

DOĐUŐ OTOMOTİV SERVİS VE TİCARET A.Ő.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2024 TOGETHER WITH
AUDITOR’S REVIEW REPORT**

(ORIGINALLY ISSUED IN TURKISH)



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

INDEPENDENT AUDITOR’S REPORT

To the General Assembly of Doğuř Otomotiv Servis ve Ticaret A.ř.

A. Audit of the consolidated financial statements

1. Our opinion

We have audited the accompanying consolidated financial statements of Doğuř Otomotiv Servis ve Ticaret A.ř. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (“TFRS”).

2. Basis for opinion

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



3. Key audit matters

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

Key Audit Matters	
Fair value of investment properties and land and buildings recognized using the revaluation method	How the key audit matter was addressed in the audit
As further explained in Notes 2.6, 12 and 14, the valuations completed by an independent real estate appraisal firm resulted in the total fair value of investment properties amounting to TL 15,442,480 thousand, and land and buildings amounting to TL 13,499,866 thousand as of 31 December 2024, a fair value increase of investment properties amounting to TL 530,236 thousand in 2024 recognized in consolidated statement of profit or loss and a fair value increase of land and buildings amounting to TL 1,168,542 thousand recognized in consolidated statement of other comprehensive income. The fair values of these assets are determined by an independent valuation institution accredited by the Capital Markets Board (“CMB”) and are recognized in the consolidated financial statements following Group management’s assessment. The fair value of land depends on the valuation methods used as well as the input and assumptions used in the valuation model. Fair values are directly affected by factors such as market conditions, the specifications of each piece of assets, its physical condition, and geographic location.	We performed the following audit procedures in relation to accounting for investment properties, land and buildings using the revaluation method: • Assessing the capability, competency, and objectivity of the independent property valuation institution appointed by the Group in accordance with SIA 500, • Checking the completeness of the investment properties, land and buildings subject to revaluation by comparing accounting records to valuation reports, • Testing the deeds and ownership ratios of land using the sampling method, • An independent property valuation institution accredited by the CMB and holding a license was appointed as an “auditor’s expert” to support the audit process. The following audit procedures were performed using the sampling method with the support of the auditor’s expert: ○ Comparing the location, tenant, and square meter information for the land included in reports with the land registers, ○ Evaluating the nature of the land, ○ Evaluating the appropriateness of the benchmarking analysis method used in revaluation of the relevant land,



3. Key audit matters (Continued)

Key audit matters	How the key audit matter was addressed in the audit
Since the value of investment properties and land and building is material to the consolidated financial statements, and in the determination of fair value of land the benchmarking analysis approach (market) and discounted cash flow method are used, which include inputs and assumptions including discount and capitalization rate, rental growth rate, occupancy rate and estimated profitability that can lead to changes in the fair value of the land, the “fair value of investment properties and land and building recognized using the revaluation method” has been identified as a key audit matter.	○ Determining whether the land that was the subject of calculations using the benchmark comparison method have features similar to the Group’s land or not, ○ Assessing reasonableness of key assumptions in discounted cash flow model including rental growth rate, occupancy rate and estimated profitability by comparing them against their historical financial performance, ○ Assessing key assumptions in calculations including discount rates and capitalization rate and benchmarking these against rates used in the relevant industries, ○ Testing management’s sensitivity analysis for key assumptions considering market conditions, ○ Checking whether the valuation reports were prepared in line with the main principles, • Comparing the fair values in the valuation reports to the notes, to assess the consistency of the amounts disclosed in the notes and consolidated financial statements and evaluating whether the disclosures in the notes are adequate in accordance with TFRS.



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

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

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

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

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

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

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

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

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



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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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

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



B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code (“TCC”) No. 6102 and that causes us to believe that the Company’s bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Company’s articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor’s report on the early risk identification system and committee was submitted to the Company’s Board of Directors on 28 February 2025.

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

Cihan Harman, SMMM
Independent Auditor

Istanbul, 28 February 2025

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2024 unless otherwise indicated.)

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DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2024 unless otherwise indicated.)

		Audited	Audited
	Notes	2024	2023
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	9,413,570	11,035,747
Financial investments	6	-	1,816,432
Trade receivables		15,853,414	18,595,032
<i>Trade receivables due from related parties</i>	29	10,372,372	12,505,597
<i>Trade receivables due from third parties</i>	8	5,481,042	6,089,435
Other receivables		1,493,694	737,492
<i>Other receivables due from related parties</i>	29	66,290	41,572
<i>Other receivables due from third parties</i>	9	1,427,404	695,920
Inventories	10	15,410,234	15,375,759
Prepayments	17	263,574	294,466
Assets related to current tax		148,467	845
Other current assets		20,039	98,855
Total current assets		42,602,992	47,954,628
NON-CURRENT ASSETS			
Financial investments		3,311,213	4,866,997
<i>Financial assets measured at fair value through other comprehensive income</i>	6	3,311,213	4,866,997
Other receivables		156	34,721
<i>Other receivables due from related parties</i>	29	-	34,143
<i>Other receivables due from third parties</i>		156	578
Investments accounted for using equity method	11	9,407,791	12,292,688
Investment property	14	15,442,480	14,821,538
Property, plant and equipment	12	19,946,486	16,925,617
Right of use assets	31	179,046	91,434
Intangible assets	13	942,567	749,602
Prepayments	17	137,300	93,436
Deffered tax assets	27	238,838	154,251
Other non-current assets		425	438
Total non-current assets		49,606,302	50,030,722
TOTAL ASSETS		92,209,294	97,985,350

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2024 unless otherwise indicated.)

		Audited	Audited
	Notes	2024	2023
LIABILITIES			
CURRENT LIABILITIES			
Current borrowings	7	3,988,719	3,712,585
Short-term portion of long-term borrowings	7	2,211,219	2,921,028
Trade payables		14,334,639	12,302,388
<i>Trade payables to related parties</i>	29	2,831,124	2,464,569
<i>Trade payables to third parties</i>	8	11,503,515	9,837,819
Employee benefit obligations		421,747	317,551
Other payables		644	709
<i>Other payables to related parties</i>		-	-
<i>Other payables to third parties</i>		644	709
Deferred income	17	698,714	1,045,878
Current tax liabilities	27	38,798	272,889
Current provisions		3,212,414	4,076,289
<i>Other current provisions</i>	15	3,212,414	4,076,289
Other current liabilities	18	2,068,446	1,986,021
Total current liabilities		26,975,340	26,635,338
NON-CURRENT LIABILITIES			
Long-term borrowings	7	5,904,446	8,931,072
Other payables		4,216	5,475
Deferred income	17	797,348	598,344
Non-current provisions		676,738	587,565
<i>Non-current provisions for employee benefits</i>	16	379,955	274,578
<i>Other long-term provisions</i>		296,783	312,987
Deferred tax liabilities	27	2,112,690	811,403
Total non-current liabilities		9,495,438	10,933,859
TOTAL LIABILITIES		36,470,778	37,569,197
EQUITY			
Equity attributable to equity holders of the Company		54,956,406	59,684,769
Issued capital	19	220,000	220,000
Inflation adjustment on capital	19	4,564,522	4,564,522
Treasury shares (-)	19	-	(592,938)
Share premium (discount)		4,526,051	3,472,831
Business combination under common control		(9,348,203)	(9,348,203)
Other accumulated comprehensive income (loss) that will not be reclassified in profit or loss		4,612,674	3,864,160
<i>Gains (losses) on revaluation and remeasurement</i>		4,383,929	3,585,396
<i>Property, plant and equipment revaluation increases(decreases)</i>		4,698,893	3,831,375
<i>Gains (losses) on remeasurements of defined benefit plans</i>		(314,964)	(245,979)
Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method		228,745	278,764
Other accumulated comprehensive income (loss) that will be reclassified in profit or loss		297,420	1,860,685
<i>Exchange differences on translation</i>		-	-
<i>Gains (losses) on revaluation and reclassification</i>		341,113	1,707,675
<i>Gain (loss) on revaluation and reclassification of financial assets held for sale</i>	19	341,113	1,707,675
Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method		(43,693)	153,010
Restricted reserves appropriated from profits	19	4,245,944	3,434,360
Advance dividend payments (net) (-)	19	(2,200,000)	(4,157,426)
Prior years' profit or losses	19	40,445,734	28,036,655
Profit (loss) for the period		7,592,264	28,330,123
Non-controlling interests		782,110	731,384
TOTAL EQUITY	19	55,738,516	60,416,153
TOTAL EQUITY AND LIABILITIES		92,209,294	97,985,350

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONSOLIDATED PROFIT OR LOSS STATEMENTS FOR THE YEARS ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2024 unless otherwise indicated.)

		Audited	Audited
	Notes	2024	2023
Revenue	20	188,374,522	215,477,926
Cost of sales	20	(158,142,027)	(169,089,101)
GROSS PROFIT		30,232,495	46,388,825
General administrative expenses	21	(9,872,598)	(7,053,869)
Marketing expenses	21	(5,823,752)	(5,462,699)
Other income from operating activities	23	3,183,235	6,337,070
Other expenses from operating activities	23	(1,475,719)	(1,759,954)
PROFIT FROM OPERATING ACTIVITIES		16,243,661	38,449,373
Investment activity income	24	699,150	956,189
Investment activity expense	24	(114,157)	(44,161)
Share of profit (loss) from investments accounted for using equity method	11	(877,895)	5,660,998
PROFIT BEFORE FINANCING INCOME (EXPENSE)		15,950,759	45,022,399
Financial income	25	2,225,088	1,021,077
Financial expense	25	(4,169,107)	(8,516,001)
Net monetary position gains (losses)	26	(1,308,345)	(161,909)
PROFIT FROM CONTINUING OPERATIONS, BEFORE TAX		12,698,395	37,365,566
Tax (expense) income, continuing operations		(5,055,405)	(8,833,212)
Current period tax (expense) income	27	(4,176,137)	(8,546,644)
Deferred tax (expense) income	27	(879,268)	(286,568)
PROFIT FROM CONTINUING OPERATIONS		7,642,990	28,532,354
PROFIT FOR THE PERIOD		7,642,990	28,532,354
Profit (loss), attributable to			
Non-controlling interests		50,726	202,231
Owners of parent		7,592,264	28,330,123
Basic earnings per share			
Basic earnings (loss) per share from continuing operations	28	34,6975	141,6114
Diluted earnings per share			
Diluted earnings (loss) per share from continuing operations	28	34,6975	141,6114

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2024 unless otherwise indicated.)

	Notes	Audited 2024	Audited 2023
PROFIT (LOSS)		7,642,990	28,532,354
Other comprehensive income		7,642,990	28,532,354
Other comprehensive income that will not be reclassified to profit or loss		746,350	4,072,712
Gains (losses) on revaluation of property, plant and equipment		1,168,542	5,164,638
Gains (losses) on remeasurements of defined benefit plans	16	(78,576)	(32,733)
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss		(60,041)	266,222
Defined benefit plans re-measurement gains/(losses) of investments valued by equity method		(10,022)	(12,542)
Tangible asset revaluation gains/(losses) of investments valued by equity method		(50,019)	278,764
Taxes related to components of other comprehensive income that will not be reclassified to profit or loss		(283,575)	(1,325,415)
Tax effect on revaluation of property, plant and equipment		(303,188)	(1,333,263)
Tax effect on defined benefit plans re-measurement	27	19,613	7,848
Other comprehensive income that will be reclassified to profit or loss		(1,563,265)	(671,664)
Exchange differences on translation of foreign operations		-	(53,906)
Other comprehensive income (loss) related with financial assets measured at fair value through other comprehensive income		(1,561,785)	(713,898)
- Gains (losses) on financial assets measured at fair value through other comprehensive income	6	(1,561,785)	(713,898)
Share of other comprehensive income of associates and joint ventures accounted for equity method that will be reclassified to profit or loss		(208,688)	18,983
Share of other comprehensive income of associates and joint ventures accounted for equity method that will be not reclassified to profit or loss		(208,688)	18,983
Taxes relating to components of other comprehensive income that will be reclassified to profit or loss		207,208	77,157
Taxes relating to financial assets measured at fair value through other comprehensive income	27	195,223	71,392
Tax effect on share of other comprehensive income of associates and joint ventures accounted for equity method that will be reclassified to profit or loss		11,985	5,765
OTHER COMPREHENSIVE INCOME		(816,915)	3,401,048
TOTAL COMPREHENSIVE INCOME		6,826,075	31,933,402
Total comprehensive income attributable to			
Non-controlling interests		50,726	202,231
Owners of parent		6,775,349	31,731,171

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2024 unless otherwise indicated.)

						Accumulated other comprehensive income and expense that will not be reclassified through profit or loss			Accumulated other comprehensive income and expense that will be reclassified through profit or loss									
						Revaluation and remeasurement												
	Issued capital (Note 19)	Inflation adjustments on capital (Note 19)	Treasury shares (Note 19)	Share premiums or discount (Note 19)	Business combinations under common control (Note 19)	Property, plant and equipment revaluation increases/(decreases) (Note 19)	Gains / losses on remeasurements of defined benefit plans	Shares not classified as profit or loss from other comprehensive income of investments accounted for by equity method	Foreign currency translation difference (Note 19)	Gains (losses) on revaluation and reclassification (Note 19)	Shares classified as profit or loss from other comprehensive income of investments accounted for by equity method (Note 19)	Restricted reserve (Note 19)	Advanced dividend payments (Net)	Retained earnings/ (Accumulated losses)	Net profit/ loss for the period	Total	Non-controlling interests (Note 19)	Total equity
Balance at 1 January 2023	220,000	4,564,522	(2,069,194)	113,984	1,593,243	-	(208,552)	-	53,906	2,350,181	128,262	4,834,805	(2,166,396)	13,168,601	22,541,534	45,124,896	529,153	45,654,049
Transfers	-	-	-	-	-	-	-	-	-	-	-	797,105	-	-	(22,541,534)	-	-	-
Total comprehensive income (loss)	-	-	-	-	-	3,831,375	(37,427)	278,764	(53,906)	(642,506)	24,748	-	-	-	28,330,123	31,731,171	202,231	31,933,402
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,330,123	28,330,123	202,231	28,532,354
Other comprehensive income (loss)	-	-	-	-	-	3,831,375	(37,427)	278,764	(53,906)	(642,506)	24,748	-	-	-	-	3,401,048	-	3,401,048
Business combinations under common control	-	-	-	-	(10,941,446)	-	-	-	-	-	-	-	-	-	-	(10,941,446)	-	(10,941,446)
Advance dividend payments	-	-	-	-	-	-	-	-	-	-	-	-	(4,157,426)	-	-	(4,157,426)	-	(4,157,426)
Profit shares	-	-	-	-	-	-	-	-	-	-	-	(721,445)	2,166,396	(7,530,984)	-	(6,086,033)	-	(6,086,033)
Increase (decrease) through treasury shares transactions	-	-	1,476,256	3,358,847	-	-	-	-	-	-	-	(1,476,105)	-	654,609	-	4,013,607	-	4,013,607
Balances at 31 December 2023	220,000	4,564,522	(592,938)	3,472,831	(9,348,203)	3,831,375	(245,979)	278,764	-	1,707,675	153,010	3,434,360	(4,157,426)	28,036,655	28,330,123	59,684,769	731,384	60,416,153
Balance at 1 January 2024	220,000	4,564,522	(592,938)	3,472,831	(9,348,203)	3,831,375	(245,979)	278,764	-	1,707,675	153,010	3,434,360	(4,157,426)	28,036,655	28,330,123	59,684,769	731,384	60,416,153
Transfers	-	-	-	-	-	2,164	-	-	-	-	-	-	-	26,923,438	(28,330,123)	-	-	-
Total comprehensive income (loss)	-	-	-	-	-	865,354	(68,985)	(50,019)	-	(1,366,562)	(196,703)	-	-	-	7,592,264	6,775,349	50,726	6,826,075
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,592,264	7,592,264	50,726	7,642,990
Other comprehensive income (loss)	-	-	-	-	-	865,354	(68,985)	(50,019)	-	(1,366,562)	(196,703)	-	-	-	-	(816,915)	-	(816,915)
Deferred tax effect of related prior periods	-	-	-	-	-	-	-	-	-	-	-	-	-	(249,081)	-	(249,081)	-	(249,081)
Advance dividend payments	-	-	-	-	-	-	-	-	-	-	-	-	(2,200,000)	-	-	(2,200,000)	-	(2,200,000)
Profit shares	-	-	-	-	-	-	-	-	-	-	-	-	4,157,426	(15,102,364)	-	(10,944,938)	-	(10,944,938)
Increase (decrease) through treasury shares transactions	-	-	592,938	1,053,220	-	-	-	-	-	-	-	(592,937)	-	837,086	-	1,890,307	-	1,890,307
Balances at 31 December 2024	220,000	4,564,522	-	4,526,051	(9,348,203)	4,698,893	(314,964)	228,745	-	341,113	(43,693)	4,245,944	(2,200,000)	40,445,734	7,592,264	54,956,406	782,110	55,738,516

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE YEARS ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2024 unless otherwise indicated.)

		Audited 2024	Audited 2023
	Notes		
A. CASH FLOWS FROM OPERATING ACTIVITIES:		13,646,281	14,445,986
Profit (loss) for the period		7,642,990	28,532,354
Adjustments to for profit (loss) for the period reconciliation:		9,647,971	6,508,007
	12, 13, 14, 21, 22,		
Adjustments for depreciation and amortization expense	31	2,204,302	1,755,186
Adjustments for impairment loss (reversal of impairment loss)		(99,505)	87,517
- Adjustments for impairment loss (reversal of impairment loss) of receivables	8	(588)	1,262
- Adjustments for impairment loss (reversal of impairment loss) of inventories	10	(98,917)	86,255
Adjustments for provisions		5,799,709	5,849,147
- Adjustments for (reversal of) provisions related with employee benefits	16	186,422	211,353
- Adjustments for (reversal of) lawsuit and/or penalty provision expenses	15	73,547	61,614
- Adjustments for (reversal of) warranty provisions	15	823,138	877,657
- Adjustments for (reversal of) other provisions		4,716,602	4,698,523
Adjustments for interest (income) and expense		256,016	1,272,457
- Adjustments for interest income	25	(2,225,088)	(1,021,077)
- Adjustments for interest expense	25	2,481,104	2,293,534
Adjustments for unrealized foreign exchange losses (gains)		1,204,542	5,742,300
Adjustments for fair value losses (gains)		(781,993)	(3,274,203)
- Adjustments for fair value losses (gains) of investment property		(530,236)	(2,318,014)
- Adjustments for fair value losses (gains) of financial assets		(251,757)	(956,189)
Adjustments for undistributed profits of investments accounted for using equity method	11	877,895	(5,660,998)
Adjustments for tax (income) expenses	27	5,055,405	8,833,212
Adjustments for losses (gains) on disposal of non-current assets		(333,236)	44,161
- Adjustments for losses (gains) from sale of tangible assets	24	(333,236)	44,161
Adjustments related to gain and losses on net monetary position		(4,535,164)	(8,140,772)
Changes in working capital		6,418,300	(7,392,151)
Adjustments for decrease (increase) in trade receivables		2,742,196	(10,601,007)
- Decrease (increase) in due from related parties		2,133,225	(6,403,981)
- Decrease (increase) in due from third parties		608,971	(4,197,026)
Adjustments for decrease (increase) in inventories		64,442	(5,155,373)
Adjustments for increase (decrease) in trade payables		2,032,251	3,527,260
- Increase (decrease) in due to related parties		366,555	1,734,011
- Increase (decrease) in due to third parties		1,665,696	1,793,249
Adjustment for decrease (increase) in other payables		(1,325)	(54,044)
- Increase (decrease) in due to related parties		(1,260)	(53,527)
- Increase (decrease) in due to third parties		(65)	(517)
Increase (decrease) in deferred income		(148,160)	658,806
Adjustments for other increase (decrease) in working capital		1,728,896	4,232,207
Cash flows from operations		23,709,261	27,648,210
Payments related with provisions for employee benefits	16	(47,191)	(256,607)
Payments related with other provisions	15	(5,457,949)	(2,296,744)
Income taxes refund (paid)		(4,557,850)	(10,650,673)
Other cash inflows (outflows)	8	10	1,800
B. CASH FLOWS FROM INVESTING ACTIVITIES		(2,103,192)	(7,450,728)
Cash outflows arising from purchase of shares or capital increase of associates and/or joint ventures	11	-	(618,921)
Cash outflows for the acquisition of shares of other enterprises or funds or borrowing instruments		-	(7,506,707)
Proceeds from sales of property, plant, equipment and intangible assets		686,638	1,616,091
- Proceeds from sales of property, plant and equipment		686,638	1,616,091
Purchase of property, plant, equipment and intangible assets		(4,449,382)	(2,726,850)
- Purchase of property, plant and equipment	12	(3,797,066)	(2,191,947)
- Purchase of intangible assets	13	(652,316)	(534,903)
Cash outflows from the purchase of investment properties		(90,706)	-
Dividends received		1,750,258	1,785,659
C. CASH FLOWS FROM FINANCING ACTIVITIES		(11,504,384)	(378,340)
Regarding the entity's acquisition of its own shares and other equity instruments cash outflows		1,890,307	5,836,512
Proceeds from borrowings	7	4,704,108	7,975,203
Repayments of borrowings	7	(4,777,384)	(3,538,340)
Cash outflows on debt payments from leasing agreements	7	(261,756)	(171,778)
Dividends paid	19	(13,144,938)	(9,588,850)
Interest paid		(2,139,809)	(1,912,164)
Interest received		2,225,088	1,021,077
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)		38,705	6,616,918
D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		-	(53,905)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C+D)		38,705	6,563,013
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		11,035,747	8,048,464
MONETARY (LOSS) / GAIN EFFECT ON CASH AND CASH EQUIVALENTS		(1,660,882)	(3,575,730)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	5	9,413,570	11,035,747

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

The parent company, Doğuř Otomotiv Servis ve Ticaret A.ř. (“Doğuř Otomotiv” or the “Company”), was established on November 24, 1999, as a distributor of Volkswagen AG and operates within the Volkswagen Group, importing, marketing, and selling vehicles and spare parts of VW, Audi, Seat, Cupra, Porsche, Bentley, Lamborghini, Meiller, Scania, Scania Power Solutions, Thermoking cooling systems, and Wielton semi-trailers. Additionally, through its Doğuř Marine Services division, it operates primarily in the field of After-Sales Services and Spare Parts for the Maritime Sector. The Company also operates in the used vehicle sector across Turkey under the DOD brand through authorized dealers. Furthermore, it provides sales and service for Novamarine brand boats, speedboats and Aerofoil brand e-foil products and Mate brand electric-assisted bicycles in Turkey. Additionally, through Doğuř Gayrimenkul Yatırım Ortaklıęı A.ř. (“Doğuř GYO”), it operates in the field of managing a portfolio consisting of real estate and real estate-based assets and rights.

The company’s shares have been listed at Borsa İstanbul A.ř. since 17 June 2004. Starting on 31 December 2024, Doğuř Holding held 60.50% of company shares and the remaining 39.50% are publicly traded.

The Company’s subsidiaries as at 31 December 2024 are as follows:

- Doğuř Oto Pazarlama ve Ticaret A.ř. (“Doğuř Oto Pazarlama”): Automobile dealer for group brands distributed by Doğuř Otomotiv and Yüce Auto Motorlu Araçlar Ticaret A.ř.
- Doğuř řarj Sistemleri Pazarlama ve Ticaret A.ř. (“D-Charge”): was established on 16 May 2023 to operate in the establishment, operation and charging service of charging units, charging stations and charging network.
- Doğuř Gayrimenkul Yatırım Ortaklıęı (“Doğuř GYO”): was established on 25 July 1997 within the framework of the provisions of the Capital Market Law. The Company’s field of activity, which is traded on Borsa İstanbul A.ř., is to create and manage a portfolio of real estate and real estate-based capital market instruments, to make changes in the portfolio when necessary, to minimize investment risk through portfolio diversification, to invest in real estate and real estate-based projects, to invest in real estate and real estate-based capital market instruments and to constantly monitor developments regarding real estate-based instruments, take necessary precautions regarding portfolio management and conduct research to protect and increase the value of the portfolio. The purchase and transfer of 310,931,093.577 Group B shares, representing 93.6517% of the total capital of Doğuř GYO, from Doğuř Holding A.ř. were completed on 09 March 2023. On 21 November 2023, the purchase at full nominal TRY value of all 2,604,451.09 Group A shares representing 0.7845% of company capital and which, unlike Group B shares, include nomination privilege in BoD elections was completed. With this transaction, control was transferred to the group and Doğuř GYO became a subsidiary.

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

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

Maslak Mah. Ahi Evran Cad. No. 4 İç Kapı No. 3
Sarıyer, İstanbul, Türkiye.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2024 unless otherwise indicated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS (Continued)

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

Maslak Mah. Ahi Evran Cad. No. 4 İç Kapı No. 7
Sarıyer, İstanbul, Türkiye.

The average number of blue-collar employees of the Group for the period ended 31 December 2024 is 658 (31 December 2023: 672) whereas the average number of white-collar employees of the Group for the period ended 31 December 2024 is 1,420 (31 December 2023: 1,402).

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

2.1 Basis of Presentation of Consolidated Financial Statements

(i) *Statement of Compliance to TAS*

The accompanying consolidated financial statements are based in accordance with Turkish Accounting Standards (“TAS”) issued by Public Oversight Accounting and Auditing Standards Authority of Turkey (“POA”) as set out in the Communiqué serial II, No: 14.1 announcement of Capital Markets Board (“CMB”) dated 13 June 2013 related to “Capital Market Communiqué on Principles Regarding Financial Reporting” (“Communiqué”) which is published in official gazette, no 28676. TAS is composed of Turkish Accounting Standards, Turkish Financial Reporting Standards (“TFRS”), appendixes and interpretations. The consolidated financial statements are presented in accordance with the formats specified in the “Announcement on TAS Taxonomy” published by POA on 3 July 2024 and the Financial Table Examples and User Guide published by the CMB.

(ii) *Preparation and approval of financial statements*

The consolidated financial statements of the Group as at 31 December 2024 have been approved by the Board of Directors on 28 February 2025. The legal authorities of the General Assembly of the Company have the right to modify the issued financial statements.

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

Group has prepared its consolidated financial statements for the year dated 31 December 2024 and ending on the same date, by applying TAS 29 “Financial Reporting in Hyperinflationary Economies” standard, based on the announcement made by POA on 23 November 2023 and the “Implementation Guide on Financial Reporting in High Inflation Economies” published. In accordance with the said standard, financial statements prepared based on the currency of a hyperinflationary economy are prepared in the purchasing power of this currency at the balance sheet date and comparative information is expressed in terms of the current measurement unit at the end of the reporting period for the purpose of comparison in the financial statements of the previous period. Therefore, Group has presented its consolidated financial statements as of 31 December 2023, in terms of purchasing power of TL at 31 December 2024.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2024 unless otherwise indicated.)

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

2.1 Basis of Presentation of Consolidated Financial Statements (Continued)

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

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

Restatements made in accordance with TAS 29 were made using the correction coefficient obtained from the Consumer Price Index in Turkey ("CPI") published by the Turkish Statistical Institute ("TURKSTAT"). As of 31 December 2024, the indices and correction coefficients used in the correction of consolidated financial statements are as follows:

Date	Index	Correction Coefficient	Three year compound inflation rate
31 December 2024	2,684.55	1.00000	291%
31 December 2023	1,859.38	1.44379	268%
31 December 2022	1,128.45	2.37897	156%

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

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2024 unless otherwise indicated.)

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

2.1 Basis of Presentation of Consolidated Financial Statements (Continued)

(iv) *Basis of measurement*

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

(v) *Functional and Presentation Currency*

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

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

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

As of 31 December 2024, presented information in the additional note "Control of Compliance with the Portfolio Limitations", in accordance with CMB's Communique Serial: II, No: 14.1 "Financial Reporting in Capital Markets" Amendment No: 16 comprised condensed information and prepared in accordance with CMB's Communique Serial: III, No: 48.1 "Real Estate Investment Company" published in the Official Gazette dated 28 May 2013 numbered 28660 and CMB's Communique Serial: III, No: 48.1a "Amendment on Real Estate Investment Company" published in the Official Gazette dated 23 January 2014 numbered 28891.

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

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

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2024 unless otherwise indicated.)

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

2.2 Amendments and interpretations in the TAS / TFRS

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2024 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards (“TAS”)/TFRS and IFRIC interpretations effective as of 1 January 2024. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

i) *The new standards, amendments and interpretations which are effective as at 31 December 2024 are as follows:*

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

Amendment to TFRS 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 TFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

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

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

TSRS 2, ‘Climate-related disclosures’; effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

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

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2024 unless otherwise indicated.)

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

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

ii) *Standards, amendments, and interpretations that are issued but not effective as of 31 December 2024:*

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.

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

Amendment to TFRS 9 and TFRS 7 - Classification and Measurement of Financial Instruments; effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments

- Clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- Make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

Annual improvements to TFRS – Volume 11; Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

- TFRS 1 First-time Adoption of International Financial Reporting Standards;
- TFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing TFRS 7;
- TFRS 9 Financial Instruments;
- TFRS 10 Consolidated Financial Statements; and
- TAS 7 Statement of Cash Flows.

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

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2024 unless otherwise indicated.)

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

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

TFRS 18 Presentation and Disclosure in Financial Statements; effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in TFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

TFRS 19 Subsidiaries without Public Accountability: Disclosures; effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other TFRS Accounting Standards. An eligible subsidiary applies the requirements in other TFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in TFRS 19. TFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. TFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with TFRS Accounting Standards.

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

2.3 Basis of Consolidation

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

The Group measures goodwill at the acquisition date as:

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

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

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL in terms of purchasing power of TL at 31 December 2024 unless otherwise indicated.)

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

2.3 Basis of Consolidation (Continued)

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

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

Mergers of Entities Under Common Control

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

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

(ii) Subsidiaries

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

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

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

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners.

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

2.3 Basis of Consolidation (Continued)

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 December:

	2024	2023
Doğuş Oto Pazarlama	96.20%	96.20%
Doğuş GYO (*)	94.44%	94.44%
D-Charge	100.00%	100.00%

(*) Explained under Note 1.

(iii) Joint Arrangements

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

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

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

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

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

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

2.3 Basis of Consolidation (Continued)

(iv) Associates

	2024	2023
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%

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

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

	2024	2023
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.

(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.

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

2.4 Offsetting

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

2.5 Comparative Information

The Group has prepared the consolidated statement of financial position as at 31 December 2024 comparatively with the consolidated statement of financial position as at 31 December 2023, and the consolidated profit or loss statement, the consolidated statement of other comprehensive income, the consolidated statements of cash flows and changes in equity for the year ended 31 December 2024 comparative to for the year ended 31 December 2023.

2.6 Significant Accounting Policies

TFRS 16 “Leases”

The Group - as a lessee

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

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

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

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

2.6 Significant Accounting Policies (Continued)

Right of use asset

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

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

The Group re-measure the right of use asset:

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

The Group applies TAS16 “Property, Plant and Equipment” to amortize the right of use asset and to asses for any impairment. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the Group depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

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

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

Lease Liability

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

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

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

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

2.6 Significant Accounting Policies (Continued)

After initial recognition, the lease liability is measured:

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

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

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

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

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

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

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

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

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

2.6 Significant Accounting Policies (Continued)

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

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

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

Extension and termination options

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

Revenue recognition

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

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

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

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

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

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

2.6 Significant Accounting Policies (Continued)

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

Inventories

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

Property, plant and equipment

Recognition and measurement

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

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

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

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

2.6 Significant Accounting Policies (Continued)

Depreciation

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

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

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

Intangible assets

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

Subsequent expenditures

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

Amortization

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

Rights	15 years
Software programs	3-5 years

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

Investment properties

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

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

2.6 Significant Accounting Policies (Continued)

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

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

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

Significant evaluations, estimates, and assumptions used when determining the fair value of immovables classified as investment property in the financial statements are explained below.

Significant estimates and assumptions in the financial statements dated 31 December 2024 are as follows.

Real estate name	Valuation Report Date	Valuation Report method	Discount Rate	Annual Price Increase Rate	Capitalisation Rate	Precedent m2 value TL	Occupancy rate
Gebze Center AVM	26 December 2024	Discounted cash flow	35%	30%	7%	-	97%
Gebze Center Otel	26 December 2024	Discounted cash flow	35%	30%	7%	-	69.40%
Gebze Center Showroom ve Servis Alanı	26 December 2024	Discounted cash flow	35%	30%	7%	-	100%
Gebze Arsa	26 December 2024	Market approach	-	-	-	16,867	-
D-Ofis Maslak	26 December 2024	Discounted cash flow	35%	30%	7%	-	100%
Doğuş Center Maslak	26 December 2024	Discounted cash flow	28%	39%	7%	-	96.64%
Doğuş Center Etiler	26 December 2024	Discounted cash flow	-	-	5%	-	100%
Kartal Kule	13 December 2024	Cost approach	-	-	-	-	-
Ankara Etimesgut	13. December 2024	Cost approach	-	-	-	-	-
Kayseri Sağiroğlu	13. December 2024	Cost approach	-	-	-	-	-

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

2.6 Significant Accounting Policies (Continued)

Significant estimates and assumptions in the financial statements dated 31 December 2023 are as follows.

Real estate name	Valuation Report Date	Valuation Report method	Discount Rate	Annual Price Increase Rate	Capitalisation Rate	Precedet m2 value TL	Occupany rate
Gebze Center AVM	27 December 2023	Discounted cash flow	25% – 30%	30%	7%	-	96%
Gebze Center Otel	27 December 2023	Discounted cash flow	25% - 30%	30%	8%	-	73%
Gebze Center Showroom ve Servis Alanı	27 December 2023	Discounted cash flow	25% - 30%	30%	6%	-	100%
Gebze Arsa	27 December 2023	Market approach	-	-	-	14,107	-
D-Ofis Maslak	27 December 2023	Discounted cash flow	25% - 30%	10% - 35%	6%	-	100%
Doğuş Center Maslak	27 December 2023	Discounted cash flow	28%	15% - 39%	7%	-	96.64%
Doğuş Center Etiler	27 December 2023	Discounted cash flow	-	-	5%	-	100%
Kartal Kule	20 December 2023	Cost approach	-	-	-	-	-
Ankara Etimesgut	27. December 2023	Cost approach	-	-	-	-	-
Kayseri Sağıroğlu	26. December 2023	Cost approach	-	-	-	-	-

Assets classified as held-for-sale

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

Lease Transactions

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

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

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

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

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

2.6 Significant Accounting Policies (Continued)

Sale and leaseback transactions

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

Government incentives and aid

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

Taxation

As per Article 5/1(d) (4) of Corporate Income Tax Law No. 5520, earnings obtained from real estate investment trusts are exempt from corporate income tax. With Law No. 7524, as of 01 January 2025 certain requirements were introduced in order for corporate income tax exemption to apply to earnings of real estate investment trusts. Accordingly, the tax rate applied to corporate income shall be 10% only if at least 50% of income from immovables is distributed as dividends. So, the 30% tax rate effective for undistributed profits is used for the deferred tax assets and liabilities account and current period taxes.

As per tax legislation, taxable or deductible temporary differences in the financial statements as of 31 December 2024 were multiplied by the 30% tax rate in effect for undistributed profits for the period following 01 January 2025 to calculate deferred tax liabilities or assets. As per the letter dated 12 February 2025 from the Public Oversight Accounting and Auditing Standards Authority (the "KGK") to Real Estate Investment Trusts regarding “Reporting Taxes in Real Estate Investment Funds and Trusts”, the impact in 2023 and previously of the deferred tax liability in the financial statements dated 31 December 2024 arising out of the change in legislation was recognised in the previous years’ profit or loss under equity, and its impact for 2024 was recognised under the profit/loss statement.

Borrowing costs

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

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

2.6 Significant Accounting Policies (Continued)

Financial instruments

Classification

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

Measurement and accounting

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

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

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

De-recognition of financial instrument

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

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

2.6 Significant Accounting Policies (Continued)

Impairment

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

Loss provisions are measured according to the following principles;

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

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

Foreign currency transactions

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

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

Earnings per share

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

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

Provisions, contingent assets and contingent liabilities

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

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

2.6 Significant Accounting Policies (Continued)

Change and errors in the accounting policies and estimates

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

Leases

(i) Financial lease

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

(ii) Operational lease

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

(iii) Determining whether an arrangement contains a lease

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

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

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

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

2.6 Significant Accounting Policies (Continued)

Related parties

Parties are considered related to the Group if;

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

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

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

Segment reporting

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

Taxes on income

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

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

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

2.6 Significant Accounting Policies (Continued)

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

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

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

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

Transfer pricing regulations

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

Tax exposure

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

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

The financial borrowings were regarded as thin capitalization provided with;

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

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

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

2.6 Significant Accounting Policies (Continued)

Employee benefits / Provision for employee termination benefits

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

Cash flow

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

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

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

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

Repurchase and resale transactions

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

Treasury shares

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

Dividends

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

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

2.6 Significant Accounting Policies (Continued)

Subsequent events

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

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

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

2.7 Accounting Estimates

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

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

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

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

The Group accounts for its land and buildings at fair value, and the revalued amounts of these assets are determined by independent valuation institutions authorized by the Capital Markets Board and are taken as basis as the carrying value in the statement of financial position. Important assumptions such as the valuation method used in determining fair values, market conditions, the unique characteristics of each plot and land, its physical condition, geographical location and comparable value are used (Note 12 and 13).

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NOTE 2 - BASIS OF PREPARATION OF CONSOLIDATED 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 14).

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

To calculate the provisions for legal claims, the probability of losing the case and the liabilities that would arise if the case is lost, is evaluated by the Group's Legal Counselor and by the Group management team taking into account the expert opinions. The management determines the amount of the provisions based on the best estimates (Note 15.1).

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 15.1).

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.

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

NOTE 3 - JOINT VENTURES

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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NOTE 4 - OPERATING SEGMENTS

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

Group management, considering that the risks and rewards are influenced by developments in the automotive and real estate sectors, has determined the operating segments as automotive and real estate. The Group's activities under the automotive segment include importing, marketing, and selling vehicles, spare parts, and marine engines of Volkswagen Group brands VW, Audi, Seat, Cupra, Porsche, Bentley, Lamborghini, Meiller, Scania, Wielton semi-trailers, and Thermoking vehicle cooling systems; purchasing and selling used vehicles across Turkey through authorized dealers under the DOD brand; and with the Doğuş Marine Services business unit, it operates in the sales and service of Novamarine brand boats and speedboats in Turkey, as well as in the maritime sector after-sales services and spare parts field. The Group's automotive segment activities also include the sales and service operations of Aerofoil brand e-foil products and Mate brand electric-assisted bicycles in Turkey. The field of activity under the real estate segment is to operate a portfolio consisting of real estate-based assets and rights.

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

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

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

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

2024	Passenger segment	Real estate segment	Elimination between segments	Total
Revenue from external customers	187,683,257	801,571	(110,306)	188,374,522
Cost of sales	(158,000,959)	(141,068)	-	(158,142,027)
Gross profit	29,682,298	660,503	(110,306)	30,232,495
General administration expenses	(7,709,569)	(69,034)	110,306	(7,668,297)
Marketing expenses	(5,823,752)	-	-	(5,823,752)
Depreciation expenses	(2,199,041)	(5,261)	-	(2,204,302)
Other income from operating activities, net	1,338,075	422,704	(53,262)	1,707,517
Operating income	15,288,011	1,008,912	(53,262)	16,243,661

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

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NOTE 4 - OPERATING SEGMENTS (Continued)

2023	Passenger segment	Real estate segment	Elimination between segments	Total
Revenue from external customers	214,805,564	791,932	(119,570)	215,477,926
Cost of sales	(168,966,162)	(122,939)	-	(169,089,101)
Gross profit	45,839,402	668,993	(119,570)	46,388,825
General administration expenses	(5,342,200)	(76,053)	119,570	(5,298,683)
Marketing expenses	(5,462,699)	-	-	(5,462,699)
Depreciation expenses	(1,749,906)	(5,280)	-	(1,755,186)
Other income from operating activities, net	2,507,656	2,213,095	(143,635)	4,577,116
Operating income	35,792,253	2,800,755	(143,635)	38,449,373

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.

NOTE 5 - CASH AND CASH EQUIVALENTS

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

	2024	2023
Cash on hand	106	79
Cash at banks	9,413,464	11,035,668
- Demand deposits	6,849,042	7,857,859
- Time deposits	2,553,967	3,163,206
- Other cash and cash equivalents	10,455	14,603
Total	9,413,570	11,035,747

As of 31 December 2024, average effective interest rate on TL and EUR denominated time deposits are 43.06% and 0.30% respectively (31 December 2023: TL 39.30% and EUR 0.01% - 0.45%), As at 31 December 2024, the maturity range valid for TL and EUR time deposits are 1 - 2 days and 2 - 88 days (31 December 2023: TL 3-4 days and EUR 3 - 87 days) respectively.

There is no blocked deposit as at 31 December 2024 and 2023

Foreign currency risk exposure of cash and cash equivalents are presented under Note 30.

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

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NOTE 6 - FINANCIAL INVESTMENTS

6.1 Short-term financial investments

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

	2024	2023
FX protected time deposit	-	1,816,432
Total	-	1,816,432

6.2 Long-term financial investments

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

	2024		2023	
	Ownership interest (%)	Carrying amount	Ownership interest (%)	Carrying amount
Doğuş Holding A.Ş. ("Doğuş Holding")	3.69	3,305,213	3.69	4,866,997
Venture capital investment fund		6,000		-
Total		3,311,213		4,866,997

As of 31 December 2024, 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.

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

	2024	2023
Balance at 1 January	4,866,997	5,580,895
Change in fair value of financial assets measured at fair value through other comprehensive income	(1,561,784)	(713,898)
Addition, Venture capital investment fund	6,000	-
Balance at 31 December	3,311,213	4,866,997

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NOTE 7 - BORROWINGS

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

	2024		2023	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Short-term bank borrowings:				
TL denominated interest borrowings	56.33	3,988,719	46.01	3,712,585
Total		3,988,719		3,712,585

	2024		2023	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Short term portion of long term borrowings:				
TL denominated interest borrowings	56.47	127,613	35.70	130,765
EUR denominated interest borrowings (*)	9.66	1,829,822	9.81	2,486,003
Total		1,957,435		2,616,768

	2024		2023	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Long-term bank borrowings:				
TL denominated interest borrowings	56.47	-	35.70	58,589
EUR denominated interest borrowings (*)	9.66	5,023,257	8.74	7,746,015
Total		5,023,257		7,804,604

(*) As of 31 December 2024, the green loan obtained from HSBC Bank for the importation of electric charging stations and electric vehicles amounts to full EUR 8,750,000.

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

The repayment schedule of long-term bank borrowings including their short-term portions as at 31 December 2024 is as follows:

Payment period	31.12.2024	31.12.2023
2024	-	2,674,654
2025	1,677,415	2,010,064
2026	1,701,674	3,920,401
2027	3,125,800	1,266,603
2028	475,803	549,650
Total	6,980,692	10,421,372

Foreign currency, interest and liquidity risk exposure of financial liabilities are presented under Note 30.

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NOTE 7 - BORROWINGS (Continued)

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

Lease Borrowings	Present value of minimum lease payments			
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
In a year	197,295	252,576	191,730	245,412
Between two and five years	789,176	1,326,026	681,760	1,066,304
More than five years	-	-	-	-
Minus: Future financial expenses	(112,981)	(266,886)		
Present value of the lease obligation	873,490	1,311,716	873,490	1,311,716
Minus: Payable within 12 months				
Debts (shown in the short-term debts section)			(191,730)	(245,412)
Debts to be paid after 12 months			681,760	1,066,304

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

As of the balance sheet date, the fair value of the asset subject to financial leasing is 4,110,819 TL. (31 December 2023: 4,006,511 TL)

Movements of financial borrowings as 31 December 2024 and 2023 are summarized below:

Bank Borrowings	2024	2023
Balance at 1 January	15,445,673	10,240,255
Additions during the period	4,704,108	7,975,203
Payments during the period	(4,777,384)	(3,538,340)
Foreign exchange (gains) / losses	1,204,798	5,736,698
Changes in interest accrual	262,947	333,708
Monetary (loss) / gain	(4,997,241)	(5,301,851)
Balance at 31 December	11,842,901	15,445,673

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NOTE 7 - BORROWINGS (Continued)

As of 31 December 2024 and 2023, the details of the financial lease liabilities are as follows:

	2024		2023	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Short term portion of long term leases:				
TL leases	44.28	51,985	23.89	54,841
EUR leases	9.64	10,069	6.82	4,007
Total		62,054		58,848

	2024		2023	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Long term leases:				
TL leases	44.28	153,739	23.89	58,943
EUR leases	9.64	45,690	6.82	1,221
Total		199,429		60,164

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

Lease Liabilities	2024	2023
Balance at 1 January	119,012	122,853
Additions	407,031	188,329
Payments	(260,697)	(171,778)
Disposals	(18,407)	(2,124)
Interest expenses	78,348	47,661
Prepaid expenses	(1,059)	-
Foreign exchange gain / loss	(256)	5,602
Monetary (loss) / gain	(62,489)	(71,531)
Balance at 31 December	261,483	119,012

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

8.1 Trade Receivables

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

	2024	2023
Trade receivables	5,502,218	6,119,350
Allowance for doubtful receivables (-)	(21,176)	(29,915)
Total	5,481,042	6,089,435

As at 31 December 2024, the Group charges 4% monthly interest to the dealers regarding overdue receivables (31 December 2023: 4%).

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NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

The movement of individually impaired receivables is as follows:

	2024	2023
Balance as at 1 January	29,915	49,661
Additions	5	2,626
Provisions released (-)	(593)	(1,364)
Recoveries during the year (-)	(10)	(1,800)
Monetary (loss) / gain	(8,141)	(19,208)
Balance at 31 December	21,176	29,915

Guarantees received for trade receivables due from non-related parties

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

As at 31 December 2024, TL 1,232,809 of trade receivables due from third parties are covered via letters of guarantee (31 December 2023: TL 1,416,378)

As at 31 December 2024, overdue trade receivables due from non-related parties that are not impaired amount to TL 1,156,794 (31 December 2023: TL 126,877), TL 804,958 of such overdue receivables are covered via guarantee letters (31 December 2023: TL 11) .

As at 31 December 2024, the Group's average maturity of trade receivables due from third parties is 31 days (31 December 2023: 31 days).

Credit and foreign currency exposure of trade receivables are presented under Note 30.

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NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

8.2 Trade Payables

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

	2024	2023
Payables to OEM companies	7,647,959	5,911,316
Payables to dealers (*)	2,231,832	2,272,060
Other trade payables (**)	1,599,755	1,618,707
Other expense accruals	23,969	35,736
Total	11,503,515	9,837,819

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 4.65% per annum for trade payables not settled within 10 days (31 December 2023: 4.75% 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 30.

NOTE 9 - OTHER RECEIVABLES

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

	2024	2023
Warranty claims and price difference receivables (*)	1,252,052	577,541
Receivables due to insurance claims	91,588	87,758
Other	83,764	30,621
Total	1,427,404	695.920

(*) Warranty receivables represent the receivable of the warranty expenses related to the vehicles imported by the Group. As at 31 December 2024, the other receivables that has not been billed are TL 951,371 (31 December 2023: TL 394,942)

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NOTE 10 - INVENTORIES

As at 31 December, inventories comprise of the following:

	2024	2023
Goods in transit (*)	8,643,876	7,096,038
Merchandise stocks - vehicles	5,170,663	7,021,364
Merchandise stocks - spare parts	1,606,483	1,368,062
	15,421,022	15,485,464
Provision for diminution in the value of inventories (-)	(10,788)	(109,705)
Total	15,410,234	15,375,759

(*) 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 156,668,772 for the year ended 31 December 2024 (31 December 2023: TL 167,681,944)

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:

	2024	2023
Balance at 1 January	109,705	23,450
Additions in the current period	(98,917)	86,255
Balance at 31 December	10,788	109,705

NOTE 11 - INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

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

	2024		2023	
	Ownership (%)	Carrying amount	Ownership (%)	Carrying amount
Associates				
VDF Servis	48.79	5,729,488	48.79	8,046,282
Yüce Auto	50	1,370,554	50	2,153,165
Doğuş Sigorta	42	260,008	42	325,067
Doğuş Teknoloji	21.76	366,142	21.76	254,529
Total		7,726,192		10,779,043
Joint ventures				
TÜVTURK Kuzey - Güney	33.33	1,681,599	33.33	1,513,645
Total		1,681,599		1,513,645
Grand total		9,407,791		12,292,688

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

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

	2024	2023
Balance at 1 January	12,292,688	7,507,458
Shares in profits of associates, net	(1,707,969)	4,719,286
Shares in profits of joint ventures, net	830,074	941,712
Dividend income from associates	(1,144,744)	(1,248,888)
Dividend income from joint ventures	(605,514)	(536,771)
Participation in capital increases of associates	-	618,921
Share of other comprehensive income of associates	(200,136)	16,435
Share of other comprehensive income of joint ventures	(56,608)	274,535
Balance at 31 December	9,407,791	12,292,688

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

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

	2024								
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Income	Expenses (-)	Net profit/(loss)
Investment in associates	42,284,009	24,525,034	66,809,043	38,040,153	4,061,848	42,102,001	74,159,343	(77,378,060)	(3,218,717)
Joint ventures	2,790,761	8,184,139	10,974,900	4,075,612	1,854,499	5,930,111	24,140,702	(21,650,231)	2,490,471
	2023								
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Income	Expenses (-)	Net profit/(loss)
Investment in associates	35,992,344	25,766,029	61,758,373	38,958,129	474,482	39,432,611	65,896,552	(56,454,426)	9,442,126
Joint ventures	2,742,013	8,609,088	11,351,101	3,471,968	3,338,193	6,810,161	23,483,272	(20,657,853)	2,825,419

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

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

		2024							
		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		4,868,156	30,359,284	2,689,200	68,242,873	(625,448)	1,717,762	(3,471,940)	(2,145,113)
Joint ventures		1,684,311	70,986	203,553	23,351,681	(654,956)	705,264	(71,465)	(469,519)
		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		7,240,300	29,240,845	195,153	59,411,230	(584,311)	1,450,670	(1,576,937)	639,016,046
Joint ventures		1,356,162	31,925	119,178	23,014,248	(606,700)	394,337	(98,066)	(142,782)

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NOTE 12 - PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment and related accumulated depreciation for the year ended 31 December 2024 are as follows:

	1 January 2024	Additions	Disposals	Transfers	Fair value adjustment	31 December 2024
Cost:						
Land	5,941,043	183,871	-	-	713,561	6,838,475
Land improvements	125,125	13,737	(15,138)	8,783	63,019	195,526
Buildings	6,242,986	115,299	(100,899)	38,369	170,110	6,465,865
Machinery and equipments	713,284	70,097	(681)	319	-	783,019
Motor vehicles	5,008,634	1,960,668	(811,292)	-	-	6,158,010
Furniture and fixtures	1,027,312	202,468	(25,746)	37,610	-	1,241,644
Leasehold improvements	750,639	2,282	(949)	125,781	-	877,753
Constructions in progress	72,768	1,248,644	(4,705)	(250,366)	-	1,066,341
	19,881,791	3,797,066	(959,410)	(39,504)	946,690	23,626,633
Accumulated depreciation:						
Land improvements	-	(73,820)	-	-	73,820	-
Buildings	-	(136,625)	-	-	136,625	-
Machinery and equipments	(343,118)	(74,927)	223	-	-	(417,822)
Motor vehicles	(1,981,636)	(1,011,471)	586,463	-	-	(2,406,644)
Furniture and fixtures	(412,159)	(167,201)	19,033	-	-	(560,327)
Leasehold improvements	(219,261)	(76,921)	828	-	-	(295,354)
	(2,956,174)	(1,540,965)	606,547	-	210,445	(3,680,147)
Carrying amount	16,925,617					19,946,486

Total depreciation expense amounting to TL 1,540,965 has been allocated to general administrative expenses in the consolidated profit or loss statement for the year ended 31 December 2024 (31 December 2023: TL 1,189,174).

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NOTE 12 - PROPERTY, PLANT AND EQUIPMENT (Continued)

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

	1 January 2023	Additions	Disposal	Transfers	Transfer to investment properties	Fair value adjustment	31 December 2023
Cost:							
Land	3,102,734	-	(700,346)	-	-	3,538,655	5,941,043
Land improvements	118,375	4,757	(121)	2,114	-	-	125,125
Buildings	6,923,870	-	(749,712)	41,909	(388,653)	415,572	6,242,986
Machinery and equipments	709,720	120,831	(127,213)	9,946	-	-	713,284
Motor vehicles	3,852,111	1,390,553	(234,560)	530	-	-	5,008,634
Furniture and fixtures	843,075	192,248	(132,392)	124,381	-	-	1,027,312
Leasehold improvements	679,370	2,122	(251,786)	320,933	-	-	750,639
Constructions in progress	162,084	481,436	(1,274)	(569,478)	-	-	72,768
	16,391,339	2,191,947	(2,197,404)	(69,665)	(388,653)	3,954,227	19,881,791
Accumulated depreciation:							
Land improvements	(78,756)	(5,400)	83	-	-	84,073	-
Buildings	(1,147,085)	(132,126)	152,872	-	-	1,126,339	-
Machinery and equipments	(338,381)	(65,140)	60,403	-	-	-	(343,118)
Motor vehicles	(1,313,941)	(800,122)	132,427	-	-	-	(1,981,636)
Furniture and fixtures	(369,933)	(124,693)	82,467	-	-	-	(412,159)
Leasehold improvements	(266,722)	(61,693)	109,154	-	-	-	(219,261)
	(3,514,818)	(1,189,174)	537,406	-	-	1,210,412	(2,956,174)
Carrying amount	12,876,521						16,925,617

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NOTE 13 - INTANGIBLE ASSETS

The movements in intangible assets and related accumulated amortization during the year ended 31 December 2024 are as follows:

	1 January 2024	Additions	Disposals	Transfers	31 December 2024
Cost:					
Rights and software	1,941,919	652,316	(588)	39,504	2,633,151
	1,941,919	652,316	(588)	39,504	2,633,151
Accumulated amortization:					
Rights and software	(1,192,317)	(498,316)	49	-	(1,690,584)
	(1,192,317)	(498,316)	49	-	(1,690,584)
Carrying amount	749,602				942,567

Total amortization expense amounting to TL 498,316 for the year ended 31 December 2024 has been allocated to general administrative expenses in consolidated profit or loss statement (31 December 2023: TL 391,601).

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

	1 January 2023	Additions	Disposals	Transfers	31 December 2023
Cost:					
Rights and software	1,337,888	534,903	(537)	69,665	1,941,919
	1,337,888	534,903	(537)	69,665	1,941,919
Accumulated amortization:					
Rights and software	(800,999)	(391,601)	283	-	(1,192,317)
	(800,999)	(391,601)	283	-	(1,192,317)
Carrying amount	536,889				749,602

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NOTE 14 - INVESTMENT PROPERTY

Fair values of investment properties as of 31 December 2024 are as follows:

Real estate name	Valuation method	Valuation report date	Expert value
Gebze Center AVM	Discounted cash flow	26.12.2024	6,307,360
Gebze Center Otel	Discounted cash flow	26.12.2024	800,390
Gebze Center Showroom ve Servis alanı	Discounted cash flow	26.12.2024	379,870
Gebze Arsa	Market approach	26.12.2024	30,129
D-Ofis Maslak	Discounted cash flow	26.12.2024	4,110,819
Doğuş Center Maslak	Discounted cash flow	26.12.2024	1,149,777
Doğuş Center Etiler	Discounted cash flow	26.12.2024	414,480
Kartal Kule	Cost approach	13.12.2024	1,545,680
Ankara Etimesgut	Cost approach	13.12.2024	693,755
Kayseri Sağıroğlu	Cost approach	13.12.2024	10,220
Total			15,442,480

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

Real estate name	Valuation method	Valuation report date	Expert value
Gebze Center AVM	Discounted cash flow	27.12.2023	5,808,300
Gebze Center Otel	Discounted cash flow	27.12.2023	963,223
Gebze Center Showroom ve Servis alanı	Discounted cash flow	27.12.2023	391,483
Gebze Arsa	Market approach	27.12.2023	30,320
D-Ofis Maslak	Discounted cash flow	27.12.2023	4,006,511
Doğuş Center Maslak	Discounted cash flow	27.12.2023	1,111,406
Doğuş Center Etiler	Discounted cash flow	27.12.2023	404,723
Kartal Kule	Cost approach	20.12.2023	1,426,953
Ankara Etimesgut	Cost approach	27.12.2023	668,574
Kayseri Sağıroğlu	Cost approach	26.12.2023	10,045
Total			14,821,538

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NOTE 14 - INVESTMENT PROPERTY (Continued)

The fair value movement table of active investment properties as of December 2024 and 2023 is as follows:

	2024	2023
1 January	14,821,538	12,109,156
Additions	90,706	5,715
Disposals	-	388,653
Income from increase of investment properties (Note 23)	530,236	2,318,014
31 January	15,442,480	14,821,538

The rental income of TL 706,468 obtained by the company from its investment properties in the current period is shown in the revenue income in consolidated statement profit or loss (31 December 2023: TL 712,896)

Investment property owned by Doğuş Gayrimenkul 100.000.000 on immovable properties There is a mortgage amounting to EUR 100.000.000 (31 December 2023: EUR 100.000.000).

NOTE 15 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

15.1 Short-Term Provisions

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

	2024	2023
Legal provisions	143,743	127,199
Warranty provisions	33,525	36,339
Sociocultural contributions in the form of donations to the Hatay region	202,600	-
Other provisions	2,832,546	3,912,751
Total	3,212,414	4,076,289

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

	2024	2023
Warranty provisions	296,783	312,987
Total	296,783	312,987

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

The movements of provisions during the year are as follows:

	Balance at 1 January 2024	Provision set during the year	Provisions no longer required	Paid during the year	Monetary gain/loss	Balance at 31 December 2024
Legal provisions	127,199	50,161	23,386	(9,678)	(47,325)	143,743
Other provisions (*)	3,912,751	5,257,736	(541,134)	(4,604,873)	(989,334)	3,035,146
Warranty provisions (**)	349,326	823,138	-	(843,398)	1,242	330,308
Total	4,389,276	6,131,035	(517,748)	(5,457,949)	(1,035,417)	3,509,197
	Balance at 1 January 2023	Provision set during the year	Provisions no longer required	Paid during the year	Monetary gain/loss	Balance at 31 December 2023
Legal provisions	150,499	62,099	(605)	(15,669)	(69,125)	127,199
Other provisions (*)	2,502,675	5,002,665	(304,141)	(1,637,736)	(1,650,712)	3,912,751
Warranty provisions (**)	273,625	877,657	-	(643,339)	(158,617)	349,326
Total	2,926,799	5,942,421	(304,746)	(2,296,744)	(1,878,454)	4,389,276

(*) Consists of sociocultural contributions in the form of donations to the Hatay region and other provisions

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

15.2 Collaterals / Pledges / Mortgages / Bill of Guarantees Given

As at 31 December 2024, the Group's position related to letters of collaterals / pledges / mortgages / bill of guarantees guarantee given, pledges and mortgages ("CPMB") are as follows:

	Total TL equivalent	2024 Original balances			
		Full TL	Full USD	Full Euro	Full CHF
A. Total amount of CPMB given on behalf of own legal personality	18,356,479	5,213,034,031	-	357,779,112	-
B. Total amount of CPMB given in favor of partnerships which is consolidated	3,727,465	53,845,326	-	100,000,000	-
C. Total amount of CPMB given for assurance of third parties debts in order to conduct of usual business activities	275,522	-	-	7,500,000	-
D. Total amount of other CPMB	-	-	-	-	-
i. Total amount of CPMB given in favor of parent company	-	-	-	-	-
ii. The amount of CPMB given in favor of other group companies which B and C don't comprise	-	-	-	-	-
iii. The amount of CPMB given in favor of 3 rd parties which C doesn't comprise	-	-	-	-	-
Total CPMB	22,359,466	5,266,879,357	-	465,279,112	-

(*) The original balance amounts are in nominal values.

Other CPMBs given by the Group as at 31 December 2024 are equivalent to 0% of the Company's equity (31 December 2023: 0%).

"As at December 31, 2023, there are no guarantees related to the general loan agreements provided by the Company for the subsidiaries included in the consolidation scope (37,539 TL).

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

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

In return for the loan amounting to full EUR 100,000,000 from Credit Europe Bank (CEB) in 2018, there is a first degree mortgage in favor of CEB on the Gebze Center Shopping Mall, Hotel and Showroom real estate (31 December 2023: full EUR 100,000,000)

	2023				
	Total equivalent (*)	Original balances			
		Full TL	Full USD	Full Euro	Full CHF
A. Total amount of CPMB given on behalf of own legal personality	25,178,381	7,486,997,208	-	376,173,962	-
B. Total amount of CPMB given in favor of partnerships which is consolidated	68,851	68,851,631	-	-	-
C. Total amount of CPMB given for assurance of third parties debts in order to conduct of usual business activities	352,723	-	-	7,500,000	-
D. Total amount of other CPMB	-	-	-	-	-
i. Total amount of CPMB given in favor of parent company	-	-	-	-	-
ii. The amount of CPMB given in favor of other group companies which B and C don't comprise	-	-	-	-	-
iii. The amount of CPMB given in favor of 3 rd parties which C doesn't comprise	-	-	-	-	-
Total CPMB	25,599,955	7,555,848,839	-	383,673,962	-

(*) The original balance amounts are in nominal values.

15.3 Collaterals / Pledges / Mortgages / Bill of Guarantees Received

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

	2024	2023
Letters of guarantees received from fixed asset and service suppliers	609,256	325,392
Letters of guarantees received from dealers	374,529	472,471
Letter of guarantees received from fleet customers	1,139,000	1,294,355
Letter of guarantees received from lessees	112,054	70,250
Total	2,234,839	2,162,468

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NOTE 16 - EMPLOYEE BENEFITS

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

	2024	2023
Provision for unused vacation	179,906	126,610
Provision for employee termination benefits	200,049	147,968
Total	379,955	274,578

The movements of provision for unused vacation for the year ended 2024 and 2023 are as follows:

	Balance at 1 January 2024	Provision set during the year	Provisions no longer required	Paid during the year	Monetary gain/loss	Balance at 31 December 2024
Unused vacation liability provision	126,610	110,399	-	(4,576)	(52,527)	179,906
Total	126,610	110,399	-	(4,576)	(52,527)	179,906

	Balance at 1 January 2023	Provision set during the year	Provisions no longer required	Paid during the year	Monetary gain/loss	Balance at 31 December 2023
Unused vacation liability provision	111,221	100,942	-	(25,362)	(60,191)	126,610
Total	111,221	100,942	-	(25,362)	(60,191)	126,610

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

	2024	2023
Discount rate	2.94%	2.94%
Turnover rate to estimate the probability of retirement	91.74%	91.45%

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. The liability cap amounting to TL 41,828,42 full has been taken into consideration in calculating the provision (31 December 2023: TL 23,489,83 full). The movements in the provision for employee termination benefits for the years ended 31 December are as follows:

	2024	2023
Balance at 1 January	147,968	357,431
Interest cost	36,821	85,835
Current service cost	39,202	24,576
Actuarial gains / losses, net	78,576	31,398
Paid during the year (-)	(42,615)	(231,244)
Monetary (loss) / gain	(59,903)	(120,028)
Balance at 31 December	200,049	147,968

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

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NOTE 17 - PREPAYMENTS / DEFERRED INCOME

17.1 Short-Term Prepayments

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

	2024	2023
Prepaid expenses	196,971	216,343
Advances given	66,603	78,123
Total	263,574	294,466

17.2 Long-Term Prepayments

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

	2024	2023
Prepaid expenses	123,625	70,060
Advances given	13,675	23,376
Total	137,300	93,436

17.3 Deferred Income

As at 31 December 2024 deferred income comprise of the advances received from customers amounting to TL 89,524 (31 December 2023: TL 120,203), repair and maintenance packages amounting to TL 578,266 (31 December 2023: TL 487,504), and other deferred income amounting to TL 30,924 (31 December 2023: TL 438,171). As of 31 December 2024, long term deferred income amounting to TL 797,348 (31 December 2023: TL 598,344) consists of repair and maintenance packages, contribution income and other income.

NOTE 18 - OTHER CURRENT LIABILITIES

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

	2024	2023
VAT payable	2,060,977	1,970,356
Other current liabilities	7,469	15,665
Total	2,068,446	1,986,021

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NOTE 19 - EQUITY

Issued Capital

As at 31 December 2024, the registered capital of the Company is TL 220,000 (31 December 2023: TL 220,000). The paid-in share capital of the Company comprises of 220,000,000 units of registered shares with a nominal value of TL 1 each. There is no different type of share and no privilege given to specific shareholders. The Company's registered authorized capital ceiling is TL 1,000,000.

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

Shareholders	2024		2023	
	TL	Shareholding (%)	TL	Shareholding (%)
Doğuş Holding A.Ş.	133,100	60.50	144,100	65.50
Doğuş Otomotiv Servis ve Ticaret A.Ş. (*)	-	-	6,085	2.77
Publicly traded	86,900	39.50	69,815	31.73
Paid-in capital	220,000	100.00	220,000	100.00
Inflation adjustment difference	4,564,522		4,564,522	
Total	4,784,522		4,784,522	

(*) In accordance with communique of CMB, the group reclaimed 22,000,000 shares corresponding to 10% of its capital in 2016. Of the reclaimed shares, it sold 514,993 shares corresponding to 0.23% of its capital in 2022 and 15,400,000 shares corresponding to 7% of its capital in 2023 and 6,085,007 shares corresponding to 2.77% capital in 2024 on the Borsa İstanbul using the special order method.

Restricted reserves appropriated from profits

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

	PPI indexed legal records	CPI indexed amounts	Differences followed in previous years' profit and loss
Capital adjustment differences	8,608,308	4,564,522	(4,043,786)
Premium / discount on shares	4,877,627	4,526,051	(351,576)
Restricted reserves allocated from profit	3,155,863	4,245,944	1,090,080
Total	16,641,798	13,336,517	(3,305,281)

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

Under the Turkish Commercial Code, first and second level legal reserves cannot be distributed until they exceed 50% of the capital, but the reserves can solely be used for offsetting the losses in case of running out of arbitrary reserves. In accordance with CMB Regulations, legal reserves shall presented under "restricted reserves appropriated from profits". As at 31 December 2024, the legal reserves of the Group amounted to TL 4,245,944 (31 December 2023: TL 3,434,360).

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NOTE 19 - EQUITY (Continued)

Treasury shares

The Group reacquired its own shares that are traded on Borsa İstanbul A.Ş in accordance with the Communique on Buy Backed Shares (II-22.1) announced by CMB. In this context, as of 31 December 2016, the Group reacquired its own 22,000,000 units of registered shares that are equivalent to 10% portion of its issued capital at an amount of TL 220,274 and accounted as "Treasury shares" under the equity. Additionally, the Group classified "Treasury share reserve" in the amount of the value of the reacquired shares under "Restricted reserves appropriated from profits" in accordance with the relevant communique. The group sold 514,993 of its shares, corresponding to 0.23% of its capital, for 140 full TL/per share in 2022, and 15,400,000 of its shares, corresponding to 7% of the company capital, for 262.50 full TL/per share in 2023 was through special order on the Borsa İstanbul. 6,085,007 shares corresponding to 2.77% capital in 2024 on the Borsa İstanbul using the special order method The group recognized the profit generated from this sale in the share premiums/(discounts) account after offsetting all sales expenses.

In accordance with CMB legislation, the Group bought back 22,000,000 shares in exchange for 10% of its capital in 2016. In 2022, it sold 514,993 shares in exchange for 0.23% of its capital on the stock exchange through a special order method. In 2023, 15,400,000 shares representing 7% of the company's capital were sold on Borsa İstanbul through a special order method. In 2024, all of its 6,085,007 shares representing 2.77% of the company's capital were sold on Borsa İstanbul through a 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 December 2024, retained earnings are TL 40,445,734 (31 December 2023: TL 28,036,655).

	2024	2023
Balance at 1 January	28,036,655	13,168,601
Transfer of 2023 profit	28,330,123	21,744,429
Dividend payment	(15,102,364)	(7,530,984)
Transfer to reserves	(1,404,521)	-
Deferred tax effect of related prior periods	(249,081)	-
Transfer from the revaluation reserve of property, plant, and equipment	(2,164)	-
Increase (decrease) through treasury shares transactions	837,086	654,609
Balance at 31 December	40,445,734	28,036,655

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NOTE 19 - EQUITY (Continued)

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

Available-for-sale financial assets at fair value through other comprehensive income are recognised at fair value in the consolidated financial statements. Valuation differences arising at the reporting date in the carrying amount of financial assets are recognised in the consolidated financial statements under equity in the 'Gains (losses) on revaluation and/or reclassification of financial assets at fair value through other comprehensive income' account. As at 31 December 2024, the Group's gain (loss) on revaluation and/or reclassification of financial assets at fair value through other comprehensive income amounts to TL 341.113 (31 December 2023: TL 1.707.675).

Foreign currency translation differences

Foreign currency translation differences comprise the foreign currency exchange rate differences arising from the translation of the financial statements on foreign currencies from functional currency to the presentation currency of the Group. As at 31 December 2024, the Group has no foreign currency translation differences. (31 December 2023: has no foreign currency translation differences).

Dividend

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

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

As at the end of 2023, the Group has determined a total cash dividend distribution of 11,500,000,000 nominal Turkish Lira from the profit generated during the year. After offsetting the interim dividend payment of 2,500,000,000 nominal Turkish Lira made during 2023, the remaining 9,000,000,000 nominal Turkish Lira has been distributed in cash

In the General Assembly held on April 16, 2024, within the framework of the authority granted to the Board of Directors, it was decided to distribute an interim dividend of 2,200,000,000 nominal Turkish Lira, after deducting the legal reserves that must be allocated in accordance with the relevant laws, from the interim net profit for the period between January 1, 2024, and June 30, 2024. The payment has been completed."

Non-controlling interests

Equity in a subsidiary that is not attributable, directly or indirectly, to a parent is classified under the "non-controlling interests" in the consolidated financial statements. As at 31 December 2024 and 2023, the related amounts in the "non-controlling interests" account in the consolidated financial statements are TL 782,110 and TL 731,384 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.

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NOTE 20 - SALES AND COST OF SALES

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

	2024	2023
Vehicle sales	177,617,583	202,613,107
Spare part sales	19,802,398	20,266,112
Service sales	1,386,605	1,215,996
Other	706,468	712,896
Sales return (-)	(326,812)	(136,279)
Sales discounts (-)	(10,811,720)	(9,193,906)
Net sales	188,374,522	215,477,926
Cost of sales	(158,142,027)	(169,089,101)
Gross profit	30,232,495	46,388,825

NOTE 21 - MARKETING EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

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

	2024	2023
General administration expenses	9,872,598	7,053,869
Marketing expenses	5,823,752	5,462,699
Total	15,696,350	12,516,568

21.1 Marketing Expenses

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

	2024	2023
Personnel expenses	1,676,265	1,963,793
Distribution expenses	1,778,701	1,556,228
Advertising expenses	1,288,006	908,906
Warrant expenses, net	823,138	864,026
Customer service expenses	96,173	88,170
Support expenses	161,469	81,576
Total	5,823,752	5,462,699

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

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

21.2 General Administrative Expenses

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

	2024	2023
Personnel expenses	3,593,092	3,735,681
Donation expenses	2,459,383	156,915
Depreciation and amortization expenses	2,204,302	1,755,186
Maintenance expenses	408,498	346,488
Building expenses	317,722	332,051
Insurance expenses	137,971	96,924
Consultancy expenses	108,466	87,576
Litigation and compensation expenses	71,656	55,854
Travelling expenses	67,713	63,822
Vehicle expenses	52,865	52,575
Communication expenses	6,001	12,341
Other	444,929	358,456
Total	9,872,598	7,053,869

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

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NOTE 22 - EXPENSES BY NATURE

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

	2024	2023
Cost of trade goods	156,668,772	167,681,944
Personnel expenses	5,269,357	5,699,474
Donations	2,459,383	156,915
Depreciation and amortization expenses	2,204,302	1,755,186
Distribution expenses	1,778,701	1,556,228
Service costs	1,473,255	1,407,157
Advertisement and promotion expenses	1,288,006	908,906
Warranty expenses, net	823,138	864,026
Maintenance expenses	408,498	346,488
Building expenses	317,722	332,051
Support expenses	161,469	81,576
Insurance expenses	137,971	96,924
Consultancy expenses	108,466	87,576
Customer service expenses	96,173	88,170
Litigation expenses	71,656	55,854
Travelling expenses	67,713	63,822
Vehicle expenses	52,865	52,575
Communication expenses	6,001	12,341
Other	444,929	358,456
Total	173,838,377	181,605,669

Fees for Services Received from Independent Auditor/ Independent Audit Firms

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

	2024	2023
Audit and assurance fee	10,789	7,731
Other assurance services fee	1,232	1,181
Other service fee apart from audit	206	82
Total	12,227	8,994

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

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

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NOTE 23 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

23.1 Other Income from Operating Activities

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

	2024	2023
Foreign exchange gains operating activities	903,318	1,884,865
Service income	822,600	663,257
Income from increase of investment properties	530,236	2,318,014
Commission income	297,561	331,474
Insurance damage income	86,093	59,505
Other	543,427	1,079,955
Total	3,183,235	6,337,070

23.2 Other Expense from Operating Activities

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

	2024	2023
Commission expenses	640,867	629,029
Service expenses	385,098	319,875
Interest expense, net	231,577	177,239
Insurance damage expenses	58,334	45,209
Destruction expenses	7,956	2,141
Foreign exchange losses operating activities activities, net	3,505	3,172
Other	148,382	583,289
Total	1,475,719	1,759,954

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NOTE 24 - INVESTMENT ACTIVITY INCOME AND EXPENSES

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

	2024	2023
Gain on sale of property and equipment	447,393	-
Gain on interest and foreign exchange	251,757	956,189
Total	699,150	956,189

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

	2024	2023
Loss on sale of property and equipment	114,157	44,161
Total	114,157	44,161

NOTE 25 - FINANCE INCOME AND EXPENSES

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

	2024	2023
Interest expense on borrowings	2,402,756	2,245,873
Foreign exchange losses on borrowings, net	1,204,798	5,736,698
Commission expenses on letters of guarantee	277,718	317,212
Interest expense on lease liabilities (Note 7)	78,348	47,661
Other	205,487	168,557
Total	4,169,107	8,516,001

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

	2024	2023
Financial income	2,225,088	1,021,077
Total	2,225,088	1,021,077

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NOTE 26 - EXPLANATIONS ON NET MONETARY POSITION GAINS AND LOSSES

Non-Monetary Items	2024
Financial Position Statement Items	(1,796,293)
Inventories	(117,186)
Prepaid expenses	108,497
Investments accounted for using the equity method, financial investments, subsidiaries	3,591,890
Property, plant and equipment, intangible assets, investment property, and right-of-use assets	7,308,804
Advances received	197,671
Deferred revenues	(312,379)
Deferred tax assets and liabilities	496,746
Equity	(131,006)
Share premiums or discount	(1,878,800)
Restricted reserves appropriated from profits	(170,645)
Prior years' profit or losses	(10,889,885)
Income Statement Items	487,948
Revenue	(26,117,704)
Cost of sales	24,483,008
Marketing expenses	418,911
Warranty expense	94,240
General and administrative expenses	1,023,399
Finance income	(292,290)
Other income from operating activities	(350,028)
Other expenses from operating activities	170,921
Income and expenses from investment activities	(40,889)
Finance expenses	560,552
Tax expense for the period	537,828
Toplam	(1,308,345)

NOTE 27 - TAX ASSET AND LIABILITIES

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

The Corporate Tax Law was amended by Law No.5520 dated 13 September 2006. Most of the articles of the new Corporate Tax Law in question, No.5520, have come into force effective from 1 January 2006. Corporation tax is payable at a rate of 25% for 31 December 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).

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NOTE 27 - TAX ASSET AND LIABILITIES (Continued)

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

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

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

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

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

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

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

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

In line with the decision promulgated in official gazette No. 32676 dated 28 September 2024 and in the official gazette dated 2 August 2024 regarding the application of corporate income tax exemptions to the earnings of real estate investment trusts and real estate investment funds, it was decided 50% of the earnings obtained from immovables will be distributed as dividends and the minimum corporate income tax of 10% will be applied to the earnings real estate investment trusts and real estate investment funds obtain from immovables.

As detailed in Footnote 2, the tax exemption for the real estate investment trusts introduced with paragraph d-4 of article 5 of the Corporate Income Tax Law has been made conditional on at least 50% of their earnings from immovables being distributed as dividends as of 01 January 2025 with Law No. 7524 dated 02 August 2024.

As the decision to distribute dividends at Doğuş GYO is made by the general assembly, the tax rate used to calculate deferred tax assets and liabilities for 2024 was 30%.

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

	2024	2023
Current tax income / (expense)	(4,176,137)	(8,546,644)
Deferred tax income / (expense)	(879,268)	(286,568)
Total tax expense	(5,055,405)	(8,833,212)

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NOTE 27 - TAX ASSET AND LIABILITIES (Continued)

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

	2024	2023
Profit before tax	12,698,395	37,365,566
Income tax using the Company's domestic tax rate	(3,174,599)	(9,341,392)
Disallowable expenses	(102,689)	(28,544)
Corporate income exemption from real estate investment trusts	406,098	666,325
Share of profit in equity accounted investees		
exempt from deferred tax calculation	(219,474)	1,415,249
Deferred tax effect arising from gains on real estate of real estate investment trusts	(646,215)	-
Inflation accounting adjustment exempt from deferred tax calculation	(765,795)	(2,411,901)
Deferred tax recognized in the income statement on properties valued using the revaluation model	(342,717)	836,363
Other	(210,014)	30,688
Total tax expense	(5,055,405)	(8,833,212)

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

Deferred taxes

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

	Deferred tax asset		Deferred tax liability		Net deferred tax assets/(liabilities)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Fair value through other comprehensive income						
increase in value of financial assets	-	-	(3,005)	(198,228)	(3,005)	(198,228)
Investment properties carried at fair value	-	-	(3,357,628)	(496,898)	(3,357,628)	(496,898)
Other tangible and intangible assets	1,075,960	-	-	(113,724)	1,075,960	(113,724)
Warranty provision, net	82,577	87,331	-	-	82,577	87,331
Legal provision	22,323	21,381	-	-	22,323	21,381
Provision for diminution in value of inventories	-	-	(35,852)	(70,935)	(35,852)	(70,935)
Employee termination benefit	93,366	67,227	-	-	93,366	67,227
Unused vacation liability	8,485	1,372	-	-	8,485	1,372
Other provision	181,210	-	-	-	181,210	-
Other	58,712	45,322	-	-	58,712	45,322
Total deferred tax asset/(liabilities)	1,522,633	222,633	(3,396,485)	(879,785)	(1,873,852)	(657,152)
Net off tax	(1,283,795)	(68,382)	1,283,795	68,382	-	-
Total deferred tax assets/(liabilities)	238,838	154,251	(2,112,690)	(811,403)	(1,873,852)	(657,152)

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NOTE 27 - TAX ASSET AND LIABILITIES (Continued)

The movements in temporary differences as at 31 December 2024 are as follows:

	1 January 2024	Recognized in the profit or loss	Recognized in other comprehensi income	Recognized in prior year profits/losses	31 December 2024
Fair value through other comprehensive income					
increase in value of financial assets	(198,228)	-	195,223	-	(3,005)
Investment properties carried at fair value	(496,898)	(2,119,537)	(303,188)	(3,990,518)	(5,482,461)
Other tangible and intangible assets	(113,724)	1,108,644	-	3,633,554	3,200,793
Warranty provision, net	87,331	(4,754)	-	-	82,577
Legal provision	21,381	942	-	-	22,323
Provision for diminution in value of inventories	(70,935)	35,083	-	-	(35,852)
Employee termination benefit	67,227	6,372	19,613	154	93,366
Unused vacation liability	1,372	6,310	-	803	8,485
Other provision	-	181,210	-	-	181,210
Other	45,322	(93,538)	-	106,927	58,712
	(657,152)	(879,268)	(88,352)	(249,080)	(1,873,852)

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

	1 January 2023	Recognized in the profit or loss	Recognized in other comprehensi income	Recognized in prior year profits/losses	31 December 2023
Fair value through other comprehensive income					
increase in value of financial assets	(275,384)	-	77,156	-	(198,228)
Investment properties carried at fair value	-	836,364	(1,333,262)	-	(496,898)
Other tangible and intangible assets	996,800	(1,110,524)	-	-	(113,724)
Warranty provision, net	54,725	32,606	-	-	87,331
Legal provision	22,670	(1,289)	-	-	21,381
Provision for diminution in value of inventories	(30,369)	(40,566)	-	-	(70,935)
Employee termination benefit	70,606	(11,227)	7,848	-	67,227
Unused vacation liability	21,165	(19,793)	-	-	1,372
Other	17,461	27,861	-	-	45,322
	877,674	(286,568)	(1,248,258)	-	(657,152)

As at 31 December 2024, current income tax liabilities amounting to TL 38,798 (31 December 2023: TL 272,889)

As at 31 December 2024, the Group has TL 148,467 period tax assets. (31 December 2023: TL 845).

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

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NOTE 28 - EARNINGS PER SHARE

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

	2024	2023
Net profit attributable to the equity holders of the Company	7,592,264	28,330,123
Weighted average number of basic shares	218,813,146	200,055,442
Basic / diluted earnings per share (in full TL)	34,6975	141,6114

NOTE 29 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

29.1 Due from related parties

29.1.1 Due from associates

	2024	2023
Yüce Auto	122,172	74,395
VDF Servis	15	146
Total	122,187	74,541

29.1.2 Due from joint ventures

	2024	2023
TÜVTURK	98	87
Total	98	87

29.1.3 Due from other related parties

	2024	2023
VDF Faktoring Hizmetleri A.Ş. ("VDF Faktoring")	10,201,687	11,794,628
VDF Sigorta Aracılık Hizmetleri A.Ş.	12,414	15,934
VDF Filo Kiralama A.Ş.	4,969	514,046
VDF	2,351	7,987
Other	27,741	27,433
Total	10,249,162	12,360,028

29.1.4 Due from shareholders

	2024	2023
Doğuş Holding	925	70,941
Total	925	70,941
Grand total	10,372,372	12,505,597

As at 31 December 2024, the Group imposes 4.28% interest charge on the receivables from related parties (31 December 2023: 2.37% per month)

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

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NOTE 29 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

29.2 Other receivables due from related parties

29.2.1 Other current receivables due from associates

	2024	2023
Doğuş Teknoloji	6,667	5,409
Total	6,667	5,409

29.2.2 Other current receivables due from other related parties

	2024	2023
VDF Filo Kiralama A.Ş. (sublease receivables)	59,623	36,163
Total	59,623	36,163

29.2.3 Other non-current receivables due from related parties

	2024	2023
VDF Filo Kiralama A.Ş. (sublease receivables)	-	34,143
Total	-	34,143
Grand total	66,290	75,715

29.3 Current prepayments due from related parties

29.3.1 Current prepaid expenses to related parties

29.3.1.1 Current prepaid expenses to associates

	2024	2023
Doğuş Teknoloji	24,761	16,436
Total	24,761	16,436

29.3.1.2 Current prepaid expenses to other related parties

	2024	2023
Pozitif Arena Salon İşletmeleri A.Ş.	47,992	38,056
Antur Turizm A.Ş.	2,172	4,881
Pozitif Müzik A.Ş.	183	296
Diğer	12	792
Total	50,359	44,025

29.3.1.3 Current prepaid expenses to shareholders

	2024	2023
Doğuş Holding	2,792	2,080
Total	2,792	2,080
Grand total	77,912	62,541

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NOTE 29 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

29.3 Current prepayments due from related parties (Continued)

29.3.2 Non- Current prepaid expenses

29.3.2.1 Non-current prepaid expenses to related parties

	2024	2023
Antur Turizm	-	1
Pozitif Arena Salon İşletmeleri A.Ş.	107,543	-
Total	107,543	1

29.3.2.2 Non-current prepaid expenses to associates

	2024	2023
Doğuş Teknoloji.	3,915	5,438
Total	3,915	5,438
Grand total	111,458	5,439

29.4 Trade payables due to related parties

29.4.1 Trade payables due to associates

	2024	2023
Yüce Auto	2,164,243	1,587,427
Doğuş Teknoloji	152,390	200,412
Total	2,316,633	1,787,839

29.4.2 Trade payables due to joint ventures

	2024	2023
TÜVTURK	2	-
Total	2	-

29.4.3 Trade payables due to other related parties

	2024	2023
VDF	214,051	275,203
Antur Turizm A.Ş.	154,238	142,759
Doğuş Verimlilik ve Merk. Satın Alm. Hizm. Tic. A.Ş.	6,294	21,365
Doğuş İnşaat ve Ticaret A.Ş.	8,894	10,942
VDF Filo Kiralama A.Ş.	8,721	7,779
Nahita Restaurant İşletmeciliği ve Yatırım A.Ş.	8,380	5,886
VDF Faktoring	4,889	3,887
Galataport İstanbul Liman	22,089	-
Doğuş Center Maslak Yöneticiliği	4,063	121
Diğer	7,826	4,480
Total	439,445	472,422

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NOTE 29 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

29.4.4 Trade payables due to shareholders

	2024	2023
Doğuş Holding	75,044	204,308
Total	75,044	204,308
Grand total	2,831,124	2,464,569

29.5 Deferred income from related parties

29.5.1 Current deferred income from related parties

	2024	2023
Günaydın Üretim Lojistik A.Ş.,	255	-
Pozitif Arena Konser Salon İşletmeleri A.Ş.,	29,157	-
Total	29,412	-

29.5.2 Current deferred income from shareholders

	2024	2023
Doğuş Holding	1,530	-
Total	1,530	-

29.5.3 Non current deferred income from related parties

	2024	2023
Günaydın Üretim Lojistik A.Ş.,	703	-
Pozitif Arena Konser Salon İşletmeleri A.Ş.,	15,310	-
Total	16,013	-

29.6 Related party transactions

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

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NOTE 29 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

29.6.1 Associates

Sales and other income generating transactions:	2024	2023
Other income	841,798	638,133
Sale of products and returns, net	381,700	289,250
Sale of services, net	5,460	4,809
Financial income	2,793	1,612
Total	1,231,751	933,804
Purchases and expenses incurring transactions:	2024	2023
Inventory purchase	9,758,862	10,494,495
Other purchases	653,499	661,962
Fixed asset purchases	731,820	644,639
Services rendered	276,012	209,601
Other expenses	30,553	23,823
Total	11,450,746	12,034,520

29.6.2 Joint ventures

Sales and other income generating transactions:	2024	2023
Sale of products and returns, net	16,474	10,314
Sale of service, net	465	558
Other income	40	12
Total	16,979	10,884
Purchases and expense creating transactions:	2024	2023
Inventory purchases	9,616	15,998
Services purchases	627	546
Other purchases	-	4
Total	10,243	16,548

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NOTE 29 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

29.6 Related party transactions (Continued)

29.6.3 Other related parties

a) Income generated from other related parties

	2024					
	Sale of products	Sale of services	Sale of fixed assets	Other income from operating activities	Financial income	Total
VDF Filo	1,696,552	46,343	-	8,818	-	1,751,713
VDF Sigorta	1	2	-	72,780	-	72,783
VDF	94	3	-	6,931	-	7,028
VDF Faktoring	-	-	-	-	-	-
Other	160,791	1,593	-	17,660	-	180,044
	1,857,438	47,941	-	106,189	-	2,011,568

	2023					
	Sale of products	Sale of services	Sale of fixed assets	Other income from operating activities	Financial income	Total
VDF Filo	4,216,711	38,752	-	20,592	-	4,276,055
VDF Sigorta	8	4	-	91,687	-	91,699
VDF	-	-	-	9,905	-	9,905
VDF Faktoring	-	-	-	-	-	-
Other	160,555	1,234	15	11,054	-	172,858
	4,377,274	39,990	15	133,238	-	4,550,517

b) Expenses arising from transactions with other related parties

	2024							
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Consumer loan incentive expenses	Total
Antur								
Turizm	552,295	-	3,091	-	171	105,159	-	660,716
VDF								
Faktoring	-	-	-	79,722	-	-	-	79,722
VDF								
Sigorta	21	-	-	-	12	256	-	289
VDF Filo	67,367	-	91,898	-	4	-	-	159,269
VDF	-	-	2,017	-	-	1	1,535,304	1,537,322
Other	96,085	18,781	5,581	-	1,225,446	83,532	-	1,429,425
	715,768	18,781	102,587	79,722	1,225,633	188,948	1,535,304	3,866,743

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NOTE 29 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

29.6 Related party transactions (Continued)

	2023							
	Services rendered	Purchase of fixed assets	Purchase of inventory	Finance expenses	Other purchases	Other expenses from operating activities	Consumer loan incentive expenses	Total
Antur Turizm	428,952	-	8,356	-	11	89,349	-	526,668
VDF Faktoring	-	-	-	45,402	-	-	-	45,402
VDF Sigorta	936	-	-	-	1	16	-	953
VDF Filo	69,356	-	194,987	-	15	-	-	264,358
VDF	-	-	-	-	-	-	352,416	352,416
Other	76,023	22,950	10,225	-	10,737	68,548	-	188,483
	575,267	22,950	213,568	45,402	10,764	157,913	352,416	1,378,280

29.6.4 Transactions with shareholders

a) Income generated from shareholders

	2024				
	Sale of products	Sale of services	Sale of fixed assets	Financial income	Total
Doğuş Holding	251,943	7,148	-	979,358	1,238,449
	251,943	7,148	-	979,358	1,238,449

	2023				
	Sale of products	Sale of services	Sale of fixed assets	Financial income	Total
Doğuş Holding	207,797	8,682	2	76,927	293,408
	207,797	8,682	2	76,927	293,408

b) Expenses arising from transactions with shareholders

	2024					
	Services rendered	Purchase of fixed assets	Financial expense	Purchase of inventory	Other expense	Total
Doğuş Holding	48,515	321,391	106,874	-	2,731	479,511
	48,515	321,391	106,874	-	2,731	479,511

	2023					
	Services rendered	Purchase of fixed assets	Financial expense	Purchase of inventory	Other expense	Total
Doğuş Holding	82,899	-	35,676	2,624	5,261	126,460
	82,899	-	35,676	2,624	5,261	126,460

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NOTE 29 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

29.7 Key Management Personnel Compensation

	2024	2023
Salaries and other short-term employee benefits	1,649,306	1,075,298
Total	1,649,306	1,075,298

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

Remuneration of Board of Directors and senior executive who have administrative responsibilities, for the period ended 31 December 2024 and 2023 includes salaries, health insurance and employer shares of Social Security Institution.

NOTE 30 - FINANCIAL INSTRUMENTS

Financial instruments and capital risk management

Financial risk factors

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

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

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

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

	2024	2023
Total financial liabilities	12,104,384	15,564,685
Cash and cash equivalents	(9,413,570)	(11,035,747)
Total financial liabilities, net	2,690,814	4,528,938
Total equity	55,738,516	60,416,153
Financial liabilities / equity ratio	0.05	0.07

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.

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NOTE 30 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

(a) Credit risk

The Group's significant portions of receivables from dealers are collected through VDF Faktoring. The receivables from dealers through VDF Faktoring are collected when they are due and these are irrevocable transactions. Our assumption is that the values of trade receivables measured at their amortised costs approximate the fair values of the relevant trade receivables.

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

31 December 2024	Receivables				Bank deposits	Derivative instruments	Other
	Trade receivables		Other receivables				
	Related parties	Other parties	Related parties	Other parties			
Exposure to maximum credit risk as at reporting date (A+B+C+D) (*)	10,372,372	5,481,042	66,290	1,427,560	9,413,464	-	-
- Guaranteed portion of the maximum exposure	-	1,232,809	-	-	-	-	-
A. Net carrying amount of financial assets which are neither impaired nor overdue (**)	10,371,581	4,324,248	66,290	1,427,560	9,413,464	-	-
B. Net carrying amount of financial assets which are overdue but not impaired (***)	791	1,156,794	-	-	-	-	-
C. Net carrying amount of impaired assets	-	-	-	-	-	-	-
- Past due (gross book value)	-	21,176	-	-	-	-	-
- Impairment (-)	-	(21,176)	-	-	-	-	-
- Guaranteed portion of net values (*)	-	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Guaranteed portion of net values (*)	-	1,232,809	-	-	-	-	-
D. Off financial statement items with credit risks (****)	-	-	-	-	-	-	-

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

(**) As at 31 December 2024 and 31 December 2023, information regarding to credit quality of trade receivables which are not past due or not impaired and restructured are indicated in Note 8.

(***) As at 31 December 2024 and 31 December 2023, information regarding to aging of receivables which are past due but not impaired are indicated in the table of aging analysis of receivables which are past due but not impaired.

(****) As at 31 December 2024 and 31 December 2023, maximum level of credit risk born in relation to letter of guarantees given in favor of related parties are indicated.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 30 - FINANCIAL INSTRUMENTS (Continued)**Financial instruments and capital risk management (Continued)**

31 December 2023	Receivables				Bank deposits	Derivative instruments	Other
	Trade receivables		Other receivables				
	Related parties	Other parties	Related parties	Other parties			
Exposure to maximum credit risk as at reporting date (A+B+C+D) (*)	12,505,597	6,089,435	75,715	696,498	11,035,668	-	-
- Guaranteed portion of the maximum exposure	-	1,416,378	-	-	-	-	-
A. Net carrying amount of financial assets which are neither impaired nor overdue (**)	12,504,437	5,962,558	75,715	696,498	11,035,668	-	-
B. Net carrying amount of financial assets which are overdue but not impaired (***)	1,160	126,877	-	-	-	-	-
C. Net carrying amount of impaired assets	-	-	-	-	-	-	-
- Past due (gross book value)	-	29,915	-	-	-	-	-
- Impairment (-)	-	(29,915)	-	-	-	-	-
- Guaranteed portion of net values (*)	-	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Guaranteed portion of net values (*)	-	1,416,378	-	-	-	-	-
D. Off financial statement items with credit risks (****)	-	-	-	-	-	-	-

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

(**) As at 31 December 2024 and 31 December 2023, information regarding to credit quality of trade receivables which are not past due or not impaired and restructured are indicated in Note 8.

(***) As at 31 December 2024 and 31 December 2023, information regarding to aging of receivables which are past due but not impaired are indicated in the table of aging analysis of receivables which are past due but not impaired.

(****) As at 31 December 2024 and 31 December 2023, maximum level of credit risk born in relation to letter of guarantees given in favor of related parties are indicated.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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NOTE 30 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Aging of past due receivables that are not impaired

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

31 December 2024	Receivables		Deposits on banks	Derivative instruments	Other
	Trade receivables	Other receivables			
Past due 1-30 days	1,157,585	-	-	-	-
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,	804,958	-	-	-	-

31 December 2023	Receivables		Deposits on banks	Derivative instruments	Other
	Trade receivables	Other receivables			
Past due 1-30 days	128,037	-	-	-	-
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,	11	-	-	-	-

(b) Liquidity risk

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

Risk of funding current and potential requirements is mitigated by ensuring the availability of adequate number of creditworthy lending parties. The Group, in order to minimize liquidity risk, holds adequate cash and available line of credit (including factoring capacity). In this regard, as at 31 December 2024, the Group have lines of credit amounting to EUR 1,161,706 USD 489,000, CHF 5,000 and TL 7,427,500 (31 December 2023: lines of credit amounting to EUR 1,275,686, USD 317,000, CHF 5,000 and TL 5,822,074). The utilized portions of the aforementioned total credit lines are disclosed in Note 7.

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NOTE 30 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

In addition, the Group has a non-cash credit line obtained from underwriting banks amounting to EUR 357,600 equivalent to TL 13,136,865 (31 December 2023: EUR 276,100 equivalent to TL 12,984,927) 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 207,907, amounting to TL 7,637,716 are utilized (31 December 2023: EUR 123,025, amounting to TL 5,785,825).

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

Contractual maturities	Carrying amount	Total contractual cash outflows	2024			
			Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Loans and borrowings	10,969,411	13,056,447	2,128,256	4,981,120	5,947,071	-
Trade payables to related parties	2,831,124	2,831,124	2,831,124	-	-	-
Other payables to third parties	4,859	4,859	638	-	4,221	-
Other payables to related parties	-	-	-	-	-	-
Trade payables to third parties	11,503,515	11,503,515	3,991,453	7,512,062	-	-
Employee benefit obligations	421,747	421,747	421,747	-	-	-
Lease liabilities	1,134,973	2,522,161	135,364	394,608	1,866,719	125,470
Other current liabilities (*)	4,762	4,762	4,762	-	-	-
Total non-derivative financial liabilities	26,870,391	30,344,615	9,513,344	12,887,790	7,818,011	125,470

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NOTE 30 - FINANCIAL INSTRUMENTS (Continued)**Financial instruments and capital risk management (Continued)**

	2023					
Contractual maturities	Carrying amount	Total contractual cash outflows	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Loans and borrowings	14,133,957	16,936,082	2,523,547	4,743,190	9,669,345	-
Trade payables to related parties	2,464,569	2,464,569	2,464,569	-	-	-
Other payables to third parties	6,184	6,184	710	-	5,474	-
Other payables to related parties	-	-	-	-	-	-
Trade payables to third parties	9,837,819	9,837,819	4,171,709	5,666,110	-	-
Employee benefit obligations	317,551	317,551	317,551	-	-	-
Lease liabilities	1,430,728	1,738,603	84,782	245,760	1,390,923	17,138
Other current liabilities (*)	15,667	15,667	15,667	-	-	-
Total non-derivative financial liabilities	28,206,475	31,316,475	9,578,535	10,655,060	11,065,742	17,138

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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NOTE 30 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

(c) Currency risk

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

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

Currency sensitivity analysis		
31 December 2024		
	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	(10,764)	10,764
2- USD risk averse portion (-)	-	-
3- Net USD effect (1+2)	(10,764)	10,764
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	4,761	(4,761)
5- Euro risk averse portion (-)	-	-
6- Net Euro effect (4+5)	4,761	(4,761)
TOTAL (3+6)	(6,003)	6,003

Currency sensitivity analysis		
31 December 2023		
	Profit/loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against TL		
1- Net USD asset/liability	(14,324)	14,324
2- USD risk averse portion (-)	-	-
3- Net USD effect (1+2)	(14,324)	14,324
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	575,895	(575,895)
5- Euro risk averse portion (-)	-	-
6- Net Euro effect (4+5)	575,895	(575,895)
TOTAL (3+6)	561,571	(561,571)

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NOTE 30 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

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

	31 December 2024	31 December 2023
USD	35.2803	29.4382
EUR	36.7362	32.5739
CHF	38.9446	34.9666

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

	2024				
	Total TL equivalent	Original balances			
		USD	EUR	CHF	Other
Assets:					
Trade receivables	-	-	-	-	-
Monetary financial assets	5,705,904	6	155,304	9	7
Other monetary assets	9,953,967	-	270,958	-	-
Total assets	15,659,871	6	426,262	9	7
Trade payables	7,934,066	3,057	213,037	-	1
Financial liabilities	2,031,622	-	55,303	-	-
Other monetary liabilities	3,123	-	85	-	-
Current liabilities	9,968,811	3,057	268,425	-	1
Financial liabilities	5,750,721	-	156,541	-	-
Non-current liabilities	5,750,721	3,057	156,541	-	-
Total liabilities	15,719,532	3,057	424,966	-	1
Net foreign currency liability position of derivative financial liabilities off statement of financial position					
Net foreign currency (liability)/asset position	(59,661)	(3,051)	1,296	9	6
Monetary items net foreign (liability)/asset position					
Sureties and letters of guarantee taken	100,672	116	2,629	-	-
Sureties and letters of guarantee given	17,092,582	-	465,279	-	-
Import	128,530,743	-	3,498,749	-	-

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NOTE 30 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

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

	Total TL equivalent	2023			
		Original balances			
		USD	EUR	CHF	Other
Assets:					
Trade receivables	-	-	-	-	-
Monetary financial assets	6,785,008	16	144,252	3	8
Other monetary assets	7,774,421	582	164,782	-	5
Total assets	14,559,429	598	309,034	3	13
Trade payables	6,201,247	3,968	128,220	-	46
Financial liabilities	2,735,441	-	58,164	-	-
Other monetary liabilities	9,265	-	197	-	-
Current liabilities	8,945,953	3,968	186,581	-	46
Financial liabilities	8,945,953	-	187,403	-	-
Non-current liabilities	8,813,525	-	187,403	-	-
Total liabilities	17,759,478	3,968	373,984	-	46
Net foreign currency liability position of derivative financial liabilities off statement of financial position	1,816,432	-	38,623	-	-
Net foreign currency (liability)/asset position	(1,383,617)	(3,370)	(26,327)	3	(33)
Monetary items net foreign (liability)/asset position					
Sureties and letters of guarantee taken	210,381	495	4,026	-	-
Sureties and letters of guarantee given	13,341,131	-	283,674	-	-
Import	155,617,552	-	3,308,914	-	-

As at 31 December 2024, goods-in-transit of the Group amount to EUR 235,296 equivalent to TL 8,643,876 (31 December 2023: EUR 217,844 equivalent to TL 7,096,038)

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NOTE 30 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

(d) Market risk

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

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

Under the assumption of 10% increase/decrease in share prices as at 31 December 2024, all other variables held constant, the Group's equity would have been increased/decreased by TL 76,148 (31 December 2023: TL 157,844).

31 Aralık 2024	Sensitivity Analysis	Fair value on the value profit/(loss) effect
Discount Rate	1% increases 1% decreases	780,744 2,933,267
Rent Increase Rate	1% increases 1% decreases	6,769,965 (3,957,373)
Capitalisation Rate	1% increases 1% decreases	(1,140,393) 1,532,061
Occupancy Rate	1% increases 1% decreases	(37,604) (102,528)

31 Aralık 2023	Duyarlılık analizi	Fair value on the value profit/(loss) effect
İskonto Oranı	1% increases 1% decreases	(843,150) 913,829
Rent Increase Rate	1% increases 1% decreases	927,832 (840,089)
Capitalisation Rate	1% increases 1% decreases	(1,084,361) 1,474,067
Occupancy Rate	1% increases 1% decreases	93,029 (138,676)

(e) Interest rate risk

If the interest rates of floating interest-bearing TL and EUR denominated borrowings were 100 basis points higher/lower with all other variables held constant, profit before tax for the year would have been lower/higher by TL 53,857 at 31 December 2024 due to higher/lower interest expense (31 December 2023: TL 224,199).

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NOTE 30 - FINANCIAL INSTRUMENTS (Continued)

(f) Fair value

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

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

Financial assets

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

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

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

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

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.

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NOTE 30 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

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

31 December 2024	Financial assets at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial liabilities at amortised cost	Net carrying amount	Note
<u>Financial assets</u>					
Cash and cash equivalents	9,413,570	-	-	9,413,570	5
Financial investments	-	3,311,213	-	3,311,213	6
Trade receivables from third parties	5,481,042	-	-	5,481,042	8
Other receivables from third parties	1,427,560	-	-	1,427,560	9
Trade receivables from related parties	10,372,372	-	-	10,372,372	29
Other receivables from related parties	66,290	-	-	66,290	29
<u>Financial liabilities</u>	-	-			
Trade payables to third parties	-	-	11,503,515	11,503,515	8
Other payables to third parties	-	-	4,859	4,859	-
Trade payables to related parties	-	-	2,831,124	2,831,124	29
Other payables to related parties	-	-	-	-	29
Borrowings	-	-	10,969,411	10,969,411	7
Lease liabilities	-	-	1,134,972	1,134,972	7

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NOTE 30 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

31 December 2023	Financial assets at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial liabilities at amortised cost	Net carrying amount	Note
<u>Financial assets</u>					
Cash and cash equivalents	11,035,747	-	-	11,035,747	5
Financial investments		6,683,429	-	9,837,819	6
Trade receivables from third parties	6,089,435	-	-	6,089,435	8
Other receivables from third parties	696,498	-	-	696,498	9
Trade receivables from related parties	12,505,597	-	-	12,505,597	29
Other receivables from related parties	75,715	-	-	75,715	29
<u>Financial liabilities</u>					
Trade payables to third parties	-	-	9,837,819	9,837,819	8
Other payables to third parties	-	-	6,184	6,184	-
Trade payables to related parties	-	-	2,464,569	2,464,569	29
Other payables to related parties	-	-	-	-	29
Borrowings	-	-	14,133,957	14,133,957	7
Lease liabilities	-	-	1,430,728	1,430,728	7

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NOTE 30 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and capital risk management (Continued)

Classification regarding fair value measurement

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

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

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

	2024			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Venture capital investment fund	-	-	6,000	6,000
Financial assets measured at fair value through other comprehensive income (Note 6)	-	3,305,213	-	3,305,213
Fair value adjustments recognized in other comprehensive income for properties (Note 12)	-	13,499,866	-	13,499,866
Total financial assets	-	16,805,079	6,000	16,811,079

	2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
FX protected time deposit	1,816,432	-	-	1,816,432
Financial assets measured at fair value through other comprehensive income (Note 6)	-	4,866,997	-	4,866,997
Fair value adjustments recognized in other comprehensive income for properties (Note 12)	-	12,309,154	-	12,309,154
Total financial assets	1,816,432	17,176,151	-	19,052,583

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NOTE 31 - RIGHT OF USE ASSET

As of 31 December 2024, the net book value of the right of use assets is TL 179,046 (31 December 2023: TL 91,434). As of 31 December 2024 and 2023, the balances of the right to use assets and the depreciation and amortization expenses during the period are as follows:

2024	Showroom and area leases	Motor vehicles	Total
Right of use asset - 1 January	44,668	46,766	91,434
Additions	235,333	17,562	252,895
Disposals	-	(262)	(262)
Depreciation expenses	(109,174)	(55,847)	(165,021)
Right of use asset - 31 December	170,827	8,219	179,046

2023	Showroom and area leases	Motor vehicles	Total
Right of use asset - 1 January	43,711	104,290	148,001
Additions	101,890	18,771	120,661
Disposals	-	(2,817)	(2,817)
Depreciation expenses	(100,933)	(73,478)	(174,411)
Right of use asset - 31 December	44,668	46,766	91,434

As of 31 December 2024, TL 165,021 depreciation expense arising from the usage rights is accounted under general administrative expenses (31 December 2023: TL 174,411).

NOTE 32 - SUBSEQUENT EVENTS

The 241,881,000 TL paid-in capital of Doğuş Bilgi İşlem ve Teknoloji Hizmetleri A.Ş. was raised to 272,523,192 TL by adding 30,642,192 TL and preserving the Group's ownership ratio.

The domestic minimum corporate income tax went into effect after being promulgated in the Official Gazette dated 02 August 2024. The regulation applies to corporate earnings in the 2025 taxation period. As the new regulation is effective as of 01 January 2025, it will not have any impact on current tax expense in financials dated 31 December 2024.

Providing vehicle inspection services since 2007, TÜVTÜRK will continue its operations until August 2027, following the tender held on 24 February 2025, at which point its operating license will expire.

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