		(9,044)	(3,330)
Payments related with other provisions		(125,750)	(80,790)
Income taxes refund (paid)		(1,097,225)	(290,884)
Other cash inflows (outflows)		(300,787)	-
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(274,028)</b>	<b>148,034</b>
Cash inflow by proceeds from sales of property, plant and equipment and intangible assets		50,365	43,316
- Cash inflow by proceeds from sales of property, plant and equipment		50,365	43,316
Cash outflow by acquisition of property, plant and equipment and intangible assets		(475,640)	(194,163)
-Cash outflow by acquisition of property, plant and equipment	12	(391,408)	(143,410)
-Cash outflow by acquisition of intangible assets		(84,232)	(50,753)
Dividends received		151,247	298,881
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(2,068,392)</b>	<b>(414,183)</b>
Proceeds from issuance of borrowings		2,347,808	2,596,252
Repayments of borrowings		(2,777,486)	(2,056,713)
Cash outflows on debt payments from leasing agreements		(75,526)	(58,898)
Dividends paid		(1,125,000)	(600,000)
Interest paid		(477,262)	(340,323)
Interest received		39,074	45,499
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)</b>		<b>136,923</b>	<b>1,360,738</b>
<b>D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		<b>10,014</b>	<b>1,691</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>		<b>146,937</b>	<b>1,362,429</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	5	<b>3,409,576</b>	<b>655,599</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>	5	<b>3,556,513</b>	<b>2,018,028</b>

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

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

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#### 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, Bugatti and Scania, Scania Power Solutions and Thermoking climate control systems) and also operates in the field of 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”.

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

The Company’s subsidiaries as at 30 September 2022 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.
- D-Auto Limited Liability Company (“Doğuş Oto Iraq”) has been founded in Iraq Erbil on 6 August 2013 to execute distribution services of Volkswagen and Audi brands.

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

The Company and Doğuş Oto Pazarlama 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 Auto Iraq is registered in Iraq and located at the address below:

Doktorlar Cad. Şirin Palas Otel Karşısı, Erbil, Iraq.

The average number of blue-collar employees of the Group for the period ended 30 September 2022 is 736 (31 December 2021: 791) whereas the average number of white-collar employees of the Group for the period ended 30 September 2022 is 1,367 (31 December 2021: 1,372).

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

##### 2.1 Basis of Presentation of Condensed Consolidated Interim Financial Statements

###### (i) Statement of Compliance to TAS

The accompanying consolidated financial statements are based in accordance with Turkish Accounting Standards (“TAS”) issued by Public Oversight Accounting and Auditing Standards Authority of 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.

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

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

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

###### (i) *Statement of Compliance to TAS (Continued)*

Additionally, the accompanying consolidated financial statements are presented in accordance with TAS taxonomy issued by POA on 15 April 2019. Businesses preparing a financial statement created in line with CMB legislation are free to prepare their interim financial statements as a full set or a summary, as per the TAS 34 “Interim Financial Reporting” standard. In this framework, the Group opted to prepare summary consolidated financial statements and prepared those summary consolidated financial statements in line with the provisions of the Communiqué.

###### (ii) *Preparation and approval of financial statements*

The condensed consolidated interim financial statements of the Group as at 30 September 2022 have been approved by the Board of Directors on 9 November 2022. 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*

With the resolution taken on 17 March 2005, the CMB has announced that, effective from 1 January 2005, the application of TAS 29 “Financial Reporting in Hyperinflationary Economies” issued by TASB is no longer required for companies operating in Turkey. Accordingly, effective from 1 January 2005, TAS 29 did not applied in preparing the Group’s consolidated financial statements in accordance with CMB Financial Reporting Standards.

###### (iv) *Basis of measurement*

The condensed consolidated interim 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 condensed consolidated interim financial statements are presented in TL, which is Doğuş Otomotiv’s functional and presentation currency.

The Company and its affiliates registered in 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.

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

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

(Continued)

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

###### (v) *Functional and Presentation Currency (Continued)*

Public Oversight Accounting and Auditing Standards Authority ("POA") made an announcement on 20 January 2022 about Application of Financial Reporting in Hyperinflationary Economies for Turkish Financial Reporting Standards and Reporting Standards for Large and Medium Sized Entities. In accordance with the announcement, companies that apply TFRS should not adjust financial statements for TAS 29 – Financial Reporting in Hyperinflationary Economies for the year 2021. As of the preparation date of this condensed consolidated interim financial statements, POA did not make an additional announcement and no adjustment was made to this condensed consolidated interim financial statements in accordance with TAS 29.

##### 2.2 Amendments and interpretations in the TAS / TFRS

###### **New and amended standards and interpretations**

The accounting policies adopted in preparation of the condensed interim consolidated financial statements as at September 30, 2022 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards ("TAS")/TFRS and IFRIC interpretations effective as of January 1, 2022. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

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

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

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

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

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

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

###### New and amended standards and interpretations (Continued)

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

**Amendments to IFRS 3,** ‘Business combinations’ update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

**Amendments to IAS 16,** ‘Property, plant and equipment’ prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

**Amendments to IAS 37,** ‘Provisions, contingent liabilities and contingent assets’ specify which costs a company includes when assessing whether a contract will be loss-making.

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

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

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

**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.

# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

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

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

##### New and amended standards and interpretations (Continued)

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

**IFRS 17, ‘Insurance Contracts’, as amended in December 2021;** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

#### 2.3 Basis of Consolidation

##### (i) *Business Combinations*

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

The Group measures goodwill at the acquisition date as:

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

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

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

# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

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

#### 2.3 Basis of Consolidation (Continued)

##### (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 acquiree either:

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

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

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

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

The table below sets out all the subsidiaries included in the scope of consolidation and shows the Group's share of control as at 30 September 2022 and 31 December 2021:

	<u>30 September 2022</u>	<u>31 December 2021</u>
Doğuş Oto Pazarlama	96.20%	96.20%
Doğuş Oto Iraq (*)	100.00%	100.00%

- (\*) Doğuş Oto Iraq which execute import, distribution and after sales services of Volkswagen and Audi brands has signed a termination agreement with Audi Volkswagen Middle East FZE and Volkswagen AG, on 1 July 2021. As a result of the termination agreement, It has also been decided to start the liquidation process of the Company.



# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

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

#### 2.3 Basis of Consolidation (Continued)

##### (iii) Joint Arrangements

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

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

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

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

Joint ventures are recognized as investments measured through equity method. The table below sets out all joint ventures and the Group's share of control as at 30 September 2022 and 31 December 2021.

	<u>30 September 2022</u>	<u>31 December 2021</u>
TÜVTURK Kuzey Taşıt Muayene İstasyonları Yapım ve İşletim A.Ş. ("TÜVTURK Kuzey")	33.33%	33.33%
TÜVTURK Güney Taşıt Muayene İstasyonları Yapım ve İşletim A.Ş. ("TÜVTURK Güney")	33.33%	33.33%

##### (iv) Associates

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

The table below sets out all the associates included in the scope of consolidation and shows the Group's share of control as at 30 September 2022 and 31 December 2021:

# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

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

#### 2.3 Basis of Consolidation (Continued)

##### (v) Transactions Eliminated in Consolidation

	<u>30 September 2022</u>	<u>31 December 2021</u>
Yüce Auto Motorlu Araçlar Ticaret A.Ş. ("Yüce Auto") (*)	50.00%	50.00%
Doğuş Sigorta Aracılık Hizmetleri A.Ş. ("Doğuş Sigorta")	42.00%	42.00%
VDF Servis ve Ticaret A.Ş. ("VDF Servis")	48.79%	48.79%
Doğuş Bilgi İşlem ve Teknoloji Hizmetleri A.Ş. ("Doğuş Teknoloji")	21.76%	21.76%

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

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

#### 2.4 Offsetting

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

#### 2.5 Comparative Information

The Group has prepared the condensed consolidated interim statement of financial position as at 30 September 2022 comparatively with the consolidated statement of financial position as at 31 December 2021, and the condensed consolidated interim profit or loss statement, the condensed consolidated interim statement of other comprehensive income, the condensed consolidated interim statements of cash flows and changes in equity in the nine month period ended 30 September 2022 comparative to the nine month period ended 30 September 2021.

#### 2.6 Significant Accounting Policies

The significant accounting policies have been applied consistently by the Group during the preparation of the condensed consolidated interim financial statements as at and for the nine months period ended 30 September 2022 with those consolidated financial statements for the year ended 31 December 2021. The condensed consolidated interim financial statements should be read together with the consolidated financial statements for the year ended 31 December 2021.

# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

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

#### 2.7 Accounting Estimates

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

Estimates and underlying assumptions are reviewed ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are 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:

Group’s tangible and intangible assets are depreciated and amortized in accordance with useful economic lives which is specified (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 13).

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 14.1).

The warranties on vehicles sold by the Group are issued by the original equipment manufacturers (“OEM”). The Group acts as an intermediary between the customers and the OEM. The claims of customers from the Group are recognized as warranty expense. The Group recognizes the amount claimed from the OEM’s as warranty income and offset against warranty expense. The Group incurs the cost that is not paid by the manufactures. Accordingly, the Group recognizes the estimated liability for the difference between possible warranty claims of customers and possible warranty claims from the manufacturers based on historical service statistics (Note 14.1).

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.

#### Impact of Covid-19 outbreak on Group’s activities

Possible impacts of COVID-19 which spread to the whole world, on the Group's activities and financial position are studiously monitored in all respects and the necessary actions are taken quickly in order to the Group to be affected from this pandemic in the least possible way.

The Group management assumed this epidemic as a situation that does not require changes in long-term business plans as of the date the financial statements were approved. However, while preparing the consolidated financial statements dated 30 September 2022, the possible effects of the COVID-19 outbreak were evaluated and the estimates and assumptions used in the preparation of the financial statements were reviewed. In this context, no impairment was detected in the consolidated financial statements dated 30 September 2022.

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

#### 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 product types. 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, Bugatti, Scania, Scania Power Solutions and Thermoking climate control systems) and used car operations in Turkey through its dealer network under the brand name “DOD”. Group’s operating segments are identified based on the product groups. Considering the nature of the products, operating segments are identified as passenger vehicles commercial vehicles and other segments. Other segments comprise of used cars, spare parts, Thermoking climate systems, Scania Power Solutions, Doğuş Marine Services and central office functions.

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 nine and three month periods ended 30 September 2022 and 2021 are as follows:

<b>1 January - 30 September 2022</b>	<b>Passenger segment</b>	<b>Commercial segment</b>	<b>Other segments</b>	<b>Total</b>
Revenue from external customers	23,451,701	4,057,322	3,203,253	30,712,276
Cost of sales	(18,660,639)	(3,176,092)	(2,086,262)	(23,922,993)
<b>Gross profit</b>	<b>4,791,062</b>	<b>881,230</b>	<b>1,116,991</b>	<b>6,789,283</b>
General administration expenses	(228,217)	(30,001)	(352,135)	(610,353)
Marketing expenses	(345,482)	(82,803)	(146,697)	(574,982)
Depreciation expenses	(138,546)	(14,598)	(286,250)	(439,394)
Other income from operating activities, net	189,266	28,461	25,146	242,873
<b>Operating income</b>	<b>4,268,083</b>	<b>782,289</b>	<b>357,055</b>	<b>5,407,427</b>

# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

### NOTE 4 – OPERATING SEGMENTS (Continued)

<b>1 January - 30 September 2021</b>	<b>Passenger segment</b>	<b>Commercial segment</b>	<b>Other segments</b>	<b>Total</b>
Revenue from external customers	13,036,665	3,742,058	1,667,223	18,445,946
Cost of sales	(11,587,875)	(3,237,191)	(1,133,492)	(15,958,558)
<b>Gross profit</b>	<b>1,448,790</b>	<b>504,867</b>	<b>533,731</b>	<b>2,487,388</b>
General administration expenses	(128,386)	(21,601)	(170,571)	(320,558)
Marketing expenses	(199,371)	(53,667)	(72,467)	(325,505)
Depreciation expenses	(35,255)	(5,389)	(60,601)	(101,245)
Other income from operating activities, net	(460)	(51)	(16,447)	(16,958)
<b>Operating income</b>	<b>1,085,318</b>	<b>424,159</b>	<b>213,645</b>	<b>1,723,122</b>
<b>1 July - 30 September 2022</b>	<b>Passenger segment</b>	<b>Commercial segment</b>	<b>Other segments</b>	<b>Total</b>
Revenue from external customers	8,756,144	1,851,245	1,250,506	11,857,895
Cost of sales	(6,814,264)	(1,413,774)	(822,931)	(9,050,969)
<b>Gross profit</b>	<b>1,941,880</b>	<b>437,471</b>	<b>427,575</b>	<b>2,806,926</b>
General administration expenses	(99,413)	(13,541)	(161,167)	(274,121)
Marketing expenses	(129,878)	(36,035)	(57,379)	(223,292)
Depreciation expenses	(96,453)	(10,769)	(229,259)	(336,481)
Other income from operating activities, net	15,340	4,103	(10,596)	8,847
<b>Operating income</b>	<b>1,631,476</b>	<b>381,229</b>	<b>(30,826)</b>	<b>1,981,879</b>
<b>1 July - 30 September 2021</b>	<b>Passenger segment</b>	<b>Commercial segment</b>	<b>Other segments</b>	<b>Total</b>
Revenue from external customers	3,300,543	838,187	707,472	4,846,202
Cost of sales	(2,861,484)	(730,106)	(475,063)	(4,066,653)
<b>Gross profit</b>	<b>439,059</b>	<b>108,081</b>	<b>232,409</b>	<b>779,549</b>
General administration expenses	(43,708)	(7,441)	(64,169)	(115,318)
Marketing expenses	(65,280)	(18,238)	(26,865)	(110,383)
Depreciation expenses	(12,495)	(1,937)	(25,911)	(40,343)
Other income from operating activities, net	11,226	1,226	(11,750)	702
<b>Operating income</b>	<b>328,802</b>	<b>81,691</b>	<b>103,714</b>	<b>514,207</b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

#### NOTE 4 – OPERATING SEGMENTS (Continued)

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.

The reconciliation of operating income to profit before tax is as follows:

	<b>1 January - 30 September 2022</b>	<b>1 January - 30 September 2021</b>
Operating profit for reportable segments	5,407,427	1,723,122
Provision for legal exposures	(4,027)	(1,032)
Provision for employee termination benefits	95,312	14,571
Provision for unused vacation	(20,722)	(3,662)
Provision for diminution in value of inventories	(6,771)	(3,889)
Warranty provision expense	(6,576)	(19,311)
Depreciation and amortization	233,746	(30,210)
Share of profit of equity accounted investees	526,402	256,053
Income from investment activities	122,490	31,413
Finance expense, net	(545,594)	(417,692)
Other	71,147	48,307
<b>Profit before tax</b>	<b>5,872,834</b>	<b>1,597,670</b>

  

	<b>1 July - 30 September 2022</b>	<b>1 July - 30 September 2021</b>
Operating profit for reportable segments	1,981,879	514,207
Provision for legal exposures	(636)	(352)
Provision for employee termination benefits	60,177	6,750
Provision for unused vacation	(9,260)	(795)
Provision for diminution in value of inventories	(6,765)	(3,508)
Warranty provision expense	(3,869)	469
Depreciation and amortization	262,706	(7,030)
Share of profit of equity accounted investees	162,376	78,773
Income from investment activities	44,269	14,901
Finance expense, net	(146,365)	(159,330)
Other	26,787	17,127
<b>Profit before tax</b>	<b>2,371,299</b>	<b>461,212</b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

#### NOTE 5 – CASH AND CASH EQUIVALENTS

As at 30 September 2022 and 31 December 2021, cash and cash equivalents comprise the following:

	<u>30 September 2022</u>	<u>31 December 2021</u>
Cash on hand	174	126
Cash at banks	3,556,339	3,409,450
- Demand deposits	2,489,856	3,330,315
- Time deposits	1,059,612	78,635
- Other cash and cash equivalents	6,871	500
<b>Total</b>	<b><u>3,556,513</u></b>	<b><u>3,409,576</u></b>

As at 30 September 2022, average effective interest rate on TL and EUR denominated time deposits are 17.50% and 2.40% respectively (31 December 2021: TL 18.05% and EUR 0.04%). As of 30 September 2022, the maturity range valid for TL time deposits are 3 days and for EUR time deposits are 32 days (31 December 2021: 1 day).

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

#### NOTE 6 – FINANCIAL INVESTMENTS

##### 6.1 Short-term financial investments

As of 30 September 2022 and 31 December 2021, short-term financial investments at fair value through income statement are as follows:

	<u>30 September 2022</u>	<u>31 December 2021</u>
FX protected time deposit	1,137,451	-
<b>Total</b>	<b><u>1,137,451</u></b>	<b><u>-</u></b>

##### 6.2 Long-term financial investments

As of 30 September 2022 and 31 December 2021, long-term financial investments classified as available-for-sale financial assets at fair value through other comprehensive income are as follows:

	<u>30 September 2022</u>		<u>31 December 2021</u>	
	<u>Ownership interest (%)</u>	<u>Carrying amount</u>	<u>Ownership interest (%)</u>	<u>Carrying amount</u>
Doğuş Holding A.Ş. (“Doğuş Holding”)	3.69	831,804	3.69	831,804
		<b><u>831,804</u></b>		<b><u>831,804</u></b>

As of 31 December 2021, since Doğuş Holding is not publicly traded, fair value of Doğuş Holding is determined by using current market information’s for publicly traded companies under Doğuş Holding governance. Fair value of Doğuş Holding is also determined by using other valuation methods such as nominal values, net carrying amount, acquisition price and discounted cash flows for non-public companies under Doğuş Holding governance. Discounts were applied on the net asset value of Doğuş Holding.

# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

### NOTE 6 – FINANCIAL INVESTMENTS (Continued)

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

	<u>2022</u>	<u>2021</u>
<b>Balance at 1 January</b>	<b>831,804</b>	<b>561,545</b>
Change in fair value of financial assets measured at fair value through other comprehensive income	-	-
<b>Balance at 30 September</b>	<b>831,804</b>	<b>561,545</b>

### NOTE 7 – BORROWINGS

As at 30 September 2022 and 31 December 2021, financial liabilities with the effective interest rates, comprise the following:

	<u>30 September 2022</u>		<u>31 December 2021</u>	
	<u>Interest rate (%)</u>	<u>Amount</u>	<u>Interest rate (%)</u>	<u>Amount</u>
<b>Short-term bank borrowings:</b>				
TL denominated borrowings	23.47	2,232,563	21.30	2,705,361
EUR denominated borrowings	5.23	93,007	-	-
		<u>2,325,570</u>		<u>2,705,361</u>

	<u>30 September 2022</u>		<u>31 December 2021</u>	
	<u>Interest rate (%)</u>	<u>Amount</u>	<u>Interest rate (%)</u>	<u>Amount</u>
<b>Short term portion of long term borrowings:</b>				
TL denominated borrowings	-	-	12.00	181,179
EUR denominated borrowings	4.23	84,429	-	-
<b>Total</b>		<u>84,429</u>		<u>181,179</u>

	<u>30 September 2022</u>		<u>31 December 2021</u>	
	<u>Interest rate (%)</u>	<u>Amount</u>	<u>Interest rate (%)</u>	<u>Amount</u>
<b>Long-term bank borrowings:</b>				
EUR denominated borrowings	4.23	42,222	-	-
<b>Total</b>		<u>42,222</u>		<u>-</u>



## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

#### NOTE 7 – BORROWINGS (Continued)

The repayment schedule of long-term bank borrowings including their short-term portions as at 30 September 2022 is as follows:

<u>Payment period</u>	<u>Original amount (TL)</u>	<u>Original amount (EUR)</u>	<u>TL equivalent</u>
2023	-	4,654	84,429
2024	-	2,328	42,222
<b>Total</b>	<b>-</b>	<b>6,982</b>	<b>126,651</b>

The repayment schedule of long-term bank borrowings including their short-term portions as at 31 December 2021 is as follows:

<u>Payment period</u>	<u>Original amount (TL)</u>	<u>Original amount (EUR)</u>	<u>TL equivalent</u>
2022	181,179	-	181,179
<b>Total</b>	<b>181,179</b>	<b>-</b>	<b>181,179</b>

Foreign currency, interest and liquidity risk exposure of financial liabilities are presented under Note 23.

Movements of financial borrowings as 30 September 2022 and 2021 are summarized below:

<u>Bank Borrowings</u>	<u>2022</u>	<u>2021</u>
<b>Balance at 1 January</b>	<b>2,886,540</b>	<b>2,277,941</b>
Additions during the period	2,347,808	2,596,252
Payments during the period	(2,777,486)	(2,056,713)
Foreign exchange (gains) / losses	27,683	-
Changes in interest accrual	(32,324)	38,480
<b>Balance at 30 September</b>	<b>2,452,221</b>	<b>2,855,960</b>

As of 30 September 2022 and 31 December 2021, the details of the financial lease liabilities are as follows:

	<u>30 September 2022</u>		<u>31 December 2021</u>	
	<u>Interest rate (%)</u>	<u>Amount</u>	<u>Interest rate (%)</u>	<u>Amount</u>
<b>Short term portion of long term leases:</b>				
TL leases	19.92	50,985	25.68	51,075
EUR leases	6.58	2,329	-	-
<b>Total</b>		<b>53,314</b>		<b>51,075</b>
	<u>30 September 2022</u>		<u>31 December 2021</u>	
	<u>Interest rate (%)</u>	<u>Amount</u>	<u>Interest rate (%)</u>	<u>Amount</u>
<b>Long term leases:</b>				
TL leases	19.92	142,306	25.68	90,669
EUR leases	6.58	2,386	-	-
<b>Total</b>		<b>144,692</b>		<b>90,669</b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

#### NOTE 7 – BORROWINGS (Continued)

Movement of financial lease liabilities as 30 September are summarized below:

<b>Lease Liabilities</b>	<b>2022</b>	<b>2021</b>
<b>Balance at 1 January</b>	<b>141,744</b>	<b>108,975</b>
Additions	107,677	78,198
Prepayments	(189)	(49)
Payments	(75,337)	(58,849)
Disposals	(3,145)	(4,720)
Interest expenses	27,098	19,869
Foreign exchange gain / loss	158	358
<b>Balance at 30 September</b>	<b>198,006</b>	<b>143,782</b>

#### NOTE 8 – TRADE RECEIVABLES AND PAYABLES

##### 8.1 Trade Receivables

###### 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 30 September 2022, TL 127,496 of trade receivables due from third parties are covered via letters of guarantee (31 December 2021: TL 80,793).

As at 30 September 2022, overdue trade receivables due from non-related parties that are not impaired amount to TL 33,634 (31 December 2021: TL 2,400), TL 362 of such overdue receivables are covered via guarantee letters (31 December 2021: TL 335).

As at 30 September 2022, the Group's average maturity of trade receivables due from third parties is 21 days (31 December 2021: 15 days).

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

##### 8.2 Trade Payables

As at 30 September 2022 and 31 December 2021, trade payables to third parties consist of the following:

	<b>30 September 2022</b>	<b>31 December 2021</b>
Payables to OEM companies	2,890,074	764,654
Dealer premium accrual (*)	453,089	-
Other trade payables (**)	162,028	146,450
Other expense accruals	3,553	6,718
Payables to dealers (*)	-	200,057
<b>Total</b>	<b>3,508,744</b>	<b>1,117,879</b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

#### NOTE 8 – TRADE RECEIVABLES AND PAYABLES (Continued)

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 1.11% per annum for trade payables not settled within 10 days (31 December 2021: 0.5% 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 23.

#### NOTE 9 – OTHER RECEIVABLES

As at 30 September 2022 and 31 December 2021, other receivables due from third parties comprise of the following:

	<u>30 September 2022</u>	<u>31 December 2021</u>
Warranty claims and price difference receivables (*)	119,252	104,542
Receivables due to insurance claims	37,825	25,041
Other	6,925	13,822
<b>Total</b>	<b><u>164,002</u></b>	<b><u>143,405</u></b>

(\*) Warranty receivables represent the receivable of the warranty expenses related to the vehicles imported by the Group. As at 30 September 2022, the other receivables that has not been billed are TL 35,618 (31 December 2021: TL 56,702).

#### NOTE 10 – INVENTORIES

As at 30 September 2022 and 31 December 2021, inventories comprise of the following:

	<u>30 September 2022</u>	<u>31 December 2021</u>
Goods in transit (*)	2,914,706	802,097
Merchandise stocks – vehicles	688,295	829,743
Merchandise stocks – spare parts	549,309	343,818
	<b><u>4,152,310</u></b>	<b><u>1,975,658</u></b>
Provision for diminution in the value of inventories (-)	(12,948)	(6,177)
<b>Total</b>	<b><u>4,139,362</u></b>	<b><u>1,969,481</u></b>

(\*) 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 23,721,387 for the nine month period ended 30 September 2022 (30 September 2021: TL 15,842,612).

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

#### NOTE 10 – INVENTORIES (Continued)

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:

	<u>2022</u>	<u>2021</u>
<b>Balance at 1 January</b>	<b>6,177</b>	<b>6,632</b>
Additions in the current period	6,771	3,889
<b>Balance at 30 September</b>	<b>12,948</b>	<b>10,521</b>

#### NOTE 11 – INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

As at 30 September 2022 and 31 December 2021, investment in associates, joint ventures and the Group’s share of control are as follows:

	<u>30 September 2022</u>		<u>31 December 2021</u>	
	<u>Ownership (%)</u>	<u>Carrying amount</u>	<u>Ownership (%)</u>	<u>Carrying amount</u>
<b><u>Associates</u></b>				
VDF Servis	48.79	590,771	48.79	518,749
Yüce Auto	50	322,936	50	95,726
Doğuş Sigorta	42	65,106	42	59,501
Doğuş Teknoloji	21.76	31,346	21.76	34,309
<b>Total</b>		<b>1,010,159</b>		<b>708,285</b>
<b><u>Joint ventures</u></b>				
TÜVTURK Kuzey – Güney	33.33	235,077	33.33	171,950
<b>Total</b>		<b>235,077</b>		<b>171,950</b>
<b>Grand total</b>		<b>1,245,236</b>		<b>880,235</b>

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

	<u>2022</u>	<u>2021</u>
<b>Balance at 1 January</b>	<b>880,235</b>	<b>790,730</b>
Shares in profits of associates, net	377,846	133,790
Shares in profits of joint ventures, net	148,556	122,263
Dividend income from associates	(72,005)	(68,556)
Dividend income from joint ventures	(79,242)	(230,325)
Shares of other comprehensive income/loss of associates and joint ventures	(10,154)	-
<b>Balance at 30 September</b>	<b>1,245,236</b>	<b>747,902</b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

(Convenience translation of condensed consolidated interim 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 30 September 2022, 31 December 2021 and 30 September 2021, total assets, liabilities and results of the periods of the Group's associates and joint ventures are presented below:

	30 September 2022						30 September 2022		
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Income	Expenses (-)	Net profit/(loss)
Investment in associates	11,313,824	4,401,581	15,715,405	13,562,034	78,178	13,640,212	7,790,769	(7,056,972)	733,797
Joint ventures	743,843	937,503	1,681,346	582,045	394,074	976,118	3,639,350	(3,193,637)	445,713
	31 December 2021						30 September 2021		
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Income	Expenses (-)	Net profit/(loss)
Investment in associates	9,065,846	3,538,925	12,604,771	10,382,360	793,676	11,176,036	5,498,680	(5,223,121)	275,559
Joint ventures	462,171	895,453	1,357,624	464,882	383,630	848,512	2,832,292	(2,465,465)	366,827

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

As at 30 September 2022, 31 December 2021 and 30 September 2021, cash and cash equivalents, current and non-current liabilities, amortization and depreciation expenses, interest income and expenses are presented below:

	30 September 2022			30 September 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	1,613,565	11,671,867	10,899	7,424,654	(48,636)	39,225	(97,178)	(212,358)
Joint ventures	438,204	44,704	-	3,581,944	(43,071)	41,090	(1,970)	(138,398)
	31 December 2021			30 September 2021				
	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	723,028	9,223,288	722,176	5,193,591	(39,928)	18,934	(289,215)	(58,104)
Joint ventures	234,609	14,876	32,862	2,734,276	(21,506)	39,888	(1,686)	(133,880)

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

(Convenience translation of condensed consolidated interim 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 nine month period ended 30 September 2022 are as follows:

	<b>1 January 2022</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers (*)</b>	<b>30 September 2022</b>
<i>Cost:</i>					
Land	285,839	-	-	-	285,839
Land improvements	19,871	-	-	17	19,888
Buildings	416,975	2,203	-	32,947	452,125
Machinery and equipments	82,490	19,903	(1,305)	430	101,518
Motor vehicles	423,952	300,381	(23,541)	-	700,792
Furniture and fixtures	107,416	7,832	(3,193)	1,535	113,590
Leasehold improvements	124,770	898	(1,399)	3,018	127,287
Constructions in progress	7,771	60,191	-	(38,167)	29,795
	<b>1,469,084</b>	<b>391,408</b>	<b>(29,438)</b>	<b>(220)</b>	<b>1,830,834</b>
<i>Accumulated depreciation:</i>					
Land improvements	(15,220)	(592)	-	-	(15,812)
Buildings	(68,435)	(7,280)	-	-	(75,715)
Machinery and equipments	(43,620)	(5,524)	1,303	-	(47,841)
Motor vehicles	(131,099)	(85,173)	10,043	-	(206,229)
Furniture and fixtures	(59,904)	(9,375)	3,126	-	(66,153)
Leasehold improvements	(54,515)	(6,620)	968	-	(60,167)
	<b>(372,793)</b>	<b>(114,564)</b>	<b>15,440</b>	<b>-</b>	<b>(471,917)</b>
<b>Carrying amount</b>	<b>1,096,291</b>				<b>1,358,917</b>

Total depreciation expense amounting to TL 114,564 has been allocated to general administrative expenses in the condensed consolidated profit or loss statement for the nine month period ended 30 September 2022 (30 September 2021: TL 68,514).

As at 30 September 2022, borrowing cost amounting to TL 54,089 is capitalized on property and equipments (31 December 2021: TL 54,089).

(\*) As of 30 September 2022, TL 220 of transfers consists of transfers to intangible assets (30 September 2021: TL 194).

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

(Convenience translation of condensed consolidated interim 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 nine month period ended 30 September 2021 are as follows:

	1 January 2021	Additions	Disposals	Transfers (*)	Foreign currency translation difference	30 September 2021
<i>Cost:</i>						
Land	285,839	-	-	-	-	285,839
Land improvements	19,366	410	-	95	-	19,871
Buildings	397,693	1,478	-	3,489	-	402,660
Machinery and equipments	75,497	5,151	(3,606)	1,759	322	79,123
Motor vehicles	246,383	105,938	(22,683)	95	(163)	329,570
Furniture and fixtures	82,587	8,882	(4,678)	3,290	290	90,371
Leasehold improvements	139,230	93	(39,207)	3,931	3,636	107,683
Constructions in progress	11,412	21,458	-	(12,853)	-	20,017
	<b>1,258,007</b>	<b>143,410</b>	<b>(70,174)</b>	<b>(194)</b>	<b>4,085</b>	<b>1,335,134</b>
<i>Accumulated depreciation:</i>						
Land improvements	(14,424)	(598)	-	-	-	(15,022)
Buildings	(65,361)	(6,258)	-	-	-	(71,619)
Machinery and equipments	(44,367)	(4,346)	2,534	-	(212)	(46,391)
Motor vehicles	(85,855)	(44,002)	13,165	-	(17)	(116,709)
Furniture and fixtures	(57,208)	(7,110)	4,498	-	(237)	(60,057)
Leasehold improvements	(89,864)	(6,200)	38,074	-	(1,414)	(59,404)
	<b>(357,079)</b>	<b>(68,514)</b>	<b>58,271</b>	<b>-</b>	<b>(1,880)</b>	<b>(369,202)</b>
<b>Carrying amount</b>	<b>900,928</b>					<b>965,932</b>



## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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#### NOTE 13 – INVESTMENT PROPERTY

The movements in investment property and related accumulated depreciation for the nine months period ended 30 September 2022 and 2021 are as follows:

	2022	2021
<b>Cost:</b>		
Balance at 1 January	135,432	111,773
<b>Balance at 30 September</b>	<b>135,432</b>	<b>111,773</b>
<b>Accumulated depreciation</b>		
Balance at 1 January	(13,969)	(6,354)
Depreciation for the period	(2,555)	(1,679)
<b>Balance at 30 September</b>	<b>(16,524)</b>	<b>(8,033)</b>
<b>Net book value as of 1 January</b>	<b>121,463</b>	<b>105,419</b>
<b>Net book value as of 30 September</b>	<b>118,908</b>	<b>103,740</b>

Investment property comprised of the building that is used by Doğuş Teknoloji, Kartal Tower and Etimesgut buildings.

The Group assesses whether there is any impairment indicator in investment properties. If such indicator exists the Group compares fair values and carrying values of the investment properties on an individual asset basis and records identified impairment of the investment properties.

The fair value of the investment property has been determined by a CMB licensed property appraiser company in November 2021, the fair value of the Doğuş Teknoloji building amounts to TL 47,610, TL 153,965 for Kartal Tower and TL 40,550 for Etimesgut building respectively (Level 2).

The useful life of the building that is classified as investment property is 50 years. In 2022, the Group has recognized TL 3,894 rent income from the related investment property (30 September 2021: TL 122).

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

#### NOTE 14 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

##### 14.1 Short-Term Provisions

The breakdown of short-term provisions as at 30 September 2022 and 31 December 2021 is presented below:

	<u>30 September 2022</u>	<u>31 December 2021</u>
Legal provisions	54,120	50,095
Warranty provisions	16,802	16,121
Other provisions	36,687	330,000
<b>Total</b>	<b><u>107,609</u></b>	<b><u>396,216</u></b>

The breakdown of long-term provisions as at 30 September 2022 and 31 December 2021 is presented below:

	<u>30 September 2022</u>	<u>31 December 2021</u>
Warranty provisions	76,346	70,445
<b>Total</b>	<b><u>76,346</u></b>	<b><u>70,445</u></b>

##### 14.2 Collaterals / Pledges / Mortgages / Bill of Guarantees Given

As at 30 September 2022, the Group's position related to letters of collaterals / pledges / mortgages / bill of guarantees guarantee given, pledges and mortgages ("CPMB") are as follows:

	<u>30 September 2022</u>				
	<u>Total TL equivalent</u>	<u>Full TL</u>	<u>Full USD</u>	<u>Original balances Full Euro</u>	<u>Full CHF</u>
A. Total amount of CPMB given on behalf of own legal personality	3,324,971	62,955,661	-	179,829,372	-
B. Total amount of CPMB given in favor of partnerships which is consolidated	38,314	38,314,339	-	-	-
C. Total amount of CPMB given for assurance of third parties debts in order to conduct of usual business activities	136,046	-	-	7,500,000	-
D. Total amount of other CPMB	-	-	-	-	-
i. Total amount of CPMB given in favor of parent company	-	-	-	-	-
ii. The amount of CPMB given in favor of other group companies which B and C don't comprise	-	-	-	-	-
iii. The amount of CPMB given in favor of 3rd parties which C doesn't comprise	-	-	-	-	-
<b>Total CPMB</b>	<b><u>3,499,331</u></b>	<b><u>101,270,000</u></b>	<b><u>-</u></b>	<b><u>187,329,372</u></b>	<b><u>-</u></b>

Other CPMBs given by the Group as at 30 September 2022 are equivalent to 0% of the Company's equity (31 December 2021: 0%).

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 2021: 26,000).

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

#### NOTE 14 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

##### 14.2 Collaterals / Pledges / Mortgages / Bill of Guarantees Given (Continued)

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

	31 December 2021				
	Total TL equivalent	Full TL	Full USD	Original balances Full Euro Full CHF	
A. Total amount of CPMB given on behalf of own legal personality	3,835,641	65,660,091	-	249,887,700	-
B. Total amount of CPMB given in favor of partnerships which is consolidated	43,884	43,883,744	-	-	-
C. Total amount of CPMB given for assurance of third parties debts in order to conduct of usual business activities	113,150	-	-	7,500,000	-
D. Total amount of other CPMB	-	-	-	-	-
i. Total amount of CPMB given in favor of parent company	-	-	-	-	-
ii. The amount of CPMB given in favor of other group companies which B and C don't comprise	-	-	-	-	-
iii. The amount of CPMB given in favor of 3rd parties which C doesn't comprise	-	-	-	-	-
<b>Total CPMB</b>	<b>3,992,675</b>	<b>109,543,835</b>	<b>-</b>	<b>257,387,700</b>	<b>-</b>

##### 14.3 Collaterals / Pledges / Mortgages / Bill of Guarantees Received

As at 30 September 2022 and 31 December 2021, the Group's position related to letter of guarantees received are as follows:

	30 September 2022	31 December 2021
Letters of guarantees received from dealers	160,414	94,861
Letters of guarantees received from fixed asset and service suppliers	73,940	89,659
Letter of guarantees received from fleet customers	37,131	25,300
<b>Total</b>	<b>271,485</b>	<b>209,820</b>

#### NOTE 15 – OTHER CURRENT LIABILITIES

As at 30 September 2022 and 31 December 2021, other current liabilities comprise of the following:

	30 September 2022	31 December 2021
VAT payable	366,519	163,612
Other current liabilities	550	1,088
<b>Total</b>	<b>367,069</b>	<b>164,700</b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

#### NOTE 16 – EQUITY

##### Issued Capital

As at 30 September 2022, the registered capital of the Company is TL 220,000 (31 December 2021: 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 30 September 2022 and 31 December 2021, the composition of the Company's shareholding structure is as follows:

Shareholders	<u>30 September 2022</u>		<u>31 December 2021</u>	
	TL	Shareholding (%)	TL	Shareholding (%)
Doğuş Holding A.Ş.	165,585	75.27	165,585	75.27
Doğuş Otomotiv Servis ve Ticaret A.Ş. (*)	22,000	10.00	22,000	10.00
Publicly traded	32,415	14.73	32,415	14.73
<b>Paid-in capital</b>	<b>220,000</b>	<b>100.00</b>	<b>220,000</b>	<b>100.00</b>
Inflation adjustment difference	23,115		23,115	
<b>Total</b>	<b>243,115</b>		<b>243,115</b>	

(\*) In accordance with communique of CMB, the Group reacquired 22,000,000 units of its own shares which is equivalent to 10% of its paid-in capital in 2016.

##### Restricted reserves appropriated from profits

The breakdown of restricted reserves is presented below:

	<u>30 September 2022</u>	<u>31 December 2021</u>
Treasury share reserves	220,498	220,393
Legal reserves	323,363	199,463
Other restricted profit reserves	3,439	3,439
<b>Total</b>	<b>547,300</b>	<b>423,295</b>

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 30 September 2022, the legal reserves of the Group amounted to TL 323,363 (31 December 2021: TL 199,463).

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

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#### NOTE 16 – EQUITY (Continued)

##### Treasury shares

The Group reacquired its own shares that are traded on Borsa Istanbul 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.

##### Gains (Losses) on remeasurements of defined benefit plans

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

##### Retained earnings / (Accumulated losses)

Accumulated profits other than net current year profit and extraordinary reserves are classified under retained earnings. As at 30 September 2022, retained earnings are TL 1,921,940 (31 December 2021: TL 839,364).

##### 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 30 September 2022, gains (losses) on remeasuring and/or reclassification of financial assets measured at fair value through other comprehensive income of the Group amounted to TL 753,816 (31 December 2021: TL 753,816).

##### Foreign currency translation differences

Foreign currency translation differences comprise the foreign currency exchange rate differences arising from the translation of the financial statements on foreign currencies from functional currency to the presentation currency of the Group. As at 30 September 2022, the foreign currency translation differences of the Group amounted to TL 18,598 (31 December 2021: TL 8,582).

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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#### NOTE 16 – EQUITY (Continued)

##### 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.

In the General Assembly Meeting which was held on 29 March 2022, it has been decided to distribute cash dividends amounting to TL 1,250,000 to shareholders on previous year's distributable profit which was calculated by deducting legal reserves from period income. It has been decided that TL 123,900 of the net profit of the period will not be distributed and be kept within the Company as "legal reserve".

##### Non-controlling interests

Equity in a subsidiary that is not attributable, directly or indirectly, to a parent is classified under the "non-controlling interests" in the consolidated financial statements. As at 30 September 2022 and 31 December 2021, the related amounts in the "non-controlling interests" account in the consolidated financial statements are TL 31,747 and TL 13,258 respectively. In addition, net profit or loss in a subsidiary that is not attributable, directly or indirectly, to a parent is also classified under the "non-controlling interests" in the consolidated profit or loss statement.

#### NOTE 17 – MARKETING EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

The breakdown of operating expenses for the nine and three month periods ended 30 September is presented below:

	<b>1 January - 30 September 2022</b>	<b>1 January - 30 September 2021</b>	<b>1 July - 30 September 2022</b>	<b>1 July - 30 September 2021</b>
General administrative expenses	690,440	404,139	275,195	143,750
Marketing expenses	561,183	327,188	220,369	104,038
<b>Total</b>	<b>1,251,623</b>	<b>731,327</b>	<b>495,564</b>	<b>247,788</b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

##### 17.1 Marketing Expenses

The breakdown of marketing expenses for the nine and three month periods ended 30 September is presented below:

	<b>1 January - 30 September 2022</b>	<b>1 January - 30 September 2021</b>	<b>1 July - 30 September 2022</b>	<b>1 July - 30 September 2021</b>
Distribution expenses	190,294	80,049	73,154	24,402
Warranty expenses, net	128,804	97,152	53,888	30,969
Personnel expenses	125,246	78,413	52,781	29,008
Advertising expenses	94,311	60,604	30,646	14,191
Customer service expenses	17,695	10,400	8,051	5,266
Support expenses	4,833	570	1,849	202
<b>Total</b>	<b>561,183</b>	<b>327,188</b>	<b>220,369</b>	<b>104,038</b>

##### 17.2 General Administrative Expenses

The breakdown of general administration expenses for the nine and three month periods ended 30 September is presented below:

	<b>1 January - 30 September 2022</b>	<b>1 January - 30 September 2021</b>	<b>1 July - 30 September 2022</b>	<b>1 July - 30 September 2021</b>
Personnel expenses	249,585	141,290	111,526	49,406
Depreciation and amortization expenses	205,647	131,455	73,774	47,374
Building expenses	81,984	39,660	32,857	14,182
Maintenance expenses	53,419	31,088	20,196	10,783
Vehicle expenses	14,065	7,546	2,475	3,083
Consultancy expenses	16,470	11,071	6,222	4,231
Insurance expenses	15,492	11,427	5,330	3,865
Travelling expenses	5,852	486	2,724	102
Communication expenses	2,762	1,947	1,027	665
Corporate governance expenses	386	575	-	-
Other	44,778	27,594	19,064	10,059
<b>Total</b>	<b>690,440</b>	<b>404,139</b>	<b>275,195</b>	<b>143,750</b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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#### NOTE 18 – INVESTMENT ACTIVITY INCOME

The breakdown of income from investment activities for the nine and three month periods ended 30 September is presented below:

	<b>1 January - 30 September 2022</b>	<b>1 January - 30 September 2021</b>	<b>1 July - 30 September 2022</b>	<b>1 July - 30 September 2021</b>
Gain on interest and foreign exchange	86,123	-	37,485	-
Gain on sale of property and equipment	36,367	31,413	6,784	14,901
<b>Total</b>	<b>122,490</b>	<b>31,413</b>	<b>44,269</b>	<b>14,901</b>

#### NOTE 19 – FINANCE INCOME AND EXPENSES

The breakdown of finance expenses for the nine and three month periods ended 30 September is presented below:

	<b>1 January - 30 September 2022</b>	<b>1 January - 30 September 2021</b>	<b>1 July - 30 September 2022</b>	<b>1 July - 30 September 2021</b>
Interest expense on borrowings	444,941	378,803	136,946	150,975
Commission expenses on letters of guarantee	61,581	47,694	19,187	14,780
Interest expense on lease liabilities (Note 7)	27,098	19,869	8,532	7,073
Other	51,048	16,825	16,403	6,534
<b>Total</b>	<b>584,668</b>	<b>463,191</b>	<b>181,068</b>	<b>179,362</b>

The breakdown of finance income for the nine and three month periods ended 30 September is presented below:

	<b>1 January - 30 September 2022</b>	<b>1 January - 30 September 2021</b>	<b>1 July - 30 September 2022</b>	<b>1 July - 30 September 2021</b>
Interest income	39,074	45,499	34,703	20,032
<b>Total</b>	<b>39,074</b>	<b>45,499</b>	<b>34,703</b>	<b>20,032</b>



## DOĐUŐ OTOMOTİV SERVİS VE TİCARET A.Ő.

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

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

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#### NOTE 20 – TAX ASSET AND LIABILITIES

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

The Corporate Tax Law was amended by Law No.5520 dated 13 September 2006. Most of the articles of the new Corporate Tax Law in question, No.5520, have come into force effective from 1 January 2006. Corporation tax is payable at a rate of 23% for 30 September 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).

As at 30 September 2022, enacted corporation tax rate is 15% for the subsidiary registered in Iraq according to local tax law (31 December 2021: 15%). According to Iraq tax laws, losses can be carried forward for offsetting against future taxable income for up to 5 years unless if it is not exceeded by the half of the income for each year.

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.

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

#### NOTE 20 – TAX ASSET AND LIABILITIES (Continued)

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 nine and three month periods ended 30 September, taxation charge comprise of the following:

	<b>1 January - 30 September 2022</b>	<b>1 January - 30 September 2021</b>	<b>1 July - 30 September 2022</b>	<b>1 July - 30 September 2021</b>
Deferred tax income / (expense)	952,437	35,401	883,125	25,737
Current tax income / (expense)	(1,346,488)	(372,917)	(548,354)	(115,638)
<b>Total tax expense</b>	<b>(394,051)</b>	<b>(337,516)</b>	<b>334,771</b>	<b>(89,901)</b>

For the period ended 30 September, 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:

	<b>1 January - 30 September 2022</b>	<b>1 January - 30 September 2021</b>
Profit before tax	5,872,834	1,597,670
Income tax using the Company's domestic tax rate	(1,350,752)	(399,418)
Disallowable expenses	(14,126)	(6,358)
Share of profit in equity accounted investees exempt from deferred tax calculation	121,072	64,013
Property, plant and equipment revaluation fund, recognised only in statutory financial statements, deferred tax income	843,021	-
Other	6,734	4,247
<b>Total tax expense</b>	<b>(394,051)</b>	<b>(337,516)</b>

  

	<b>1 July - 30 September 2022</b>	<b>1 July - 30 September 2021</b>
Profit before tax	2,371,299	461,212
Income tax using the Company's domestic tax rate	(545,399)	(115,303)
Disallowable expenses	(5,772)	(2,053)
Share of profit in equity accounted investees exempt from deferred tax calculation	37,346	19,693
Property, plant and equipment revaluation fund, recognised only in statutory financial statements, deferred tax income	843,021	-
Other	5,575	7,762
<b>Total tax expense</b>	<b>334,771</b>	<b>(89,901)</b>

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.

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

#### NOTE 20 – TAX ASSET AND LIABILITIES (Continued)

##### Deferred taxes

As at 30 September 2022 and 31 December 2021, deferred tax assets and liabilities are attributable to the items detailed in the table below:

	Deferred tax asset		Deferred tax liabilities		Net deferred tax asset/(liabilities)	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Fair value change of available-for sale financial assets	-	-	(35,086)	(35,086)	(35,086)	(35,086)
Land	-	-	(1,393)	(1,393)	(1,393)	(1,393)
Other tangible and intangible assets	826,892	-	-	1,313	826,892	1,313
Warranty provision, net	18,630	17,797	-	-	18,630	17,797
Legal provision	7,704	7,933	-	-	7,704	7,933
Provision for diminution in value of inventories	2,978	1,421	-	-	2,978	1,421
Employee termination benefit	19,960	10,251	-	-	19,960	10,251
Unused vacation liability	8,336	4,192	-	-	8,336	4,192
Dealer premium accrual	104,210	-	-	-	104,210	-
Other	-	(19,357)	(4,679)	-	(4,679)	(19,357)
Total deferred tax asset/(liabilities)	988,710	22,237	(41,158)	(35,166)	947,552	(12,929)
Net off tax	(41,158)	402	43,158	(402)	-	-
<b>Total deferred tax assets/(liabilities)</b>	<b>947,552</b>	<b>22,639</b>	<b>-</b>	<b>(35,568)</b>	<b>947,552</b>	<b>(12,929)</b>

The movements in temporary differences as at 30 September 2022 are as follows:

	1 January 2022	Recognized in the profit or loss	Recognized in other comprehensive income	30 September 2022
Fair value change of available for sale financial assets	(35,086)	-	-	(35,086)
Land	(1,393)	-	-	(1,393)
Other tangible and intangible assets	1,313	825,579	-	826,892
Warranty provision, net	17,797	833	-	18,630
Legal provision	7,933	(229)	-	7,704
Provision for diminution in value of inventories	1,421	1,557	-	2,978
Employee termination benefit	10,251	1,665	8,044	19,960
Unused vacation liability	4,192	4,144	-	8,336
Dealer premium accrual	-	104,210	-	104,210
Other	(19,357)	14,678	-	(4,679)
	<b>(12,929)</b>	<b>952,437</b>	<b>8,044</b>	<b>947,552</b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

#### NOTE 20 – TAX ASSET AND LIABILITIES (Continued)

##### Deferred taxes (Continued)

The movements in temporary differences as at 30 September 2021 are as follows:

	1 January 2021	Recognized in the profit or loss	Recognized in other comprehensive income	30 September 2021
Fair value change of available for sale financial assets	(21,572)	-	-	(21,572)
Land	(1,393)	-	-	(1,393)
Other tangible and intangible assets	(10,041)	(453)	-	(10,494)
Warranty provision, net	9,733	4,170	-	13,903
Legal provision	6,497	1,882	-	8,379
Provision for diminution in value of inventories	1,326	1,305	-	2,631
Employee termination benefit	7,976	751	871	9,598
Unused vacation liability	3,263	733	-	3,996
Dealer premium accrual	-	28,097	-	28,097
Other	2,579	(1,084)	-	1,495
	<u>(1,632)</u>	<u>35,401</u>	<u>871</u>	<u>34,640</u>

As at 30 September 2022, current income tax liabilities amounting to TL 508,883 (31 December 2021: TL 259,620) is comprised by tax provision for the period ended 30 September 2022.

As of 30 September 2022, the Group has no current period tax assets. (31 December 2021: None).

The law on amending the Tax Procedure Law and the Corporate Tax Law was enacted on 20 January 2022, Law No. It has been enacted with the number 7352 and it has been decided that the financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods, including the temporary accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for the inflation adjustment within the scope of the Repeated Article 298 are met. The Public Oversight Authority made a statement on the Implementation of Financial Reporting in High Inflation Economies under TFRS on January 20, 2022, and it was stated that there was no need to make any adjustments within the scope of TAS 29 Financial Reporting in High Inflation Economies in the financial statements for 2022.

#### NOTE 21 – 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 period ended 30 September, earnings per share are calculated as follows:

	1 January - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2022	1 July - 30 September 2021
Net profit attributable to the equity holders of the Company	5,460,294	1,255,894	2,698,061	369,959
Number of basic shares	198,000,000	198,000,000	198,000,000	198,000,000
<b>Basic / diluted earnings per share (in full TL)</b>	<b>27,5772</b>	<b>6.3429</b>	<b>13,6266</b>	<b>1.8685</b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

#### NOTE 22 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES

##### 22.1 Due from related parties

###### 22.1.1 Due from associates

	<u>30 September 2022</u>	<u>31 December 2021</u>
Yüce Auto	5,474	5,071
<b>Total</b>	<b>5,474</b>	<b>5,071</b>

###### 22.1.2 Due from joint ventures

	<u>30 September 2022</u>	<u>31 December 2021</u>
TÜVTURK	47	10
<b>Total</b>	<b>47</b>	<b>10</b>

###### 22.1.3 Due from other related parties

	<u>30 September 2022</u>	<u>31 December 2021</u>
VDF Faktoring Hizmetleri A.Ş. ("VDF Faktoring")	1,672,168	648,032
VDF Filo Kiralama A.Ş.	2,616	944
VDF Sigorta Aracılık Hizmetleri A.Ş.	2,296	1,421
VDF	72	148
Other	736	349
<b>Total</b>	<b>1,677,888</b>	<b>650,894</b>

###### 22.1.4 Due from shareholders

	<u>30 September 2022</u>	<u>31 December 2021</u>
Doğuş Holding	235	50
<b>Total</b>	<b>235</b>	<b>50</b>
<b>Grand total</b>	<b>1,683,644</b>	<b>656,025</b>

As of 30 September 2022, the Group imposes 1,8% interest charge on the receivables from related parties (31 December 2021: 1% per month).

##### 22.2 Other receivables due from related parties

###### 22.2.1 Other current receivables due from associates

	<u>30 September 2022</u>	<u>31 December 2021</u>
Doğuş Teknoloji	5,732	4,718
<b>Total</b>	<b>5,732</b>	<b>4,718</b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

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

##### 22.2 Other receivables due from related parties (Continued)

###### 22.2.2 Other current receivables due from other related parties

	<u>30 September 2022</u>	<u>31 December 2021</u>
VDF Filo Kiralama A.Ş. (sublease receivables)	8,605	2,224
<b>Total</b>	<b>8,605</b>	<b>2,224</b>
<b>Grand total</b>	<b>14,337</b>	<b>6,942</b>

###### 22.2.3 Other non-current receivables due from related parties

	<u>30 September 2022</u>	<u>31 December 2021</u>
VDF Filo Kiralama A.Ş. (sublease receivables)	1,519	975
<b>Total</b>	<b>1,519</b>	<b>975</b>

##### 22.3 Current prepayments due from related parties

###### 22.3.1 Current prepaid expenses to related parties

###### 22.3.1.1 Current prepaid expenses to associates

	<u>30 September 2022</u>	<u>31 December 2021</u>
Doğuş Teknoloji	863	719
<b>Total</b>	<b>863</b>	<b>719</b>

###### 22.3.1.2 Current prepaid expenses to other related parties

	<u>30 September 2022</u>	<u>31 December 2021</u>
Antur Turizm A.Ş.	3,907	15
Pozitif Arena Salon İşletmeleri A.Ş.	1,611	8,823
Doğuş Spor Kompleksi Yatırım ve İşletme A.Ş.	440	-
Pozitif Müzik A.Ş.	337	262
Diğer	348	-
<b>Total</b>	<b>6,643</b>	<b>9,100</b>

###### 22.3.1.3 Current prepaid expenses to shareholders

	<u>30 September 2022</u>	<u>31 December 2021</u>
Doğuş Holding	18	804
<b>Total</b>	<b>18</b>	<b>804</b>
<b>Grand total</b>	<b>7,524</b>	<b>10,623</b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

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

##### 22.3 Current prepayments due from related parties (Continued)

###### 22.3.2 Non- Current prepaid expenses to related parties

###### 22.3.2.1 Non-current prepaid expenses

	<u>30 September 2022</u>	<u>31 December 2021</u>
Pozitif Arena Salon İşletmeleri A.Ş.	3,052	3,052
Doğuş Teknoloji	338	381
Pozitif Müzik A.Ş.	127	323
<b>Total</b>	<b>3,517</b>	<b>3,756</b>

###### 22.3.3 Advances given

###### 22.3.3.1 Advances given to other related parties

	<u>30 September 2022</u>	<u>31 December 2021</u>
Doğuş Yayın Grubu A.Ş.	-	822
<b>Total</b>	<b>-</b>	<b>822</b>

##### 22.4 Deferred Income

###### 22.4.1 Deferred income from other related parties

	<u>30 September 2022</u>	<u>31 December 2021</u>
TDB Kalibrasyon Hizmetleri A.Ş.	-	-
Other	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

##### 22.5 Trade payables due to related parties

###### 22.5.1 Trade payables due to associates

	<u>30 September 2022</u>	<u>31 December 2021</u>
Yüce Auto	72,151	92,364
Doğuş Teknoloji	18,888	12,088
<b>Total</b>	<b>91,039</b>	<b>104,452</b>

###### 22.5.2 Trade payables due to joint ventures

	<u>30 September 2022</u>	<u>31 December 2021</u>
TÜVTURK	7	-
<b>Total</b>	<b>7</b>	<b>-</b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

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

##### 22.5 Trade payables due to related parties (Continued)

##### 22.5.3 Trade payables due to other related parties

	<u>30 September 2022</u>	<u>31 December 2021</u>
Antur Turizm A.Ş.	14,418	2,125
VDF Filo Kiralama A.Ş.	7,238	1,299
TDB Kalibrasyon Hizmetleri A.Ş.	692	168
VDF Faktoring	608	418
Semanticum Bilişim Sanayi ve Ticaret A.Ş.	340	391
Doğuş İnşaat ve Ticaret A.Ş.	335	-
Doğuş Verimlilik ve Merkezi Satın Alma Hız. Tic. A.Ş.	314	750
Pozitif Müzik A.Ş.	225	-
VDF	25	26
Nahita Restaurant İşletmeciliği ve Yatırım A.Ş.	-	1,758
DGPAYS Bilişim Hizmetleri A.Ş.	-	618
Diğer	261	632
<b>Toplam</b>	<b>24,456</b>	<b>8,185</b>

##### 22.5.4 Trade payables due to shareholders

	<u>30 September 2022</u>	<u>31 December 2021</u>
Doğuş Holding	2,416	686
<b>Total</b>	<b>2,416</b>	<b>686</b>
<b>Grand total</b>	<b>117,918</b>	<b>113,323</b>



# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

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

#### 22.7 Related Party Transactions

Related party transactions for the nine and three month periods ended 30 September are as follows:

##### 22.7.1 Associates

	1 January - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2022	1 July - 30 September 2021
<b>Sales and other income generating transactions:</b>				
Sale of products and returns, net	31,086	18,222	6,078	1,924
Other income	62,059	38,436	21,679	10,445
Sale of services, net	924	392	381	125
Financial income	859	547	326	225
<b>Total</b>	<b>94,928</b>	<b>57,597</b>	<b>28,464</b>	<b>12,719</b>
<b>Purchases and expense incurring transactions:</b>				
Inventory purchases	890,634	700,749	258,287	128,729
Incentives for consumer loans	-	53,056	-	24,318
Fixed asset purchases	83,011	52,591	32,162	18,896
Other purchases	114,576	58,797	43,454	26,435
Services rendered	34,213	19,147	13,000	6,543
Other expenses	633	557	199	332
Financial expenses	-	113	-	113
<b>Total</b>	<b>1,123,067</b>	<b>885,010</b>	<b>347,102</b>	<b>205,366</b>

##### 22.7.2 Joint ventures

	1 January - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2022	1 July - 30 September 2021
<b>Sales and other income generating transactions:</b>				
Sale of products and returns, net	2,803	2,775	96	55
Sale of services, net	81	72	34	13
Other incomes	4	4	-	-
<b>Total</b>	<b>2,888</b>	<b>2,851</b>	<b>130</b>	<b>68</b>
<b>Purchases and expense incurring transactions:</b>				
Services rendered	42	84	23	13
Other purchases	3	-	2	-
<b>Total</b>	<b>45</b>	<b>84</b>	<b>25</b>	<b>13</b>

**DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.**

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

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

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

**22.7 Related Party Transactions (Continued)**

**22.7.3 Other related parties**

**a) Income generated from other related parties**

	<b>1 January - 30 September 2022</b>					
	<b>Sale of products</b>	<b>Sale of services</b>	<b>Sale of fixed assets</b>	<b>Other income from operating activities</b>	<b>Financial income</b>	<b>Total</b>
VDF Filo	293,784	8,341	-	1,123	-	303,248
VDF Sigorta	-	2	-	16,629	-	16,631
VDF Faktoring	-	-	-	-	-	-
Other	7,943	889	3	1,735	147	10,717
	<b>301,727</b>	<b>9,232</b>	<b>3</b>	<b>19,487</b>	<b>147</b>	<b>330,596</b>

	<b>1 January - 30 September 2021</b>					
	<b>Sale of products</b>	<b>Sale of services</b>	<b>Sale of fixed assets</b>	<b>Other income from operating activities</b>	<b>Financial income</b>	<b>Total</b>
VDF Filo	303,885	4,002	-	674	-	308,561
VDF Sigorta	3	3	-	7,838	-	7,844
VDF Faktoring	-	-	-	-	-	-
Other	3,898	131	121	1,304	238	5,692
	<b>307,786</b>	<b>4,136</b>	<b>121</b>	<b>9,816</b>	<b>238</b>	<b>322,097</b>

	<b>1 July - 30 September 2022</b>					
	<b>Sale of products</b>	<b>Sale of services</b>	<b>Sale of fixed assets</b>	<b>Other income from operating activities</b>	<b>Financial income</b>	<b>Total</b>
VDF Filo	79,498	3,294	-	578	-	83,370
VDF Sigorta	-	-	-	6,680	-	6,680
VDF Faktoring	-	-	-	-	-	-
Other	3,559	505	3	622	-	4,689
	<b>83,057</b>	<b>3,799</b>	<b>3</b>	<b>7,880</b>	<b>-</b>	<b>94,739</b>

	<b>1 July - 30 September 2021</b>					
	<b>Sale of products</b>	<b>Sale of services</b>	<b>Sale of fixed assets</b>	<b>Other income from operating activities</b>	<b>Financial income</b>	<b>Total</b>
VDF Filo	122,459	1,499	-	337	-	124,295
VDF Sigorta	-	-	-	2,675	-	2,675
VDF Faktoring	-	-	-	-	-	-
Other	321	66	22	1,177	-	1,586
	<b>122,780</b>	<b>1,565</b>	<b>22</b>	<b>4,189</b>	<b>-</b>	<b>128,556</b>

# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

#### 22.7 Related Party Transactions (Continued)

##### 22.7.3 Other related parties (Continued)

##### b) Expenses arising from transactions with other related parties

1 January - 30 September 2022							
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Total
Antur Turizm	19,661	-	-	-	10	5,396	25,067
Doğuş Gayrimenkul Yatırım Ortaklığı	30,436	-	-	-	-	-	30,436
VDF Sigorta	-	-	-	-	793	-	793
VDF Filo	17,195	-	59,473	-	141	-	76,809
VDF Faktoring	-	-	-	6,889	-	-	6,889
Other	6,596	754	505	120	34	12,672	20,681
	<b>73,888</b>	<b>754</b>	<b>59,978</b>	<b>7,009</b>	<b>978</b>	<b>18,068</b>	<b>160,675</b>
1 January - 30 September 2021							
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Total
Antur Turizm	3,323	-	-	-	-	326	3,649
Doğuş Gayrimenkul Yatırım Ortaklığı	24,693	-	-	-	-	-	24,693
VDF Sigorta	33	-	-	-	-	4	37
VDF Filo	11,046	3,750	36,031	-	-	-	50,827
VDF Faktoring	-	-	-	45,703	-	-	45,703
Other	5,799	-	874	-	131	9,010	15,814
	<b>44,894</b>	<b>3,750</b>	<b>36,905</b>	<b>45,703</b>	<b>131</b>	<b>9,340</b>	<b>140,723</b>
1 July - 30 September 2022							
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Total
Antur Turizm	9,305	-	-	-	8	4,622	13,935
Doğuş Gayrimenkul Yatırım Ortaklığı	11,108	-	-	-	-	-	11,108
VDF Sigorta	-	-	-	-	3	-	3
VDF Filo	6,277	-	8,508	-	139	-	14,924
VDF Faktoring	-	-	-	2,242	-	-	2,242
Other	2,566	675	180	-	7	5,158	8,586
	<b>29,256</b>	<b>675</b>	<b>8,688</b>	<b>2,242</b>	<b>157</b>	<b>9,780</b>	<b>50,798</b>

# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

#### 22.7 Related Party Transactions (Continued)

##### 22.7.3 Other related parties (Continued)

1 July - 30 September 2021							
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Total
Antur Turizm	1,425	-	-	-	-	-	1,425
Doğuş Gayrimenkul Yatırım Ortaklığı	8,547	-	-	-	-	-	8,547
VDF Sigorta	9	-	-	-	-	-	9
VDF Filo	3,955	-	29,184	-	-	-	33,139
VDF Faktoring	-	-	-	10,202	-	-	10,202
Other	1,090	-	43	-	131	3,123	4,387
	<b>15,026</b>	<b>-</b>	<b>29,227</b>	<b>10,202</b>	<b>131</b>	<b>3,123</b>	<b>57,709</b>

##### 22.7.4 Transactions with shareholders

###### a) Income generated from shareholders

1 January - 30 September 2022				
	Sale of products	Sale of services	Sale of fixed assets	Total
Doğuş Holding	92	1,553	249	1,894
	<b>92</b>	<b>1,553</b>	<b>249</b>	<b>1,894</b>

1 January - 30 September 2021				
	Sale of products	Sale of services	Sale of fixed assets	Total
Doğuş Holding	28	777	-	805
	<b>28</b>	<b>777</b>	<b>-</b>	<b>805</b>

1 July - 30 September 2022				
	Sale of products	Sale of services	Sale of fixed assets	Total
Doğuş Holding	64	582	21	667
	<b>64</b>	<b>582</b>	<b>21</b>	<b>667</b>

1 July - 30 September 2021				
	Sale of products	Sale of services	Sale of fixed assets	Total
Doğuş Holding	17	484	-	501
	<b>17</b>	<b>484</b>	<b>-</b>	<b>501</b>

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

##### 22.7 Related Party Transactions (Continued)

##### 22.7.4 Transactions with shareholders (Continued)

##### b) Expenses arising from transactions with shareholders

	1 January - 30 September 2022				
	Services rendered	Purchase of fixed assets	Purchase of inventory	Other purchases	Total
Doğuş Holding	9,523	182	-	858	10,563
	<b>9,523</b>	<b>182</b>	<b>-</b>	<b>858</b>	<b>10,563</b>
	1 January - 30 September 2021				
	Services rendered	Purchase of fixed assets	Purchase of inventory	Other purchases	Total
Doğuş Holding	7,248	237	-	284	7,769
	<b>7,248</b>	<b>237</b>	<b>-</b>	<b>284</b>	<b>7,769</b>
	1 July - 30 September 2022				
	Services rendered	Purchase of fixed assets	Purchase of inventory	Other purchases	Total
Doğuş Holding	3,533	182	-	278	3,993
	<b>3,533</b>	<b>182</b>	<b>-</b>	<b>278</b>	<b>3,993</b>
	1 July - 30 September 2021				
	Services rendered	Purchase of fixed assets	Purchase of inventory	Other purchases	Total
Doğuş Holding	2,925	237	-	96	3,258
	<b>2,925</b>	<b>237</b>	<b>-</b>	<b>96</b>	<b>3,258</b>

##### 22.8 Key Management Personnel Compensation

	1 January – 30 September 2022	1 January – 30 September 2021	1 July – 30 September 2022	1 July – 30 September 2021
Salaries and other short-term employee benefits	174,881	21,773	84,752	7,608
<b>Total</b>	<b>174,881</b>	<b>21,773</b>	<b>84,752</b>	<b>7,608</b>

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 nine and three month periods ended 30 September 2022 and 2021 includes salaries, health insurance and employer shares of Social Security Institution.

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#### NOTE 23 – 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 30 September 2022 and 31 December 2021:

	<u>30 September 2022</u>	<u>31 December 2021</u>
Total financial liabilities	2,650,227	3,028,284
Cash and cash equivalents	(3,556,513)	(3,409,576)
<b>Total financial liabilities, net</b>	<b>(906,286)</b>	<b>(381,292)</b>
Total equity	8,685,047	4,363,683
<b>Financial liabilities / equity ratio</b>	<b>(0,10)</b>	<b>(0,09)</b>

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

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

###### *(a) Credit risk*

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

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### NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

#### Financial instruments and capital risk management (Continued)

#### Financial risk factors (Continued)

#### (a) Credit risk (Continued)

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).

30 September 2022	Receivables				Bank deposits	Derivative instruments	Other
	Trade receivables		Other receivables				
	Related parties	Other parties	Related parties	Other parties			
<b>Exposure to maximum credit risk as at reporting date (A+B+C+D) (*)</b>	1,683,644	724,717	15,856	164,398	3,556,339	-	-
- Guaranteed portion of the maximum exposure	-	127,496	-	-	-	-	-
<b>A. Net carrying amount of financial assets which are neither impaired nor overdue (**)</b>	1,680,760	691,083	15,856	164,398	3,556,339	-	-
<b>B. Net carrying amount of financial assets which are overdue but not impaired (***)</b>	2,884	33,634	-	-	-	-	-
<b>C. Net carrying amount of impaired assets</b>	-	-	-	-	-	-	-
- Past due (gross book value)	-	5,388	-	-	-	-	-
- Impairment (-)	-	(5,388)	-	-	-	-	-
- Guaranteed portion of net values (*)	-	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Guaranteed portion of net values (*)	-	127,496	-	-	-	-	-
<b>D. Off financial statement items with credit risks (****)</b>	-	-	-	-	-	-	-

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

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

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### NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

#### Financial instruments and capital risk management (Continued)

#### Financial risk factors (Continued)

#### (a) Credit risk (Continued)

31 December 2021	Receivables				Bank deposits	Derivative instruments	Other
	Trade receivables		Other receivables				
	Related parties	Other parties	Related parties	Other parties			
<b>Exposure to maximum credit risk as at reporting date (A+B+C+D) (*)</b>	656,025	354,791	7,917	143,802	3,409,450	-	-
- Guaranteed portion of the maximum exposure	-	80,793	-	-	-	-	-
<b>A. Net carrying amount of financial assets which are neither impaired nor overdue (**)</b>	654,812	352,391	7,917	143,802	3,409,450	-	-
<b>B. Net carrying amount of financial assets which are overdue but not impaired (***)</b>	1,213	2,400	-	-	-	-	-
<b>C. Net carrying amount of impaired assets</b>	-	-	-	-	-	-	-
- Past due (gross book value)	-	5,570	-	-	-	-	-
- Impairment (-)	-	(5,570)	-	-	-	-	-
- Guaranteed portion of net values (*)	-	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Guaranteed portion of net values (*)	-	80,793	-	-	-	-	-
<b>D. Off financial statement items with credit risks (***)</b>	-	-	-	-	-	-	-

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

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

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#### NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

##### Financial instruments and capital risk management (Continued)

##### Financial risk factors (Continued)

##### (a) Credit risk (Continued)

##### Aging of past due receivables that are not impaired

As at 30 September 2022 and 31 December 2021, the aging of past due receivables that are not impaired are as follows:

30 September 2022	Receivables		Deposits on banks	Derivative instruments	Other
	Trade receivables	Other receivables			
Past due 1-30 days	36,518	-	-	-	-
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.	362	-	-	-	-

31 December 2021	Receivables		Deposits on banks	Derivative instruments	Other
	Trade receivables	Other receivables			
Past due 1-30 days	3,613	-	-	-	-
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.	335	-	-	-	-

##### (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 30 September 2022, the Group have lines of credit amounting to EUR 1,095,686, USD 317,000, CHF 5,000 and TL 4,032,500 (31 December 2021: lines of credit amounting to EUR 1,034,686, USD 307,000, CHF 5,000 and TL 4,032,500). The utilized portions of the aforementioned total credit lines are disclosed in Note 7.

In addition, the Group has a non-cash credit line obtained from underwriting banks amounting to EUR 179,700 equivalent to TL 3,259,668 (31 December 2021: EUR 249,735 equivalent to TL 3,767,677) 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 159,144, amounting to TL 2,886,796 are utilized (31 December 2021: EUR 51,070, amounting to TL 770,481 is used).

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### NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

#### Financial instruments and capital risk management (Continued)

##### Financial risk factors (Continued)

##### (b) Liquidity risk (Continued)

The below tables show the financial liabilities of the Group according to their remaining maturities as at 30 September 2022 and 31 December 2021:

Contractual maturities	30 September 2022					
	Carrying amount	Total contractual cash outflows	Less than 3 months	3-12 months	1-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Loans and borrowings	2,452,221	2,605,344	1,403,476	1,159,646	42,222	-
Trade payables to related parties	117,918	117,918	117,918	-	-	-
Other payables to related parties	-	-	-	-	-	-
Trade payables to third parties	3,508,744	3,508,744	941,651	2,567,093	-	-
Employee benefit obligations	27,545	27,545	27,545	-	-	-
Lease liabilities	198,006	319,921	27,866	57,494	158,692	75,868
Other current liabilities (*)	550	550	550	-	-	-
<b>Total non-derivative financial liabilities</b>	<b>6,304,984</b>	<b>6,580,022</b>	<b>2,519,006</b>	<b>3,784,234</b>	<b>200,914</b>	<b>75,868</b>
	31 December 2021					
Contractual maturities	Carrying amount	Total contractual cash outflows	Less than 3 months	3-12 months	1-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Loans and borrowings	2,886,540	3,063,594	1,005,991	2,057,603	-	-
Trade payables to related parties	113,323	113,323	113,323	-	-	-
Other payables to related parties	-	-	-	-	-	-
Trade payables to third parties	1,117,879	1,117,879	451,467	666,412	-	-
Employee benefit obligations	38,116	38,116	38,116	-	-	-
Lease liabilities	141,744	208,971	19,058	54,702	118,208	17,003
Other current liabilities (*)	1,088	1,088	1,088	-	-	-
<b>Total non-derivative financial liabilities</b>	<b>4,298,690</b>	<b>4,542,971</b>	<b>1,629,043</b>	<b>2,778,717</b>	<b>118,208</b>	<b>17,003</b>

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

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### NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

#### Financial instruments and capital risk management (Continued)

##### Financial risk factors (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		
30 September 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	(111)	111
2- USD risk averse portion (-)	-	-
<b>3- Net USD effect (1+2)</b>	<b>(111)</b>	<b>111</b>
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	260,994	(260,994)
5- Euro risk averse portion (-)	-	-
<b>6- Net Euro effect (4+5)</b>	<b>260,994</b>	<b>(260,994)</b>
<b>TOTAL (3+6)</b>	<b>260,883</b>	<b>(260,883)</b>

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	795	(795)
2- USD risk averse portion (-)	-	-
<b>3- Net USD effect (1+2)</b>	<b>795</b>	<b>(795)</b>
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	344,786	(344,786)
5- Euro risk averse portion (-)	-	-
<b>6- Net Euro effect (4+5)</b>	<b>344,786</b>	<b>(344,786)</b>
<b>TOTAL (3+6)</b>	<b>345,581</b>	<b>(345,581)</b>

Currency sensitivity analysis		
30 September 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	(63)	63
2- USD risk averse portion (-)	-	-
<b>3- Net USD effect (1+2)</b>	<b>(63)</b>	<b>63</b>
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	152,270	(152,270)
5- Euro risk averse portion (-)	-	-
<b>6- Net Euro effect (4+5)</b>	<b>152,270</b>	<b>(152,270)</b>
<b>TOTAL (3+6)</b>	<b>152,207</b>	<b>(152,207)</b>

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### NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

#### Financial instruments and capital risk management (Continued)

##### Financial risk factors (Continued)

##### (c) Currency risk (Continued)

Foreign exchange rates for USD, Euro and CHF as at 30 September 2022, 31 December 2021 and 30 September 2021 are as follows:

	<u>30 September 2022</u>	<u>31 December 2021</u>	<u>30 September 2021</u>
USD	18.5187	13.3290	8.8433
EUR	18.1395	15.0867	10.3135
CHF	18.8888	14.5602	9.4945

As at 30 September 2022, net position of the Group is resulted from foreign currency assets and liabilities as shown below:

	<u>30 September 2022</u>				
	<u>Total TL equivalent</u>	<u>Original balances</u>			
		<u>USD</u>	<u>EUR</u>	<u>CHF</u>	<u>Other</u>
<b>Assets:</b>					
Trade receivables	-	-	-	-	-
Monetary financial assets	2,591,258	8	142,838	3	3
Other monetary assets	3,098,687	-	170,825	-	4
<b>Total assets</b>	<b>5,689,945</b>	<b>8</b>	<b>313,663</b>	<b>3</b>	<b>7</b>
Trade payables	2,901,350	73	159,872	-	-
Financial liabilities	179,762	-	9,910	-	-
Other monetary liabilities	37	2	-	-	-
<b>Current liabilities</b>	<b>3,081,149</b>	<b>75</b>	<b>169,782</b>	<b>-</b>	<b>-</b>
Financial liabilities	44,623	-	2,460	-	-
<b>Non-current liabilities</b>	<b>44,623</b>	<b>-</b>	<b>2,460</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>3,125,772</b>	<b>75</b>	<b>172,242</b>	<b>-</b>	<b>-</b>
<b>Net foreign currency liability position of derivative financial liabilities off statement of financial position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (liability)/asset contract value of derivative instruments</b>	<b>1,137,451</b>	<b>-</b>	<b>62,000</b>	<b>-</b>	<b>-</b>
<b>Net foreign currency (liability)/asset position</b>	<b>3,701,624</b>	<b>(67)</b>	<b>203,421</b>	<b>3</b>	<b>7</b>
<b>Monetary items net foreign (liability)/asset position</b>					
Sureties and letters of guarantee taken	77,071	276	3,967	-	-
Sureties and letters of guarantee agiven	3,398,054	-	187,329	-	-
Import	22,869,212	-	1,260,741	-	-

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### NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

#### Financial instruments and capital risk management (Continued)

##### Financial risk factors (Continued)

##### (c) Currency risk (Continued)

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

	31 December 2021				
	Total TL equivalent	Original balances			
		USD	EUR	CHF	Other
<b>Assets:</b>					
Trade receivables	-	-	-	-	-
Monetary financial assets	3,308,742	485	218,882	3	18
Other monetary assets	938,687	665	61,626	-	5
<b>Total assets</b>	<b>4,247,429</b>	<b>1,150</b>	<b>280,508</b>	<b>3</b>	<b>23</b>
Trade payables	791,470	554	51,972	-	-
Financial liabilities	-	-	-	-	-
Other monetary liabilities	27	2	-	-	-
<b>Current liabilities</b>	<b>791,497</b>	<b>556</b>	<b>51,972</b>	<b>-</b>	<b>-</b>
Financial liabilities	-	-	-	-	-
<b>Non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>791,497</b>	<b>556</b>	<b>51,972</b>	<b>-</b>	<b>-</b>
<b>Net foreign currency liability position of derivative financial liabilities off statement of financial position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net foreign currency (liability)/asset position</b>	<b>3,455,932</b>	<b>594</b>	<b>228,536</b>	<b>3</b>	<b>23</b>
<b>Monetary items net foreign (liability)/asset position</b>					
Sureties and letters of guarantee taken	57,964	1,244	2,743	-	-
Sureties and letters of guarantee agiven	3,883,131	-	257,388	-	-
Import	27,467,362	-	1,820,634	-	-

As at 30 September 2022, goods-in-transit of the Group amount to EUR 160,683 equivalent to TL 2,914,706 (31 December 2021: EUR 53,163 equivalent to TL 802,097).

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

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

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#### NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

##### Financial instruments and capital risk management (Continued)

##### *Financial risk factors (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 30 September 2022, all other variables held constant, the Group's equity would have been increased/decreased by TL 30,104 (31 December 2021: TL 30,104).

##### *(e) Interest rate risk*

As of 30 September 2022 and 31 December 2021, the Group does not have any floating interest rate loans.

##### *(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.

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#### NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

##### Financial instruments and capital risk management (Continued)

##### *Financial risk factors (Continued)*

##### *(f) Fair value (Continued)*

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

##### *Financial liabilities*

Short-term TL denominated bank borrowings are assumed to converge to its fair value. Some of long-term borrowings, denominated in foreign currency and TL are assumed to 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.

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#### NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

##### Financial instruments and capital risk management (Continued)

##### Financial risk factors (Continued)

##### (f) Fair value (Continued)

As 30 September 2022 and 31 December 2021, net carrying amounts and fair values of assets and liabilities as shown below:

<b>30 September 2022</b>	<b>Financial assets at amortised cost</b>	<b>Financial assets measured at fair value through other comprehensive income</b>	<b>Financial liabilities at amortised cost</b>	<b>Net carrying amount</b>	<b>Note</b>
<b>Financial assets</b>					
Cash and cash equivalents	3,556,513	-	-	3,556,513	5
Financial investments	-	1,969,225	-	1,969,225	6
Trade receivables from third parties	724,145	-	-	724,145	8
Other receivables from third parties	164,398	-	-	164,398	-
Trade receivables from related parties	1,684,215	-	-	1,684,215	22.1
Other receivables from related parties	15,856	-	-	15,856	22.2
<b>Financial liabilities</b>					
Trade payables to third parties	-	-	3,508,744	3,508,744	8.2
Trade payables to related parties	-	-	117,918	117,918	22.5
Borrowings	-	-	2,452,221	2,452,221	7
Lease liabilities	-	-	198,006	198,006	7



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#### NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

##### Financial instruments and capital risk management (Continued)

##### Financial risk factors (Continued)

##### (f) Fair value (Continued)

<b>31 December 2021</b>	<b>Financial assets at amortised cost</b>	<b>Financial assets measured at fair value through other comprehensive income</b>	<b>Financial liabilities at amortised cost</b>	<b>Net carrying amount</b>	<b>Note</b>
<b>Financial assets</b>					
Cash and cash equivalents	3,409,576	-	-	3,409,576	5
Financial investments	-	831,804	-	831,804	6
Trade receivables from third parties	354,791	-	-	354,791	8
Other receivables from third parties	143,802	-	-	143,802	-
Trade receivables from related parties	656,025	-	-	656,025	22.1
Other receivables from related parties	7,917	-	-	7,917	22.2
<b>Financial liabilities</b>					
Trade payables to third parties	-	-	1,117,879	1,117,879	8.2
Trade payables to related parties	-	-	113,323	113,323	22.5
Borrowings	-	-	2,886,540	2,886,540	7
Lease liabilities	-	-	141,744	141,744	7

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### NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

#### Financial instruments and capital risk management (Continued)

##### Financial risk factors (Continued)

##### (f) Fair value (Continued)

##### Classification regarding fair value measurement

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

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

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

	30 September 2022			Total
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
FX protected time deposit	1,137,451	-	-	1,137,451
Financial assets measured at fair value through other comprehensive income (Note 6)	-	831,804	-	831,804
<b>Total financial assets</b>	<b>1,137,451</b>	<b>831,804</b>	<b>-</b>	<b>1,969,255</b>
	31 December 2021			Total
	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Financial assets measured at fair value through other comprehensive income (Note 6)	-	831,804	-	831,804
<b>Total financial assets</b>	<b>-</b>	<b>831,804</b>	<b>-</b>	<b>831,804</b>

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#### NOTE 24 – RIGHT OF USE ASSET

As of 30 September 2022, the net book value of the right of use assets is TL 165,519 (30 September 2021: TL 109,497). As of 30 September 2022 and 2021, the balances of the right to use assets and the depreciation and amortization expenses during the period are as follows:

<b>2022</b>	<b>Showroom and area leases</b>	<b>Motor vehicles</b>	<b>Other</b>	<b>Total</b>
<b>Right of use asset - 1 January</b>	<b>78,655</b>	<b>30,413</b>	-	<b>109,068</b>
Additions	89,692	11,514	-	101,206
Disposals	(2,497)	-	-	(2,497)
Depreciation expenses	(30,015)	(12,243)	-	(42,258)
<b>Right of use asset - 30 September</b>	<b>135,835</b>	<b>29,684</b>	-	<b>165,519</b>

<b>2021</b>	<b>Showroom and area leases</b>	<b>Motor vehicles</b>	<b>Other</b>	<b>Total</b>
<b>Right of use asset - 1 January</b>	<b>71,653</b>	<b>4,202</b>	-	<b>75,855</b>
Additions	43,000	25,618	-	68,618
Disposals	(1,862)	(627)	-	(2,489)
Depreciation expenses	(25,438)	(7,049)	-	(32,487)
<b>Right of use asset - 30 September</b>	<b>87,353</b>	<b>22,144</b>	-	<b>109,497</b>

As of 30 September 2022, TL 42,258 depreciation expense arising from the usage rights is accounted under general administrative expenses (30 September 2021: TL 32,487).

#### NOTE 25 – SUBSEQUENT EVENTS

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