

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY - 31 MARCH 2023  
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 31 March 2023, 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 three-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 31 March 2023. 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 May 2023

# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2023 AND 31 DECEMBER 2022

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

<b>INDEX</b>	<b>PAGE</b>
<b>CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION .....</b>	<b>1-2</b>
<b>CONDENSED CONSOLIDATED INTERIM PROFIT OR LOSS STATEMENTS .....</b>	<b>3</b>
<b>CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OTHER COMPREHENSIVE INCOME .....</b>	<b>4</b>
<b>CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY .....</b>	<b>5</b>
<b>CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS .....</b>	<b>6</b>
<b>NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS .....</b>	<b>7-59</b>
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS .....	7
NOTE 2 BASIS OF PREPARATION OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND APPLIED ACCOUNTING POLICIES .....	7-14
NOTE 3 JOINT VENTURES .....	14
NOTE 4 OPERATING SEGMENTS .....	15-16
NOTE 5 CASH AND CASH EQUIVALENTS .....	17
NOTE 6 FINANCIAL INVESTMENTS .....	17-18
NOTE 7 BORROWINGS .....	18-20
NOTE 8 TRADE RECEIVABLES AND PAYABLES .....	20-21
NOTE 9 OTHER RECEIVABLES .....	21
NOTE 10 INVENTORIES .....	22
NOTE 11 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD .....	23-25
NOTE 12 PROPERTY, PLANT AND EQUIPMENT .....	26-27
NOTE 13 INVESTMENT PROPERTY .....	28
NOTE 14 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES .....	29-30
NOTE 15 OTHER CURRENT LIABILITIES .....	30
NOTE 16 EQUITY .....	31-33
NOTE 17 MARKETING EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES .....	33-34
NOTE 18 INVESTMENT ACTIVITY INCOME .....	34
NOTE 19 FINANCE INCOME AND EXPENSES .....	34
NOTE 20 TAX ASSET AND LIABILITIES .....	35-38
NOTE 21 EARNINGS PER SHARE .....	38
NOTE 22 BALANCES AND TRANSACTIONS WITH RELATED PARTIES .....	39-45
NOTE 23 FINANCIAL INSTRUMENTS .....	46-58
NOTE 24 RIGHT OF USE ASSET .....	59
NOTE 25 SUBSEQUENT EVENTS .....	59

# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023 AND 31 DECEMBER 2022

(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>Audited</b>
		<b>31 March</b>	<b>31 December</b>
	<b>Notes</b>	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	4,499,108	3,366,150
Financial investments	6.1	291,909	2,033,691
Trade receivables		5,047,551	3,331,831
- Trade receivables due from related parties	22.1	3,923,557	2,548,419
- Trade receivables due from third parties	8.1	1,123,994	783,412
Other receivables		205,191	181,270
- Other receivables due from related parties	22.2	7,382	7,622
- Other receivables due from third parties	9	197,809	173,648
Inventories	10	7,026,352	4,270,103
Prepayments		261,063	107,723
Other current assets		7,299	6,609
<b>Total current assets</b>		<b>17,338,473</b>	<b>13,297,377</b>
<b>NON-CURRENT ASSETS</b>			
Financial investments		7,463,855	2,345,929
- Financial assets at fair value through other comprehensive income	6.2	7,463,855	2,345,929
Other receivables		669	738
- Other receivables due from related parties	22.2	270	339
- Other receivables due from third parties		399	399
Investments accounted for using equity method	11	2,491,649	1,682,377
Investment property	13	104,120	99,227
Property, plant and equipment	12	2,078,399	2,015,093
Right of use asset	24	217,165	150,806
Intangible assets		193,723	154,909
Prepayments		5,675	6,206
Deferred tax asset	20	1,128,116	912,518
<b>Total non-current assets</b>		<b>13,683,371</b>	<b>7,367,803</b>
<b>TOTAL ASSETS</b>		<b>31,021,844</b>	<b>20,665,180</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 31 MARCH 2023 AND 31 DECEMBER 2022

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

	Notes	Reviewed 31 March 2023	Audited 31 December 2022
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Current borrowings	7	2,061,050	2,183,408
Short-term portion of long-term borrowings	7	838,305	189,637
Trade payables		5,838,683	3,586,647
- Trade payables to related parties	22.4	438,185	213,048
- Trade payables to third parties	8.2	5,400,498	3,373,599
Employee benefit obligations		39,412	113,695
Other payables		2,000,000	-
- Other payables to related parties	22.5	2,000,000	-
Deferred income		317,072	260,748
Current tax liabilities	20	1,195,402	343,251
Current provisions		973,110	1,135,049
- Other current provisions	14	973,110	1,135,049
Other current liabilities	15	892,520	533,140
<b>Total current liabilities</b>		<b>14,155,554</b>	<b>8,345,575</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	7	2,763,574	221,458
Deferred income		140,507	103,563
Non-current provisions		308,824	288,058
- Non-current provisions for employee benefits		208,742	192,880
- Other long-term provisions	14	100,082	95,178
<b>Total non-current liabilities</b>		<b>3,212,905</b>	<b>613,079</b>
<b>TOTAL LIABILITIES</b>		<b>17,368,459</b>	<b>8,958,654</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Issued capital	16	220,000	220,000
Inflation adjustment on capital	16	23,115	23,115
Treasury shares (-)	16	(215,314)	(215,241)
Share premiums (discounts)		15,965	63,861
Other accumulated comprehensive income (loss) that will not be reclassified in profit or loss		(174,835)	(118,262)
- Gains (losses) on revaluation and remeasurement		(174,835)	(118,262)
Gains (losses) on remeasurements of defined benefit plans		(174,835)	(118,262)
Other accumulated comprehensive income (loss) that will be reclassified in profit or loss		2,305,783	2,302,482
- Exchange differences on translation	16	25,960	22,659
- Gains (losses) on revaluation and reclassification		2,279,823	2,279,823
Gains (losses) from financial assets measured at fair value through other comprehensive income	16	2,279,823	2,279,823
Restricted reserves appropriated from profits	16	878,916	542,047
- Legal reserves		612,262	323,363
- Treasury share reserves		215,314	215,241
- Other restricted profit reserves		51,340	3,443
Advance dividend payments (net) (-)		-	(900,000)
Prior years' profit or losses	16	6,652,406	1,927,193
Profit (loss) for the period		3,900,214	7,824,186
<b>Non-controlling interests</b>	16	<b>47,135</b>	<b>37,145</b>
<b>TOTAL EQUITY</b>		<b>13,653,385</b>	<b>11,706,526</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>31,021,844</b>	<b>20,665,180</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 THREE MONTH PERIOD ENDED 31 MARCH

(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</u> <u>31 March</u> <u>2023</u>	<u>Reviewed</u> <u>31 March</u> <u>2022</u>
Revenue		19,449,673	7,240,156
Cost of sales		(14,905,448)	(5,790,195)
<b>GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS</b>		<b>4,544,225</b>	<b>1,449,961</b>
<b>GROSS PROFIT (LOSS)</b>		<b>4,544,225</b>	<b>1,449,961</b>
General administrative expenses	17.2	(287,107)	(185,789)
Marketing expenses	17.1	(320,039)	(124,758)
Other income from operating activities		134,256	236,514
Other expenses from operating activities		(198,391)	(63,034)
<b>PROFIT (LOSS) FROM OPERATING ACTIVITIES</b>		<b>3,872,944</b>	<b>1,312,894</b>
Investment activity income	18	167,572	25,073
Share of profit (loss) from investments accounted for using equity method	11	773,909	147,192
<b>PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)</b>		<b>4,814,425</b>	<b>1,485,159</b>
Finance income	19	96,175	1,641
Finance costs	19	(346,281)	(205,987)
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX</b>		<b>4,564,319</b>	<b>1,280,813</b>
<b>Tax (expense) income, continuing operations</b>		<b>(654,115)</b>	<b>(276,069)</b>
Current period tax (expense) income	20	(857,362)	(344,876)
Deferred tax (expense) income	20	203,247	68,807
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>		<b>3,910,204</b>	<b>1,004,744</b>
<b>PROFIT (LOSS)</b>		<b>3,910,204</b>	<b>1,004,744</b>
<b>Profit (loss), attributable to</b>			
Non-controlling interests		9,990	8,075
Owners of parent		3,900,214	996,669
<b>Basic earnings per share</b>			
Basic earnings (loss) per share from continuing operations	21	19.6469	5.0337
<b>Diluted earnings per share</b>			
Diluted earnings (loss) per share from continuing operations	21	19.6469	5.0337

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

# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

## CONDENSED CONSOLIDATED INTERIM OTHER COMPREHENSIVE PROFIT OR LOSS STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(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 31 March 2023</u>	<u>Reviewed 31 March 2022</u>
<b>PROFIT (LOSS)</b>		<b>3,910,204</b>	<b>1,004,744</b>
<b>Other comprehensive income</b>			
<b>Other comprehensive income that will not be reclassified to profit or loss</b>		<b>(56,573)</b>	<b>(12,511)</b>
Gains (losses) on remeasurements of defined benefit plans		(61,754)	(15,639)
Shares of other comprehensive income of investments accounted for using the equity method that will not be classified in profit or loss		(7,170)	-
Taxes related to components of other comprehensive income that will not be reclassified to profit or loss		12,351	3,128
- <i>Taxes relating to measurements of defined benefit plans</i>	20	12,351	3,128
<b>Other comprehensive income that will be reclassified to profit or loss</b>		<b>3,301</b>	<b>4,079</b>
Currency translation differences related to the translation of foreign businesses		3,301	4,079
Other comprehensive income (loss) related with financial assets measured at fair value through other comprehensive income		-	-
- <i>Gains (losses) on financial assets measured at fair value through other comprehensive income</i>		-	-
Share of other comprehensive income of associates and joint ventures accounted for equity method that will be reclassified to profit or loss		-	-
Taxes relating to components of other comprehensive income that will be reclassified to profit or loss		-	-
- <i>Taxes relating to financial assets measured at fair value through other comprehensive income</i>		-	-
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		<b>(53,272)</b>	<b>(8,432)</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>		<b>3,856,932</b>	<b>996,312</b>
<b>Total comprehensive income attributable to</b>			
Non-controlling interests		9,990	8,075
Owners of parent		3,846,942	988,237

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 CHANGES IN EQUITY FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(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)	Share premiums or discounts (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)	Advanced dividend payments (net)	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 2022</b>	220,000	23,115	(220,393)	-	(28,935)	8,582	753,816	423,295	-	839,364	2,331,581	4,350,425	13,258	4,363,683
Transfers	-	-	-	-	-	-	-	123,900	-	2,207,681	(2,331,581)	-	-	-
<b>Total comprehensive income (loss)</b>	-	-	-	-	(12,511)	4,079	-	-	-	-	996,669	988,237	8,075	996,312
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	996,669	996,669	8,075	1,004,744
Other comprehensive income (loss)	-	-	-	-	(12,511)	4,079	-	-	-	-	-	(8,432)	-	(8,432)
<b>Profit shares</b>	-	-	-	-	-	-	-	-	-	(1,250,000)	-	(1,250,000)	-	(1,250,000)
<b>Increase (decrease) through treasury shares transactions</b>	-	-	(18)	-	-	-	-	18	-	(18)	-	(18)	-	(18)
<b>Balance at 31 March 2022</b>	220,000	23,115	(220,411)	-	(41,446)	12,661	753,816	547,213	-	1,797,027	996,669	4,088,644	21,333	4,109,977
<b>Balance at 1 January 2023</b>	220,000	23,115	(215,241)	63,861	(118,262)	22,659	2,279,823	542,047	(900,000)	1,927,193	7,824,186	11,669,381	37,145	11,706,526
Transfers	-	-	-	(47,896)	-	-	-	336,796	-	7,535,286	(7,824,186)	-	-	-
<b>Total comprehensive income (loss)</b>	-	-	-	-	(56,573)	3,301	-	-	-	-	3,900,214	3,846,942	9,990	3,856,932
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	3,900,214	3,900,214	9,990	3,910,204
Other comprehensive income (loss)	-	-	-	-	(56,573)	3,301	-	-	-	-	-	(53,272)	-	(53,272)
<b>Advance dividend payments</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Profit shares</b>	-	-	-	-	-	-	-	-	900,000	(2,900,000)	-	(2,000,000)	-	(2,000,000)
<b>Increase (decrease) through treasury shares transactions</b>	-	-	(73)	-	-	-	-	73	-	89,927	-	89,927	-	89,927
<b>Balance at 31 March 2023</b>	220,000	23,115	(215,314)	15,965	(174,835)	25,960	2,279,823	878,916	-	6,652,406	3,900,214	13,606,250	47,135	13,653,385

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 CASH FLOW FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

	Notes	Reviewed	
		31 March 2023	31 March 2022
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>3,694,056</b>	<b>(383,973)</b>
Profit (loss) for the period		3,910,204	1,004,744
<b>Adjustments to for profit (loss) for the period reconciliation:</b>		<b>603,375</b>	<b>545,823</b>
Adjustments for depreciation and amortization expense	12, 13, 17.2, 24	123,973	61,364
Adjustments for impairment loss (reversal of impairment loss)		696	(587)
Adjustments for impairment loss (reversal of impairment loss) of receivables		(23)	(74)
Adjustments for impairment loss (reversal of impairment loss) of inventories	10	719	(513)
Adjustments for provisions		549,500	194,536
Adjustments for (reversal of) provisions related with employee benefits		40,947	11,016
Adjustments for (reversal of) lawsuit and/or penalty provision expenses		5,233	3,054
Adjustments for (reversal of) warranty provisions		89,692	34,949
Adjustments for (reversal of) other provisions		413,628	145,517
Adjustments for interest (income) and expense		77,247	166,205
Adjustments for interest income	19	(96,175)	(1,641)
Adjustments for interest expense	19	173,422	167,846
Adjustments for unrealized foreign exchange losses (gains)		139,324	7,357
Adjustments for fair value losses (gains)		(108,418)	-
Related to fair value losses (gains) of financial assets fixes		(108,418)	-
Adjustments for undistributed profits of investments accounted for using equity method	11	(773,909)	(147,192)
Adjustments for tax (income) expenses	20	654,115	276,069
Adjustments for losses (gains) on disposal of non-current assets		(59,153)	(11,929)
Adjustments for losses (gains) arised from sale of tangible assets	18	(59,153)	(11,929)
<b>Changes in working capital</b>		<b>(640,277)</b>	<b>(1,632,587)</b>
Adjustments for decrease (increase) in trade receivables		(1,715,704)	(865,385)
Decrease (increase) in due from related parties		(1,375,138)	(674,178)
Decrease (increase) in due from third parties		(340,566)	(191,207)
Adjustments for decrease (increase) in inventories		(2,756,967)	(1,293,973)
Adjustments for increase (decrease) in trade payables		1,673,651	696,415
Increase (decrease) in due to related parties		225,137	(28,316)
Increase (decrease) in due to third parties		1,448,514	724,731
Increase (decrease) in deferred income		93,268	42,454
Adjustments for other increase (decrease) in working capital		2,065,475	(212,098)
<b>Cash flows from operations</b>		<b>3,873,302</b>	<b>(82,020)</b>
Payments related with provisions for employee benefits		(86,838)	(3,981)
Payments related with other provisions		(87,197)	(37,496)
Income taxes refund (paid)		(5,211)	(260,476)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(5,311,432)</b>	<b>(85,199)</b>
Cash outflows arising from purchase of shares or capital increase of associates and/or joint ventures		(292,733)	-
Cash payments to acquire equity or debt instruments of other entities		(5,117,926)	-
Proceeds from sales of property, plant and equipment and intangible assets		68,993	16,352
Proceeds from sales of property, plant and equipment		68,993	16,352
Purchase of property, plant, equipment and intangible assets		(219,966)	(173,556)
Purchase of property, plant and equipment	12	(159,985)	(148,224)
Purchase of intangible assets		(59,981)	(25,332)
Dividends received		250,200	72,005
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>2,747,033</b>	<b>(38,660)</b>
Proceeds from borrowings	7	3,403,534	1,024,637
Repayments of borrowings	7	(618,698)	(902,141)
Payments of lease liabilities	7	(37,046)	(23,749)
Interest paid		(96,932)	(139,048)
Interest received	19	96,175	1,641
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)</b>		<b>1,129,657</b>	<b>(507,832)</b>
<b>D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		<b>3,301</b>	<b>4,095</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>		<b>1,132,958</b>	<b>(503,737)</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	5	<b>3,366,150</b>	<b>3,409,576</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)</b>	5	<b>4,499,108</b>	<b>2,905,839</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 CASH FLOW FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(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 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 31 March 2023 are as follows:

- Doğuş Oto Pazarlama ve Ticaret A.Ş. (“Doğuş Oto Pazarlama”): Automobile dealer for group brands distributed by Doğuş Otomotiv and Yüce Auto Motorlu Araçlar Ticaret A.Ş.
- 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 Oto 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 31 March 2023 is 723 (31 December 2022: 740) whereas the average number of white-collar employees of the Group for the period ended 31 March 2023 is 1,436 (31 December 2022: 1,389).

#### 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 THREE MONTH PERIOD ENDED 31 MARCH

(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 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 31 March 2023 have been approved by the Board of Directors on 9 May 2023. 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 THREE MONTH PERIOD ENDED 31 MARCH

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

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

The accounting policies adopted in preparation of the condensed consolidated interim financial statements as at 31 March 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 31 March 2023. The effects of these standards and interpretations on the Group's financial position and performance has disclosed in the related paragraphs.

*i) Standards, amendments and interpretations applicable as at 31 March 2023:*

- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **IFRS 17, 'Insurance Contracts';** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

*ii) Standards, amendments and interpretations that are issued but not effective as at 31 March 2023:*

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

- **Amendment to IAS 1 – Non current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

The effects of these changes on the financial position and performance of the Group are being evaluated.

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

##### 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.

###### (ii) *Subsidiaries*

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

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

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

# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(Convenience translation of condensed consolidated interim 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 (Continued)

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 31 March 2023 and 31 December 2022:

	<u>31 March 2023</u>	<u>31 December 2022</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.

##### (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.

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(Convenience translation of condensed consolidated interim 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 (Continued)

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

Joint ventures are recognized as investments measured through equity method. The table below sets out all joint ventures and the Group's share of control as at 31 March 2023 and 31 December 2022.

	<u>31 March 2023</u>	<u>31 December 2022</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 31 March 2023 and 31 December 2022:

	<u>31 March 2023</u>	<u>31 December 2022</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.



# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(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 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*

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 31 March 2023 comparatively with the consolidated statement of financial position as at 31 December 2022, 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 three month period ended 31 March 2023 comparative to the three month period ended 31 March 2022.

#### 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 three months period ended 31 March 2023 with those consolidated financial statements for the year ended 31 December 2022. The condensed consolidated interim financial statements should be read together with the consolidated financial statements for the year ended 31 December 2022.

#### 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).

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

### **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH**

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

##### **2.7 Accounting Estimates (Continued)**

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.

#### **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”.

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

#### 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 three-month periods ended 31 March 2023 and 2022 are as follows:

<b>For the three-month period ended</b>	<b>Passenger segment</b>	<b>Commercial segment</b>	<b>Other segments</b>	<b>Total</b>
<b>31 March 2023</b>				
Revenue from external customers	13,070,029	3,954,346	2,425,298	19,449,673
Cost of sales	(10,233,515)	(3,016,791)	(1,654,424)	(14,904,730)
<b>Gross profit</b>	<b>2,836,514</b>	<b>937,555</b>	<b>770,874</b>	<b>4,544,943</b>
General administration expenses	(173,103)	(30,025)	(99,219)	(302,347)
Marketing expenses	(210,493)	(67,480)	(47,670)	(325,643)
Amotization expenses	(37,999)	(6,058)	(100,675)	(144,732)
Other income from operating activities, net	(34,661)	(10,172)	(9,337)	(54,170)
<b>Operating income</b>	<b>2,380,258</b>	<b>823,820</b>	<b>513,973</b>	<b>3,718,051</b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

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

<b>For the three-month period ended</b>	<b>Passenger segment</b>	<b>Commercial segment</b>	<b>Other segments</b>	<b>Total</b>
<b>31 March 2022</b>				
Revenue from external customers	5,140,653	878,581	1,220,922	7,240,156
Cost of sales	(4,292,517)	(718,439)	(779,752)	(5,790,708)
<b>Gross profit</b>	<b>848,136</b>	<b>160,142</b>	<b>441,170</b>	<b>1,449,448</b>
General administration expenses	(69,673)	(10,668)	(111,827)	(192,168)
Marketing expenses	(77,511)	(19,551)	(35,619)	(132,681)
Amortization expenses	(19,725)	(2,288)	(23,060)	(45,073)
Other income from operating activities, net	107,022	19,598	49,212	175,832
<b>Operating income</b>	<b>788,249</b>	<b>147,233</b>	<b>319,876</b>	<b>1,255,358</b>

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>31 March 2023</b>	<b>31 March 2022</b>
Operating profit for reportable segments	3,718,051	1,255,358
Provision for legal exposures	(2,738)	(1,638)
Provision for employee termination benefits	133,013	31,066
Provision for unused vacation	(15,816)	(6,216)
Provision for diminution in value of inventories	(718)	513
Warranty provision expense	(6,686)	1,132
Depreciation and amortization	20,759	(16,290)
Share of profit of equity accounted investees	773,909	147,192
Income from investment activities, net	167,572	25,073
Finance expense, net	(250,106)	(204,346)
Other	27,079	48,969
<b>Profit before tax</b>	<b>4,564,319</b>	<b>1,280,813</b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

#### NOTE 5 – CASH AND CASH EQUIVALENTS

As at 31 March 2023 and 31 December 2022, cash and cash equivalents comprise the following:

	<u>31 March 2023</u>	<u>31 December 2022</u>
Cash on hand	70	117
Cash at banks	4,499,038	3,366,033
- Demand deposits	1,492,878	1,310,341
- Time deposits	3,000,175	2,049,158
- Other cash and cash equivalents	5,985	6,534
<b>Total</b>	<b><u>4,499,108</u></b>	<b><u>3,366,150</u></b>

As at 31 March 2023, average effective interest rate on TL and EUR denominated time deposits are 25.45% and 0.04% respectively (31 December 2022: TL 20.84% and EUR 1.70%). As at 31 March 2023, the maturity range valid for TL and EUR time deposits are 3 days. (31 December 2022: TL 3 day and EUR 32-34 days).

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

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 31 March 2023 and 31 December 2022, short-term financial investments at fair value through income statement are as follows:

	<u>31 March 2023</u>	<u>31 December 2022</u>
FX protected deposit	291,909	2,033,691
<b>Total</b>	<b><u>291,909</u></b>	<b><u>2,033,691</u></b>

##### 6.2 Long-term financial investments

As of 31 March 2023 and 31 December 2022, long-term financial investments classified as available-for-sale financial assets at fair value through other comprehensive income are as follows:

	<u>31 March 2023</u>		<u>31 December 2022</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	2,345,929	3.69	2,345,929
Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş. ("Doğuş GYO")	93.65	5,117,926	-	-
		<b><u>7,463,855</u></b>		<b><u>2,345,929</u></b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

#### NOTE 6 – FINANCIAL INVESTMENTS (Continued)

##### 6.2 Long-term financial investments (Continued)

As of 31 December 2022, 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.

On March 9, the Group purchased shares of Doğuş GYO corresponding to 93.6517% of the capital for the full TL 5,117,925,800.28. The management control of and significant influence on Doğuş GYO resides with Group A preferred shareholders. As of 31 March 2023, the Group does not have preferred shares of Doğuş GYO.

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

	<u>2023</u>	<u>2022</u>
<b>Balance at 1 January</b>	<b>2,345,929</b>	<b>831,804</b>
Change in fair value of financial assets measured at fair value through other comprehensive income	-	-
Additions	5,117,926	-
<b>Balance at 31 March</b>	<b><u>7,463,855</u></b>	<b><u>831,804</u></b>

#### NOTE 7 – BORROWINGS

As at 31 March 2023 and 31 December 2022, financial liabilities with the effective interest rates, comprise the following:

	<u>31 March 2023</u>		<u>31 December 2022</u>	
	<u>Interest rate (%)</u>	<u>Amount</u>	<u>Interest rate (%)</u>	<u>Amount</u>
<b>Short-term bank borrowings:</b>				
TL denominated interest borrowings	19.22%	<u>2,061,050</u>	21.13	<u>2,183,408</u>
<b>Total</b>		<b><u>2,061,050</u></b>		<b><u>2,183,408</u></b>
<b>Short term portion of long term borrowings:</b>				
EUR denominated interest bearing borrowings (*)	9.72%	<u>746,635</u>	9.58	<u>141,564</u>
<b>Total</b>		<b><u>746,635</u></b>		<b><u>141,564</u></b>
<b>Long-term bank borrowings:</b>				
EUR denominated interest bearing borrowings (*)	9.72%	<u>2,592,540</u>	9.58	<u>86,903</u>
<b>Total</b>		<b><u>2,592,540</u></b>		<b><u>86,903</u></b>

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

Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş. shares were pledged as a guarantee for the loan used by the Group to finance Doğuş GYO shares.

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(Convenience translation of condensed consolidated interim 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 31 March 2023 is as follows:

<u>Payment period</u>	<u>Original amount (TL)</u>	<u>Original amount (EUR)</u>	<u>TL Equivalent</u>
2023	-	11,835	246,701
2024	-	46,267	964,437
2025	-	35,586	741,787
2026	-	30,113	627,702
2027	-	36,390	758,548
<b>Total</b>	<b>-</b>	<b>160,191</b>	<b>3,339,175</b>

The repayment schedule of long-term bank borrowings including their short-term portions as at 31 December 2022 is as follows:

<u>Payment period</u>	<u>Original amount (TL)</u>	<u>Original amount (EUR)</u>	<u>TL Equivalent</u>
2023	-	7,101	141,564
2024	-	4,359	86,903
<b>Total</b>	<b>-</b>	<b>11,460</b>	<b>228,467</b>

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

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

<u>Bank Borrowings</u>	<u>2023</u>	<u>2022</u>
<b>Balance at 1 January</b>	<b>2,411,875</b>	<b>2,886,540</b>
Additions during the period	3,403,534	1,024,637
Payments during the period	(618,698)	(902,141)
Foreign exchange (gains) / losses	139,220	7,139
Changes in interest accrual	64,294	19,434
<b>Balance at 31 March</b>	<b>5,400,225</b>	<b>3,035,609</b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

#### NOTE 7 – BORROWINGS (Continued)

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

	31 March 2023		31 December 2022	
	Interest rate (%)	Amount	Interest rate (%)	Amount
<b>Short term portion of long term leases:</b>				
TL leases	20.22	86,947	20.70	46,483
EUR leases	8.12	4,723	6.82	1,590
<b>Total</b>		<b>91,670</b>		<b>48,073</b>
	31 March 2023		31 December 2022	
	Interest rate (%)	Amount	Interest rate (%)	Amount
<b>Long term leases:</b>				
TL leases	20.22	169,151	20.70	132,339
EUR leases	8.12	1,883	6.82	2,216
<b>Total</b>		<b>171,034</b>		<b>134,555</b>

Movement of financial lease liabilities as 31 March 2023 and 2022 are summarized below:

	2023	2022
<b>Balance at 1 January</b>	<b>182,628</b>	<b>141,744</b>
Additions	104,824	64,696
Payments	(37,046)	(23,749)
Interest expenses	12,196	9,364
Foreign exchange gain / loss	102	218
<b>Balance at 31 March</b>	<b>262,704</b>	<b>192,273</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 31 March 2023, TL 146,995 of trade receivables due from third parties are covered via letters of guarantee (31 December 2022: 125,894 TL).

As at 31 March 2023, overdue trade receivables due from non-related parties that are not impaired amount to TL 52,992 (31 December 2022: TL 32,834). TL 1,622 of such overdue receivables are covered via guarantee letters (31 December 2022: TL 1,591).

As at 31 March 2023, the Group's average maturity of trade receivables due from third parties is 24 days (31 December 2022: 26 days).

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



## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

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

##### 8.2 Trade Payables

As at 31 March 2023 and 31 December 2022, trade payables to third parties consist of the following:

	<u>31 March 2023</u>	<u>31 December 2022</u>
Payables to OEM companies	4,476,894	2,321,327
Dealer premium accrual (*)	578,385	-
Other trade payables (**)	340,360	441,759
Payables to dealers (*)	-	598,770
Other expense accruals	4,859	11,743
<b>Total</b>	<b><u>5,400,498</u></b>	<b><u>3,373,599</u></b>

OEM's provide a credit option to the Group up to 1 year, which is free from interest for 10 days. The OEM's charge the Group an interest of 4.08% per annum for trade payables not settled within 10 days (31 December 2022: 1.65% 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 31 March 2023 and 31 December 2022, other receivables due from third parties comprise of the following:

	<u>31 March 2023</u>	<u>31 December 2022</u>
Warranty claims and price difference receivables (*)	133,331	126,221
Receivables due to insurance claims	42,248	42,689
Other	22,230	4,738
<b>Total</b>	<b><u>197,809</u></b>	<b><u>173,648</u></b>

(\*) Warranty receivables represent the receivable of the warranty expenses related to the vehicles imported by the Group. As at 31 March 2023, the other receivables that has not been billed are TL 22,302 (31 December 2022: TL 32,411).

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

#### NOTE 10 – INVENTORIES

As at 31 March 2023 and 31 December 2022, inventories comprise of the following:

	<u>31 March 2023</u>	<u>31 December 2022</u>
Goods in transit (*)	4,955,732	2,859,581
Merchandise stocks – vehicles	1,294,259	854,151
Merchandise stocks – spare parts	782,227	561,518
	<u>7,032,218</u>	<u>4,275,250</u>
Provision for diminution in the value of inventories (-)	(5,866)	(5,147)
<b>Total</b>	<u><u>7,026,352</u></u>	<u><u>4,270,103</u></u>

(\*) 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 14,780,103 for the period ended 31 March 2023 (31 March 2022: TL 5,740,878).

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>2023</u>	<u>2022</u>
<b>Balance at 1 January</b>	<u>5,147</u>	<u>6,177</u>
Additions in the current period	719	(513)
<b>Balance at 31 March</b>	<u><u>5,866</u></u>	<u><u>5,664</u></u>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(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

As at 31 March 2023 and 31 December 2022, investment in associates, joint ventures and the Group's share of control are as follows:

	31 March 2023		31 December 2022	
	Ownership (%)	Carrying amount	Ownership (%)	Carrying amount
<b><u>Associates</u></b>				
VDF Servis	48.79	1,425,756	48.79	899,593
Yüce Auto	50	544,506	50	388,842
Doğuş Sigorta	42	160,161	42	154,029
Doğuş Teknoloji	21.76	59,398	21.76	40,904
<b>Total</b>		<b>2,189,821</b>		<b>1,483,368</b>
<b><u>Joint ventures</u></b>				
TÜVTURK Kuzey – Güney	33.33	301,828	33.33	199,009
<b>Total</b>		<b>301,828</b>		<b>199,009</b>
<b>Grand total</b>		<b>2,491,649</b>		<b>1,682,377</b>

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

	2023	2022
<b>Balance at 1 January</b>	<b>1,682,377</b>	<b>880,235</b>
Shares in profits of associates, net	663,888	100,072
Shares in the profits of joint ventures, net	110,021	47,120
Participation in capital increase of associates and joint ventures	292,733	-
Dividend income from associates	(250,200)	(72,005)
Shares of other comprehensive income of associates and joint ventures	(7,170)	-
<b>Balance at 31 March</b>	<b>2,491,649</b>	<b>955,422</b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(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 31 March 2023, 31 December 2022 and 31 March 2022, total assets, liabilities and results of the periods of the Group's associates and joint ventures are presented below:

	31 March 2023						31 March 2023		
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Income	Expenses (-)	Net profit/(loss)
Investment in associates	14,934,181	6,061,990	20,996,171	16,270,296	227,723	16,498,019	6,695,722	(5,348,820)	1,346,902
Joint ventures	1,147,166	1,233,190	2,380,356	1,039,918	434,955	1,474,873	2,558,505	(2,228,409)	330,096
	31 December 2022						31 March 2022		
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Income	Expenses (-)	Net profit/(loss)
Investment in associates	11,497,301	5,559,391	17,056,692	13,740,177	218,480	13,958,657	2,257,698	(2,064,258)	193,440
Joint ventures	638,760	1,190,874	1,829,634	812,010	420,598	1,232,608	1,153,359	(1,011,985)	141,374

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(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 31 March 2023, 31 December 2022 and 31 March 2022, cash and cash equivalents, current and non-current liabilities, amortization and depreciation expenses, interest income and expenses are presented below:

	31 March 2023			31 March 2023				
	Cash and cash equivalents	Short-term financial liabilities	Long-term financial liabilities	Revenues	Amortization and depreciation expenses	Interest income	Interest expense	Tax expense
Investment in associates	3,079,050	12,979,078	-	6,464,960	(26,040)	43,648	(76,377)	(373,233)
Joint ventures	794,434	-	45,529	2,514,128	(22,931)	30,005	(8,776)	(80,356)
	31 December 2022			31 March 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	1,819,239	11,412,527	-	2,138,491	(17,750)	7,248	(27,100)	(43,673)
Joint ventures	260,792	-	46,754	1,133,472	(9,390)	14,848	(689)	(45,956)

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(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 period ended 31 March 2023 are as follows:

	<b>1 January 2023</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers (*)</b>	<b>Transfer to investment properties</b>	<b>31 March 2023</b>
<i>Cost:</i>						
Land	285,839	-	-	-	-	285,839
Land improvements	20,802	-	-	-	-	20,802
Buildings	615,384	-	-	7,851	(5,515)	617,720
Machinery and equipments	141,304	4,050	(151)	131	-	145,334
Motor vehicles	1,032,133	135,770	(20,033)	213	-	1,148,083
Furniture and fixtures	217,812	4,692	(4,400)	9,396	-	227,500
Leasehold improvements	159,932	1,272	-	415	-	161,619
Constructions in progress	68,490	14,201	(75)	(21,572)	-	61,044
	<b>2,541,696</b>	<b>159,985</b>	<b>(24,659)</b>	<b>(3,566)</b>	<b>(5,515)</b>	<b>2,667,941</b>
<i>Accumulated depreciation:</i>						
Land improvements	(16,000)	(156)	-	-	-	(16,156)
Buildings	(83,369)	(5,656)	-	-	12	(89,013)
Machinery and equipments	(49,968)	(3,384)	148	-	-	(53,204)
Motor vehicles	(246,185)	(56,023)	11,225	-	-	(290,983)
Furniture and fixtures	(68,392)	(9,468)	3,446	-	-	(74,414)
Leasehold improvements	(62,689)	(3,083)	-	-	-	(65,772)
	<b>(526,603)</b>	<b>(77,770)</b>	<b>14,819</b>	<b>-</b>	<b>12</b>	<b>(589,542)</b>
<b>Carrying amount</b>	<b>2,015,093</b>					<b>2,078,399</b>

Total depreciation expense amounting to TL 77,770 has been allocated to general administrative expenses in the condensed consolidated profit or loss statement for the three month period ended 31 March 2023 (31 March 2022: TL 32,936).

(\*) As of 31 March 2023, TL 3,566 of transfers consists of transfers to intangible assets (31 March 2022: TL 220).

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(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 period ended 31 March 2022 are as follows:

	<u>1 January 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers (*)</u>	<u>31 March 2022</u>
<i>Cost:</i>					
Land	285,839	-	-	-	285,839
Land improvements	19,871	-	-	17	19,888
Buildings	416,975	-	-	23	416,998
Machinery and equipments	82,490	3,856	-	48	86,394
Motor vehicles	423,952	114,202	(8,511)	-	529,643
Furniture and fixtures	107,416	2,101	(220)	1,321	110,618
Leasehold improvements	124,770	798	(203)	-	125,365
Constructions in progress	7,771	27,267	-	(1,629)	33,409
	<b>1,469,084</b>	<b>148,224</b>	<b>(8,934)</b>	<b>(220)</b>	<b>1,608,154</b>
<i>Accumulated depreciation:</i>					
Land improvements	(15,220)	(197)	-	-	(15,417)
Buildings	(68,435)	(1,728)	-	-	(70,163)
Machinery and equipments	(43,620)	(1,638)	-	-	(45,258)
Motor vehicles	(131,099)	(24,147)	4,089	-	(151,157)
Furniture and fixtures	(59,904)	(3,028)	219	-	(62,713)
Leasehold improvements	(54,515)	(2,198)	203	-	(56,510)
	<b>(372,793)</b>	<b>(32,936)</b>	<b>4,511</b>	<b>-</b>	<b>(401,218)</b>
<b>Carrying amount</b>	<b>1,096,291</b>				<b>1,206,936</b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

#### NOTE 13 – INVESTMENT PROPERTY

The movements in investment property and related accumulated depreciation for the period ended 31 March 2023 and 2022 are as follows:

	2023	2022
<b>Cost:</b>		
Balance at 1 January	112,891	135,432
Transfers from property and equipment	5,515	-
<b>Balance at 31 March</b>	<b>118,406</b>	<b>135,432</b>
<b>Accumulated depreciation:</b>		
Balance at 1 January	(13,664)	(13,969)
Depreciation for the period	(610)	(1,185)
Transfers from property and equipment	(12)	-
<b>Balance at 31 March</b>	<b>(14,286)</b>	<b>(15,154)</b>
<b>Net book value as of 1 January</b>	<b>99,227</b>	<b>121,463</b>
<b>Net book value as of 31 March</b>	<b>104,120</b>	<b>120,278</b>

Investment property comprised of the building that is used by 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 December 2022, the fair value of the Kartal Tower building amounts to TL 399,165, TL 127,830 for Etimesgut building (Level 2). As of 26 December 2022, Doğuş Teknoloji building has been started to be used as a management and communication center by the Group and carrying amount of the building has been reclassified to property, plant and equipment.

The useful life of the building that is classified as investment property is 50 years. In 2023, the Group has recognized TL 2,152 rent income from the related investment property (31 March 2022: TL 1,298).



## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(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 Provisions

The breakdown of short-term provisions as at 31 March 2023 and 31 December 2022 is presented below:

	<u>31 March 2023</u>	<u>31 December 2022</u>
Legal provisions	64,248	63,212
Warranty provisions	21,620	19,838
Other provisions	887,242	1,051,999
<b>Total</b>	<b><u>973,110</u></b>	<b><u>1,135,049</u></b>

The breakdown of long-term provisions as at 31 March 2023 and 31 December 2022 is presented below:

	<u>31 March 2023</u>	<u>31 December 2022</u>
Warranty provisions	100,082	95,178
<b>Total</b>	<b><u>100,082</u></b>	<b><u>95,178</u></b>

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

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

	<u>Total TL equivalent</u>	<u>31 March 2023</u>			
		<u>Original balances</u>			
		<u>Full TL</u>	<u>Full USD</u>	<u>Full Euro</u>	<u>Full CHF</u>
A. Total amount of CPMB given on behalf of own legal personality	9,100,688	5,250,008,698	-	184,729,172	-
B. Total amount of CPMB given in favor of partnerships which is consolidated	41,169	41,169,223	-	-	-
C. Total amount of CPMB given for assurance of third parties debts in order to conduct of usual business activities	156,338	-	-	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>9,298,195</u></b>	<b><u>5,291,177,921</u></b>	<b><u>-</u></b>	<b><u>192,229,172</u></b>	<b><u>-</u></b>

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

As at 31 March 2023, CPMB amounting to TL 26,000 was given in favor of partnerships within the scope of consolidation is related to general loan agreements (31 December 2022: TL 26,000).

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(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 2022, 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 2022				
	Total TL equivalent	Original balances			
Full TL		Full USD	Full Euro	Full CHF	
A. Total amount of CPMB given on behalf of own legal personality	3,647,045	62,164,604	-	179,829,372	-
B. Total amount of CPMB given in favor of partnerships which is consolidated	40,839	40,839,339	-	-	-
C. Total amount of CPMB given for assurance of third parties debts in order to conduct of usual business activities	149,512	-	-	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>3,837,396</b>	<b>103,003,943</b>	<b>-</b>	<b>187,329,372</b>	<b>-</b>

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

As at 31 March 2023 and 31 December 2022, the Group's position related to letter of guarantees received are as follows:

	31 March 2023	31 December 2022
Letters of guarantees received from dealers	174,404	158,969
Letters of guarantees received from fixed asset and service suppliers	106,805	182,401
Letter of guarantees received from fleet customers	38,000	43,961
<b>Total</b>	<b>319,209</b>	<b>385,331</b>

#### NOTE 15 – OTHER CURRENT LIABILITIES

As at 31 March 2023 and 31 December 2022, other current liabilities comprise of the following:

	31 March 2023	31 December 2022
VAT payable	890,163	530,060
Other current liabilities	2,357	3,080
<b>Total</b>	<b>892,520</b>	<b>533,140</b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

As at 31 March 2023 and 31 December 2022, the composition of the Company's shareholding structure is as follows:

Shareholders	31 March 2023		31 December 2022	
	TL	Shareholding (%)	TL	Shareholding (%)
Doğuş Holding A.Ş.	144,100	65.50	144,100	65.50
Doğuş Otomotiv Servis ve Ticaret A.Ş. (*)	21,485	9.77	21,485	9.77
Publicly traded	54,415	24.73	54,415	24.73
<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. In 2022, it sold 514,993 shares in the stock market with the special order method in return for 0.23% of its capital.

##### Restricted reserves appropriated from profits

The breakdown of restricted reserves is presented below:

	31 March 2023	31 December 2022
Legal reserves	612,262	323,363
Treasury share reserves	215,314	215,241
Other restricted profit reserves	51,340	3,443
<b>Total</b>	<b>878,916</b>	<b>542,047</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 31 March 2023, the legal reserves of the Group amounted to TL 612,262 (31 December 2022: TL 323,363). The Group reclassified TL 47,896, which corresponds to 75% of its sales arising from the buy backed shares, to other restricted reserves.

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(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. In 2022, the Group sold 514,993 units of own shares corresponding to 0.23% of its capital by special order method.

##### 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 31 March 2023, retained earnings are TL 6,652,406 (31 December 2022: TL 1,927,193).

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

Financial assets measured at fair value through other comprehensive income are recognized in consolidated financial statements at their fair values. The valuation differences realized at the reporting date in carrying amount of the financial assets is recognized in "gains (losses) on remeasuring and/or reclassification of financial assets measured at fair value through other comprehensive income" account under equity in the consolidated financial statements. As at 31 March 2023, gains (losses) on remeasuring and/or reclassification of financial assets measured at fair value through other comprehensive income of the Group amounted to TL 2,279,823 (31 December 2022: TL 2,279,823).

##### Foreign currency translation differences

Foreign currency translation differences comprise the foreign currency exchange rate differences arising from the translation of the financial statements on foreign currencies from functional currency to the presentation currency of the Group. As at 31 March 2023, the foreign currency translation differences of the Group amounted to TL 25,960 (31 December 2022: TL 22,659).

##### Dividend

Publicly traded companies shall perform dividend distribution in accordance with the Communique 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 Communique, no minimum distribution rate has been determined. Companies shall pay dividends as set out in their profit distribution policies or their articles of association.

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(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 (Continued)

##### Dividend (Continued)

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 28 March 2023, it has been decided to distribute cash dividends amounting to TL 2,000,000 to shareholders on 2022 year's distributable profit which was calculated by deducting legal reserves from period income. It has been decided that TL 288,899 of the net profit of the period will not be distributed and retained within the Company as "legal reserve". The distribution of dividends started on 6 April 2023 and was completed on 10 April 2023.

##### Non-controlling interests

Equity in a subsidiary that is not attributable, directly or indirectly, to a parent is classified under the "non-controlling interests" in the consolidated financial statements. As at 31 March 2023 and 31 December 2022, the related amounts in the "non-controlling interests" account in the consolidated financial statements are TL 47,135 and TL 37,145 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 period ended 31 March is presented below:

	<u>31 March 2023</u>	<u>31 March 2022</u>
Marketing expenses	320,039	124,758
General administration expenses	287,107	185,789
<b>Total</b>	<b><u>607,146</u></b>	<b><u>310,547</u></b>

##### 17.1 Marketing Expenses

The breakdown of marketing expenses for the period ended 31 March is presented below:

	<u>31 March 2023</u>	<u>31 March 2022</u>
Distribution expenses	136,553	45,226
Warranty expenses, net	89,692	34,949
Personnel expenses	50,526	19,654
Advertising expenses	30,019	19,820
Customer service expenses	7,588	4,340
Support expenses	5,661	769
<b>Total</b>	<b><u>320,039</u></b>	<b><u>124,758</u></b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

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

##### 17.2 General Administrative Expenses

The breakdown of general administration expenses for the period ended 31 March is presented below:

	<u>31 March 2023</u>	<u>31 March 2022</u>
Depreciation and amortization expenses	123,973	61,364
Building expenses	48,367	25,434
Maintenance expenses	38,555	15,937
Personnel expenses	12,876	49,679
Insurance expenses	10,715	5,169
Consultancy expense	7,650	5,672
Vehicle expenses	4,275	5,195
Traveling expenses	3,258	968
Communication expenses	1,314	823
Other	36,124	15,548
<b>Total</b>	<b><u>287,107</u></b>	<b><u>185,789</u></b>

#### NOTE 18 – INVESTMENT ACTIVITY INCOME

The breakdown of income from investment activities for the period ended 31 March is presented below:

	<u>31 March 2023</u>	<u>31 March 2022</u>
Gain on interest and foreign exchange	108,419	13,144
Gain on sale of property and equipment	59,153	11,929
<b>Total</b>	<b><u>167,572</u></b>	<b><u>25,073</u></b>

#### NOTE 19 – FINANCE INCOME AND EXPENSES

The breakdown of finance expenses for the period ended 31 March is as follows:

	<u>31 March 2023</u>	<u>31 March 2022</u>
Interest expense on borrowings	161,226	158,482
Foreign exchange losses on borrowings, net	139,220	-
Commission expenses on letters of guarantee	23,509	20,948
Interest expense on lease liabilities (Note 7)	12,196	9,364
Other	10,130	17,193
<b>Total</b>	<b><u>346,281</u></b>	<b><u>205,987</u></b>

The breakdown of finance income for the period ended 31 March are as follows:

	<u>31 March 2023</u>	<u>31 March 2022</u>
Interest income	96,175	1,641
<b>Total</b>	<b><u>96,175</u></b>	<b><u>1,641</u></b>

## DOĐUŐ OTOMOTİV SERVİS VE TİCARET A.Ő.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(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 20% for 31 March 2023 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 31 March 2023, enacted corporation tax rate is 15% for the subsidiary registered in Iraq according to local tax law (31 December 2022: 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 THREE MONTH PERIOD ENDED 31 MARCH

(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 period ended 31 March, taxation charge comprise of the following:

	<b>31 March 2023</b>	<b>31 March 2022</b>
Current tax income / (expense)	(857,362)	(344,876)
Deferred tax income / (expense)	203,247	68,807
<b>Total tax expense</b>	<b>(654,115)</b>	<b>(276,069)</b>

For the period ended 31 March, 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>31 March 2023</b>	<b>31 March 2022</b>
Profit before tax	4,564,319	1,280,813
Income tax using the Company's domestic tax rate	(912,864)	(294,587)
Disallowable expenses	(2,719)	(7,092)
Share of profit in equity accounted investees exempt from deferred tax calculation	154,782	33,854
Recognized in legal financial statements property, plant and equipment revaluation increase fund, deferred tax income	101,039	-
Other	5,647	(8,244)
<b>Total tax expense</b>	<b>(654,115)</b>	<b>(276,069)</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 THREE MONTH PERIOD ENDED 31 MARCH

(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 31 March 2023 and 31 December 2022, 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)	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Fair value change of available-for sale financial assets	-	-	(110,793)	(110,793)	(110,793)	(110,793)
Land	-	-	(1,393)	(1,393)	(1,393)	(1,393)
Other tangible and intangible assets	1,041,387	948,417	-	-	1,041,387	948,417
Warranty provision, net	24,341	23,004	-	-	24,341	23,004
Legal provision	10,076	9,529	-	-	10,076	9,529
Provision for diminution in value of inventories	1,173	1,030	-	-	1,173	1,030
Employee termination benefit	29,688	29,679	-	-	29,688	29,679
Unused vacation liability	12,061	8,897	-	-	12,061	8,897
Dealer premium accrual	115,677	-	-	-	115,677	-
Other	5,899	4,148	-	-	5,899	4,148
Total deferred tax asset/(liabilities)	1,240,302	1,024,704	(112,186)	(112,186)	1,128,116	912,518
Net off tax	(112,186)	(112,186)	112,186	112,186	-	-
<b>Total deferred tax assets/(liabilities)</b>	<b>1,128,116</b>	<b>912,518</b>	<b>-</b>	<b>-</b>	<b>1,128,116</b>	<b>912,518</b>

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

	1 January 2023	Recognized in the profit or loss	Recognized in other comprehensive income	31 March 2023
Fair value change of available for sale financial assets	(110,793)	-	-	(110,793)
Land	(1,393)	-	-	(1,393)
Other tangible and intangible assets	948,417	92,970	-	1,041,387
Warranty provision, net	23,004	1,337	-	24,341
Legal provision	9,529	547	-	10,076
Provision for diminution in value of inventories	1,030	143	-	1,173
Employee termination benefit	29,679	(12,342)	12,351	29,688
Unused vacation liability	8,897	3,164	-	12,061
Dealer premium accrual	-	115,677	-	115,677
Other	4,148	1,751	-	5,899
	<b>912,518</b>	<b>203,247</b>	<b>12,351</b>	<b>1,128,116</b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(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 31 March 2022 are as follows:

	<u>1 January 2022</u>	<u>Recognized in the profit or loss</u>	<u>Recognized in other comprehensive income</u>	<u>31 March 2022</u>
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	566	-	1,879
Warranty provision, net	17,797	(368)	-	17,429
Legal provision	7,933	377	-	8,310
Provision for diminution in value of inventories	1,421	(118)	-	1,303
Employee termination benefit	10,251	164	3,128	13,543
Unused vacation liability	4,192	1,243	-	5,435
Dealer premium accrual	-	40,114	-	40,114
Other	(19,357)	26,829	-	7,472
	<u>(12,929)</u>	<u>68,807</u>	<u>3,128</u>	<u>59,006</u>

As at 31 March 2023, current income tax liabilities amounting to TL 1,195,402 (31 December 2022: TL 343,251) is comprised by tax provision for the period ended 31 March 2023.

As of 31 March 2023, the Group has no current period tax assets. (31 December 2022: 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 2021.

#### 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 31 March, earnings per share are calculated as follows:

	<u>31 March 2023</u>	<u>31 March 2022</u>
Net profit attributable to the equity holders of the Company	3,900,214	996,669
Number of basic shares	198,514,993	198,000,000
<b>Basic / diluted earnings per share (in full TL)</b>	<b>19.6469</b>	<b>5.0337</b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(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>31 March 2023</u>	<u>31 December 2022</u>
Yüce Auto	32,038	13,800
VDF Servis	-	89
<b>Total</b>	<b><u>32,038</u></b>	<b><u>13,889</u></b>

###### 22.1.2 Due from joint ventures

	<u>31 March 2023</u>	<u>31 December 2022</u>
TÜVTURK	15	5,489
<b>Total</b>	<b><u>15</u></b>	<b><u>5,489</u></b>

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

	<u>31 March 2023</u>	<u>31 December 2022</u>
VDF Faktoring Hizmetleri A.Ş. ("VDF Faktoring")	3,881,896	2,520,259
VDF Sigorta Aracılık Hizmetleri A.Ş.	5,470	4,178
VDF Filo Kiralama A.Ş.	2,036	2,347
VDF	102	139
Other	1,210	579
<b>Total</b>	<b><u>3,890,714</u></b>	<b><u>2,527,502</u></b>

###### 22.1.4 Due from shareholders

	<u>31 March 2023</u>	<u>31 December 2022</u>
Doğuş Holding	790	1,539
<b>Total</b>	<b><u>790</u></b>	<b><u>1,539</u></b>
<b>Grand total</b>	<b><u>3,923,557</u></b>	<b><u>2,548,419</u></b>

As of 31 March 2023, the Group imposes 1.80% interest charge on the receivables from related parties (31 December 2022: 1.91% per month).

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

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

	<u>31 March 2023</u>	<u>31 December 2022</u>
Doğuş Teknoloji	2,874	2,705
<b>Total</b>	<b><u>2,874</u></b>	<b><u>2,705</u></b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(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>31 March 2023</u>	<u>31 December 2022</u>
VDF Filo Kiralama A.Ş. (sublease receivables)	4,508	4,917
<b>Total</b>	<b>4,508</b>	<b>4,917</b>
<b>Grand total</b>	<b>7,382</b>	<b>7,622</b>

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

	<u>31 March 2023</u>	<u>31 December 2022</u>
VDF Filo Kiralama A.Ş. (sublease receivables)	270	339
<b>Total</b>	<b>270</b>	<b>339</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>31 March 2023</u>	<u>31 December 2022</u>
Doğuş Teknoloji	6,097	7,214
<b>Total</b>	<b>6,097</b>	<b>7,214</b>

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

	<u>31 March 2023</u>	<u>31 December 2022</u>
Pozitif Arena Salon İşletmeleri A.Ş.	11,885	16,268
Doğuş Spor Kompleksi Yatırım ve İşletme A.Ş.	4,897	-
Antur Turizm A.Ş.	1,676	669
Pozitif Müzik A.Ş.	253	262
Other	1,133	39
<b>Total</b>	<b>19,844</b>	<b>17,238</b>

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

	<u>31 March 2023</u>	<u>31 December 2022</u>
Doğuş Holding	1,270	1,655
<b>Total</b>	<b>1,270</b>	<b>1,655</b>
<b>Grand total</b>	<b>27,211</b>	<b>26,107</b>

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

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

	<u>31 March 2023</u>	<u>31 December 2022</u>
Pozitif Arena Salon İşletmeleri A.Ş.	3,052	3,052
Doğuş Teknoloji	2,213	2,633
Pozitif Müzik A.Ş.	6	61
<b>Total</b>	<b>5,271</b>	<b>5,746</b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(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)

##### 22.4 Trade payables to related parties

###### 22.4.1 Trade payables to affiliates

	<u>31 March 2023</u>	<u>31 December 2022</u>
Yüce Auto	367,945	124,130
Doğuş Teknoloji	35,155	45,013
<b>Total</b>	<b>403,100</b>	<b>169,143</b>

###### 22.4.2 Trade payables to business partners

	<u>31 March 2023</u>	<u>31 December 2022</u>
TÜVTURK	5	4
<b>Total</b>	<b>5</b>	<b>4</b>

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

	<u>31 March 2023</u>	<u>31 December 2022</u>
Antur Turizm A.Ş.	10,427	11,590
Doğuş Spor Kompleksi Yatırım ve İşletme A.Ş.	7,319	-
VDF Filo Kiralama A.Ş..	5,001	15,766
Doğuş Verimlilik ve Merkezi Satın Alma Hizm. Tic. A.Ş.	4,517	6,812
VDF Faktoring	1,616	877
TDB Kalibrasyon Hizmetleri A.Ş.	695	1,039
Semanticum Bilişim Sanayi ve Ticaret A.Ş.	422	408
Doğuş İnşaat ve Ticaret A.Ş.	185	2,177
VDF	17	22
Nahita Restaurant İşletmeciliği ve Yatırım A.Ş.	-	2,686
Other	2,573	1,302
<b>Total</b>	<b>32,772</b>	<b>42,679</b>

# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(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)

#### 22.4 Trade payables to related parties (Continued)

##### 22.4.4 Trade payables due to shareholders

	<u>31 March 2023</u>	<u>31 December 2022</u>
Doğuş Holding	2,308	1,222
<b>Total</b>	<b>2,308</b>	<b>1,222</b>
<b>Grand total</b>	<b>438,185</b>	<b>213,048</b>

#### 22.5 Other payables due to related parties

##### 22.5.1 Other payables due to shareholders

	<u>31 March 2023</u>	<u>31 December 2022</u>
Dividend payable	2,000,000	-
<b>Total</b>	<b>2,000,000</b>	<b>-</b>

#### 22.6 Related Party Transactions

##### 22.6.1 Associates

###### Sales and other income generating transactions:

	<u>31 March 2023</u>	<u>31 March 2022</u>
Other income	74,899	17,604
Sale of products and returns, net	15,338	5,387
Sale of services, net	487	290
Financial income	144	255
<b>Total</b>	<b>90,868</b>	<b>23,536</b>

###### Purchases and expenses incurring transactions:

	<u>31 March 2023</u>	<u>31 March 2022</u>
Inventory purchase	941,929	299,474
Fixed asset purchases	62,785	24,789
Other purchases	55,049	34,908
Services rendered	25,680	10,300
Other expenses	2,420	214
<b>Total</b>	<b>1,087,863</b>	<b>369,685</b>

##### 22.6.2 Joint ventures

###### Sales and other income generating transactions:

	<u>31 March 2023</u>	<u>31 March 2022</u>
Sale of products and returns, net	1,065	1,975
Sale of service, net	27	28
Other income	-	2
<b>Total</b>	<b>1,092</b>	<b>2,005</b>

###### Purchases and expense creating transactions:

	<u>31 March 2023</u>	<u>31 March 2022</u>
Inventory purchases	4,450	-
Service purchases	75	14
<b>Total</b>	<b>4,525</b>	<b>14</b>

# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(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)

#### 22.6 Related Party Transactions (Continued)

##### 22.6.3 Other related party transactions

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

31 March 2023						
	Sale of products	Sale of services	Other income from operating activities	Financial income	Sale of fixed asset	Total
VDF Filo	167,468	4,259	762	-	-	172,489
VDF Sigorta	3	-	9,843	-	-	9,846
VDF Faktoring	-	-	-	-	-	-
Other	2,782	236	327	-	7	3,352
	<b>170,253</b>	<b>4,495</b>	<b>10,932</b>	<b>-</b>	<b>7</b>	<b>185,687</b>

31 March 2022						
	Sale of products	Sale of services	Other income from operating activities	Financial income	Sale of fixed asset	Total
VDF Filo	93,483	2,301	235	-	-	96,019
VDF Sigorta	-	-	3,567	-	-	3,567
VDF Faktoring	-	-	-	-	-	-
Other	3,332	109	201	-	-	3,642
	<b>96,815</b>	<b>2,410</b>	<b>4,003</b>	<b>-</b>	<b>-</b>	<b>103,228</b>

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

31 March 2023							
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Total
VDF Filo	7,601	-	40,264	-	-	-	47,865
Doğuş Gayrimenkul							
Yatırım Ortaklığı	13,477	-	-	-	-	-	13,477
Antur Turizm	11,908	-	3,240	-	-	2,797	17,945
VDF Faktoring	-	-	-	4,691	-	-	4,691
VDF Sigorta	-	-	-	-	-	-	-
Other	3,339	4	11	-	9	8,231	11,594
	<b>36,325</b>	<b>4</b>	<b>43,515</b>	<b>4,691</b>	<b>9</b>	<b>11,028</b>	<b>95,572</b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(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)

##### 22.6 Related Party Transactions (Continued)

##### 22.6.3 Other related party transactions (Continued)

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

	31 March 2022						Total
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	
VDF Filo	5,435	-	10,852	-	1	-	16,288
Doğuş Gayrimenkul Yatırım Ortaklığı	9,138	-	-	-	-	-	9,138
Antur Turizm	2,536	-	-	-	1	33	2,570
VDF Faktoring	-	-	-	2,328	-	-	2,328
VDF Sigorta	-	-	-	-	-	-	-
Other	1,508	10	325	86	10	3,972	5,911
	<b>18,617</b>	<b>10</b>	<b>11,177</b>	<b>2,414</b>	<b>12</b>	<b>4,005</b>	<b>36,235</b>

##### 22.6.4 Transactions with shareholders

##### a) Income generated from shareholders

	31 March 2023				
	Sale of product	Sale of services	Financing income	Other income from operating activities	Total
Doğuş Holding	1,477	1,129	4,208	-	6,814
	<b>1,477</b>	<b>1,129</b>	<b>4,208</b>	<b>-</b>	<b>6,814</b>

  

	31 March 2022				
	Sale of product	Sale of services	Financing income	Other income from operating activities	Total
Doğuş Holding	15	484	-	-	499
	<b>15</b>	<b>484</b>	<b>-</b>	<b>-</b>	<b>499</b>



## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(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)

##### 22.6 Related Party Transactions (Continued)

##### 22.6.4 Transactions with shareholders (Continued)

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

		31 March 2023				
		Services rendered	Purchase of fixes asset	Others purchases	Other expense from operating activities	Total
Doğuş Holding		5,376	-	-	539	5,915
		<b>5,376</b>	<b>-</b>	<b>-</b>	<b>539</b>	<b>5,915</b>
		31 March 2022				
		Services rendered	Purchase of fixes asset	Others purchases	Other expense from operating activities	Total
Doğuş Holding		3,461	-	-	288	3,749
		<b>3,461</b>	<b>-</b>	<b>-</b>	<b>288</b>	<b>3,749</b>

##### 22.7 Key Management Personnel Compensation

	31 March 2023	31 March 2022
Salaries and other short-term employee benefits	21,934	10,030
<b>Total</b>	<b>21,934</b>	<b>10,030</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 period ended 31 March 2023 and 2022 includes salaries, health insurance and employer shares of Social Security Institution.

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

#### 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 31 March 2023 and 31 December 2022:

	<b>31 March 2023</b>	<b>31 December 2022</b>
Total financial liabilities	5,662,929	2,594,503
Cash and cash equivalents	(4,499,108)	(3,366,150)
<b>Total financial liabilities, net</b>	<b>1,163,821</b>	<b>(771,647)</b>
Total equity	13,653,385	11,706,526
<b>Financial liabilities / equity ratio</b>	<b>0.09</b>	<b>(0.07)</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.

# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

### NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

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

##### Financial risk factors (Continued)

##### (a) Credit risk

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

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

31 March 2023	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>	3,923,557	1,123,994	7,652	198,208	4,499,038	-	-
- Guaranteed portion of the maximum exposure	-	146,995	-	-	-	-	-
<b>A. Net carrying amount of financial assets which are neither impaired nor overdue (**)</b>	3,922,714	1,071,002	7,652	198,208	4,499,038	-	-
<b>B. Net carrying amount of financial assets which are overdue but not impaired (***)</b>	843	52,992	-	-	-	-	-
<b>C. Net carrying amount of impaired assets</b>	-	-	-	-	-	-	-
- Past due (gross book value)	-	5,267	-	-	-	-	-
- Impairment (-)	-	(5,267)	-	-	-	-	-
- Guaranteed portion of net values (*)	-	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Guaranteed portion of net values (*)	-	146,995	-	-	-	-	-
<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 31 March 2023 and 31 December 2022, information regarding to credit quality of trade receivables which are not past due or not impaired and restructured are indicated in Note 8.

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

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

# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

### NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

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

#### Financial risk factors (Continued)

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

31 December 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>	2,548,419	783,412	7,961	174,047	3,366,033	-	-
- Guaranteed portion of the maximum exposure	-	125,894	-	-	-	-	-
<b>A. Net carrying amount of financial assets which are neither impaired nor overdue (**)</b>	2,546,713	750,578	7,961	174,047	3,366,033	-	-
<b>B. Net carrying amount of financial assets which are overdue but not impaired (***)</b>	1,706	32,834	-	-	-	-	-
<b>C. Net carrying amount of impaired assets</b>	-	-	-	-	-	-	-
- Past due (gross book value)	-	5,296	-	-	-	-	-
- Impairment (-)	-	(5,296)	-	-	-	-	-
- Guaranteed portion of net values (*)	-	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Guaranteed portion of net values (*)	-	125,894	-	-	-	-	-
<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 31 March 2023 and 31 December 2022, information regarding to credit quality of trade receivables which are not past due or not impaired and restructured are indicated in Note 8.

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

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

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

#### 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 31 March 2023 and 31 December 2022, the aging of past due receivables that are not impaired are as follows:

31 March 2023	Receivables		Deposits on banks	Derivative instruments	Other
	Trade receivables	Other receivables			
Past due 1-30 days	53,835	-	-	-	-
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.	1,622	-	-	-	-

31 December 2022	Receivables		Deposits on banks	Derivative instruments	Other
	Trade receivables	Other receivables			
Past due 1-30 days	34,540	-	-	-	-
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.	1,591	-	-	-	-

##### (b) Liquidity risk

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

Risk of funding current and potential requirements is mitigated by ensuring the availability of adequate number of creditworthy lending parties. The Group, in order to minimize liquidity risk, holds adequate cash and available line of credit (including factoring capacity). In this regard, as at 31 March 2023, the Group have lines of credit amounting to EUR 1,245,686, USD 317,000, CHF 5,000 and TL 4,032,500 (31 December 2022: lines of credit amounting to EUR 1,095,686, USD 317,000, CHF 5,000 and TL 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 184,700 equivalent to TL 3,850,072 (31 December 2022: EUR 179,700 equivalent to TL 3,582,302) 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 190,042, amounting to TL 3,961,429 are utilized (31 December 2022: EUR 105,020, amounting to TL 2,093,567 is used).

# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

### 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 31 March 2023 and 31 December 2022:

Contractual maturities	31 March 2023					
	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	5,400,225	6,352,142	1,814,361	1,111,892	3,062,149	363,740
Trade payables to related parties	438,185	438,185	438,185	-	-	-
Other payables to related parties	2,000,000	2,000,000	2,000,000	-	-	-
Trade payables to third parties	5,400,498	5,400,498	1,489,148	3,911,350	-	-
Employee benefit obligations	39,412	39,412	39,412	-	-	-
Lease liabilities	262,704	422,773	37,769	94,507	182,941	107,555
Other current liabilities (*)	2,357	2,357	2,357	-	-	-
<b>Total non-derivative financial liabilities</b>	<b>13,543,381</b>	<b>14,655,367</b>	<b>5,821,232</b>	<b>5,117,749</b>	<b>3,245,090</b>	<b>471,295</b>
	31 December 2022					
<b>Contractual maturities</b>	<b>Carrying amount</b>	<b>Total contractual cash outflows</b>	<b>Less than 3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>More than 5 years</b>
<b>Non-derivative financial liabilities</b>						
Loans and borrowings	2,411,875	2,569,576	675,037	1,792,434	102,105	-
Trade payables to related parties	213,048	213,048	213,048	-	-	-
Other payables to related parties	-	-	-	-	-	-
Trade payables to third parties	3,373,599	3,373,599	1,297,943	2,075,656	-	-
Employee benefit obligations	113,695	113,695	113,695	-	-	-
Lease liabilities	182,628	295,993	20,068	58,066	147,309	70,549
Other current liabilities (*)	3,080	3,080	3,080	-	-	-
<b>Total non-derivative financial liabilities</b>	<b>6,297,925</b>	<b>6,568,991</b>	<b>2,322,872</b>	<b>3,926,155</b>	<b>249,414</b>	<b>70,549</b>

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

# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

### 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		
31 March 2023		
	Profit/loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against TL		
1- Net USD asset/liability	(233)	233
2- USD risk averse portion (-)	-	-
<b>3- Net USD effect (1+2)</b>	<b>(233)</b>	<b>233</b>
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	81,635	(81,635)
5- Euro risk averse portion (-)	-	-
<b>6- Net Euro effect (4+5)</b>	<b>81,635</b>	<b>(81,635)</b>
<b>TOTAL (3+6)</b>	<b>81,402</b>	<b>(81,402)</b>

Currency sensitivity analysis		
31 December 2022		
	Profit/loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against TL		
1- Net USD asset/liability	(4,918)	4,918
2- USD risk averse portion (-)	-	-
<b>3- Net USD effect (1+2)</b>	<b>(4,918)</b>	<b>4,918</b>
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	143,859	(143,859)
5- Euro risk averse portion (-)	-	-
<b>6- Net Euro effect (4+5)</b>	<b>143,859</b>	<b>(143,859)</b>
<b>TOTAL (3+6)</b>	<b>138,941</b>	<b>(138,941)</b>

Currency sensitivity analysis		
31 March 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	(559)	559
2- USD risk averse portion (-)	-	-
<b>3- Net USD effect (1+2)</b>	<b>(559)</b>	<b>559</b>
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	290,456	(290,456)
5- Euro risk averse portion (-)	-	-
<b>6- Net Euro effect (4+5)</b>	<b>290,456</b>	<b>(290,456)</b>
<b>TOTAL (3+6)</b>	<b>289,897</b>	<b>(289,897)</b>

# DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

### 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 31 March 2023, 31 December 2022 and 31 March 2022 are as follows:

	<u>31 March 2023</u>	<u>31 December 2022</u>	<u>31 March 2022</u>
USD	19.1532	18.6983	14.6371
EUR	20.8450	19.9349	16.2855
CHF	20.8615	20.2019	15.7954

As at 31 March 2023, net position of the Group is resulted from foreign currency assets and liabilities as shown below:

	<u>31 March 2023</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	932,953	28	44,726	3	10
Other monetary assets	5,154,361	4	247,267	-	2
<b>Total assets</b>	<b>6,087,314</b>	<b>32</b>	<b>291,993</b>	<b>3</b>	<b>12</b>
Trade payables	4,520,672	150	216,733	-	-
Financial liabilities	751,358	-	36,045	-	-
Other monetary liabilities	1,042	-	50	-	-
<b>Current liabilities</b>	<b>5,273,072</b>	<b>150</b>	<b>252,828</b>	<b>-</b>	<b>-</b>
Financial liabilities	2,594,431	-	124,463	-	-
<b>Non-current liabilities</b>	<b>2,594,431</b>	<b>-</b>	<b>124,463</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>7,867,503</b>	<b>150</b>	<b>377,291</b>	<b>-</b>	<b>-</b>
<b>Net foreign currency liability position of derivative financial liabilities off statement of financial position</b>	<b>291,909</b>	<b>-</b>	<b>14,000</b>	<b>-</b>	<b>-</b>
<b>Net foreign currency (liability)/asset position</b>	<b>(1,488,280)</b>	<b>(118)</b>	<b>(71,298)</b>	<b>3</b>	<b>12</b>
<b>Monetary items net foreign (liability)/asset position</b>					
Sureties and letters of guarantee taken	95,949	456	4,184	-	-
Sureties and letters of guarantee given	4,007,013	-	192,229	-	-
Import	13,600,737	-	652,470	-	-



## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

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

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

##### Financial risk factors (Continued)

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

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

	31 December 2022				
	Total TL equivalent	Original balances			
		USD	EUR	CHF	Other
<b>Assets:</b>					
Trade receivables	-	-	-	-	-
Monetary financial assets	925,603	10	46,417	3	9
Other monetary assets	3,004,755	-	150,728	-	4
<b>Total assets</b>	<b>3,930,358</b>	<b>10</b>	<b>197,145</b>	<b>3</b>	<b>13</b>
Trade payables	2,397,296	2,640	117,780	-	-
Financial liabilities	143,153	-	7,181	-	-
Other monetary liabilities	436	2	20	-	-
<b>Current liabilities</b>	<b>2,540,885</b>	<b>2,642</b>	<b>124,981</b>	<b>-</b>	<b>-</b>
Financial liabilities	89,109	-	4,470	-	-
<b>Non-current liabilities</b>	<b>89,109</b>	<b>-</b>	<b>4,470</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>2,629,994</b>	<b>2,642</b>	<b>129,451</b>	<b>-</b>	<b>-</b>
<b>Net foreign currency liability position of derivative financial liabilities off statement of financial position</b>	<b>2,033,691</b>	<b>-</b>	<b>102,003</b>	<b>-</b>	<b>-</b>
<b>Net foreign currency (liability)/asset position</b>	<b>3,334,055</b>	<b>(2,632)</b>	<b>169,697</b>	<b>3</b>	<b>13</b>
<b>Monetary items net foreign (liability)/asset position</b>					
Sureties and letters of guarantee taken	104,158	1,323	3,984	-	-
Sureties and letters of guarantee given	3,734,385	-	187,329	-	-
Import	36,938,556	-	1,852,959	-	-

As at 31 March 2023, goods-in-transit of the Group amount to EUR 237,742 equivalent to TL 4,955,732 (31 December 2022: EUR 143,446 equivalent to TL 2,859,581).

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(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 31 March 2023, all other variables held constant, the Group's equity would have been increased/decreased by TL 101,016 (31 December 2022: TL 101,016).

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

As of 31 March 2023 and 31 December 2022, 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.

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

(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)*

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

##### *Financial liabilities*

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

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

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

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

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

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

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

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

As of 31 March 2023 and 31 December 2022, net carrying amounts and fair values of assets and liabilities as shown below:

<b>31 March 2023</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>
<u>Financial assets</u>					
Cash and cash equivalents	4,499,108	-	-	4,499,108	5
Financial investments	-	7,755,764	-	7,755,764	6
Trade receivables from third parties	1,123,994	-	-	1,123,994	8
Other receivables from third parties	198,208	-	-	198,208	-
Trade receivables from related parties	3,923,557	-	-	3,923,557	22.1
Other receivables from related parties	7,652	-	-	7,652	22.2
<u>Financial liabilities</u>					
Trade payables to third parties	-	-	5,400,498	5,400,498	8
Trade payables to related parties	-	-	438,185	438,185	22.4
Other payables to related parties	-	-	2,000,000	2,000,000	-
Borrowings	-	-	5,400,225	5,400,225	7
Lease liabilities	-	-	262,704	262,704	7

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

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

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

##### Financial risk factors (Continued)

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

31 December 2022	Financial assets at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial liabilities at amortised cost	Net carrying amount	Note
<u>Financial assets</u>					
Cash and cash equivalents	3,366,150	-	-	3,366,150	5
Financial investments	-	4,379,620	-	4,379,620	6
Trade receivables from third parties	783,412	-	-	783,412	8
Other receivables from third parties	174,047	-	-	174,047	-
Trade receivables from related parties	2,548,419	-	-	2,548,419	22.1
Other receivables from related parties	7,961	-	-	7,961	22.2
<u>Financial liabilities</u>					
Trade payables to third parties	-	-	3,373,599	3,373,599	8
Trade payables to related parties	-	-	213,048	213,048	22.4
Other payables to related parties	-	-	-	-	-
Borrowings	-	-	2,411,875	2,411,875	7
Lease liabilities	-	-	182,628	182,628	7

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

#### 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:

	31 March 2023			
	Level 1	Level 2	Level 3	Total
<b><i>Financial assets:</i></b>				
FX protected time deposit	291,909	-	-	291,909
Financial assets measured at fair value through other comprehensive income (Note 6)	-	7,463,855	-	7,463,855
<b>Total financial assets</b>	<b>291,909</b>	<b>7,463,855</b>	<b>-</b>	<b>7,755,764</b>
	31 December 2022			
	Level 1	Level 2	Level 3	Total
<b><i>Financial assets:</i></b>				
FX protected time deposit	2,033,691	-	-	2,033,691
Financial assets measured at fair value through other comprehensive income (Note 6)	-	2,345,929	-	2,345,929
<b>Total financial assets</b>	<b>2,033,691</b>	<b>2,345,929</b>	<b>-</b>	<b>4,379,620</b>

## DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH

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

#### NOTE 24 – RIGHT OF USE ASSET

As of 31 March 2023, the net book value of the right of use assets is TL 217,165 (31 March 2022: TL 159,858). As of 31 March 2023 and 2022, the balances of the right to use assets and the depreciation and amortization expenses during the period are as follows:

<b>31 March 2023</b>	<b>Showroom and area leases</b>	<b>Motor vehicles</b>	<b>Other</b>	<b>Total</b>
<b>Right of use asset - 1 January 2023</b>	<b>125,261</b>	<b>25,545</b>	-	<b>150,806</b>
Additions	80,214	7,088	-	87,302
Disposals	-	(83)	-	(83)
Depreciation expenses	(16,108)	(4,752)	-	(20,860)
<b>Right of use asset - 31 March 2023</b>	<b>189,367</b>	<b>27,798</b>	-	<b>217,165</b>

<b>31 March 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 2022</b>	<b>78,655</b>	<b>30,413</b>	-	<b>109,068</b>
Additions	59,532	4,944	-	64,476
Disposals	-	-	-	-
Depreciation expenses	(9,825)	(3,861)	-	(13,686)
<b>Right of use asset - 31 March 2022</b>	<b>128,362</b>	<b>31,496</b>	-	<b>159,858</b>

As of 31 March 2023, TL 20,860 depreciation expense arising from the usage rights is accounted under general administrative expenses (31 March 2022: TL 13,686).

#### NOTE 25 – SUBSEQUENT EVENTS

None.

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