Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Convenience translation into English of condensed consolidated financial statements for the interim period 1 January – 31 March 2024

(Originally issued in Turkish)

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Interim condensed consolidated financial statements for the interim period 1 January - 31 March 2024

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Condensed Consolidated statement of financial position as of 31 March 2024
(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

	Notes	31 March 2024	31 December 2023
ASSETS:			
Current assets:			
Cash and cash equivalents	**3**	28,223,602	28,553,582
Financial investments		40,048	46,932
Trade receivables		23,318,049	21,192,071
Trade receivables from related parties	**20**	*12,376,676*	*11,227,409*
Trade receivables from third parties	**5**	*10,941,373*	*9,964,662*
Receivables from finance sector operations	**7**	9,108,355	8,171,888
Other receivables		7,156	13,292
Inventories	**8**	10,681,064	11,175,025
Prepaid expenses	**12**	409,803	225,458
Other current assets		445,910	239,766
Total Current Assets		**72,233,987**	**69,618,014**
Non-Current Assets:			
Receivables from finance sector operations	**7**	4,258,250	2,925,454
Other receivables		974	1,062
Investment properties		171,077	171,077
Property, plant and equipment	**9**	9,636,114	10,144,007
Right-of-Use Assets		34,992	34,351
Intangible assets	**10**	4,182,856	4,904,180
Prepaid expenses	**12**	1,099,295	729,097
Deferred tax asset	**18**	2,957,749	1,990,197
Total Non-Current Assets		**22,341,307**	**20,899,425**
Total Assets		**94,575,294**	**90,517,439**

The consolidated financial statements for the interim accounting period between 1 January - 31 March 2024 were approved at the Board of Directors meeting dated 21 May 2024.

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Condensed Consolidated statement of financial position as of 31 March 2024

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

	Notes	31 March 2024	31 December 2023
Current liabilities:			
Short-term borrowings	**4**	600,000	805,445
Short-term portion of long-term borrowings	**4**	8,166,957	6,947,838
Trade payables		24,891,632	27,110,000
Trade payables to related parties	**20**	*12,311,204*	*13,862,441*
Trade payables to third parties	**5**	*12,580,428*	*13,247,559*
Payables related to employee benefits		986,595	1,219,183
Other payables	**6**	10,050,303	66,264
Liabilities arising from customer contracts		175,604	187,844
Deferred income		436,969	338,513
Government incentives and grants		7,979	15,950
Current income tax liability		2,372,975	1,397,338
Short-term provisions	**11**	2,212,225	2,299,807
Other current liabilities		298,109	535,483
Total current liabilities		**50,199,348**	**40,923,665**
Non-current liabilitier:			
Long-term borrowings	**4**	7,510,097	5,859,651
Long-term provisions		1,125,328	1,299,138
Long-term provisions for employee benefits		*1,125,328*	*1,299,138*
Total non-current liabilities		**8,635,425**	**7,158,789**
Total liabilities		**58,834,773**	**48,082,454**
Equity:			
Share capital	**13**	500,000	500,000
Capital adjustment differences	**13**	15,415,171	15,415,171
Accumulated other comprehensive income or expenses not to be reclassified to profit or loss		76,721	(180,454)
Loss on remeasurement of defined benefit plans		*76,721*	*(180,454)*
Accumulated other comprehensive income or expenses to be reclassified to profit or loss		(2,194,120)	(2,807,717)
Cash flow hedge losses		*(2,194,120)*	*(2,807,717)*
Restricted reserves appropriated from profit	**13**	4,043,699	3,046,199
Prior years' profit		15,093,034	9,106,235
Net profit for the period		2,806,016	17,355,551
Total equity		**35,740,521**	**42,434,985**
Total liabilities and equity		**94,575,294**	**90,517,439**

Condensed Consolidated statements of profit or loss for the interim accounting periods ended 31 March 2024 and 2023

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

	Notes	1 January - 31 March 2024	1 January - 31 March 2023
Revenue	14	33,659,456	32,348,222
Cost of sales (-)	14	(28,522,674)	(27,437,076)
Gross profit from operations		**5,136,782**	**4,911,146**
Revenue from finance sector operations		1,611,496	684,334
Expenses from finance sector operations (-)		(1,344,537)	(477,423)
Gross profit from finance sector operations		**266,959**	**206,911**
Gross profit		**5,403,741**	**5,118,057**
Marketing expenses (-)	15	(1,102,689)	(933,510)
General administrative expenses (-)	15	(856,326)	(572,077)
Research and development expenses (-)	15	(419,586)	(298,673)
Other income from operating activities	16	1,833,977	2,788,705
Other expenses from operating activities (-)	16	(1,616,822)	(2,920,365)
Operating profit		**3,242,295**	**3,182,137**
Income from investing activities		738	650
Expenses from investing activities (-)		(7,108)	(74)
Operating profit before financial expense		**3,235,925**	**3,182,713**
Finance income	17	2,585,522	2,440,827
Finance expenses(-)	17	(895,694)	(1,439,835)
Inflation effect		(1,972,929)	(641,872)
Profit before tax from continuing operations		**2,952,824**	**3,541,833**
Tax income for the period		**(146,808)**	**(802,769)**
Tax expense for the period	18	(1,280,867)	(1,352,000)
Deferred tax income	18	1,134,059	549,231
Net profit for the period		**2,806,016**	**2,739,064**
Distribution of net profit for the period:			
Equity holders of the parent		2,806,016	2,739,064
Earnings per share (Kr)	19	5.61	5.48

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

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Condensed Consolidated statements of other comprehensive income for the interim periods ended 31 March 2024 and 2023

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 31 March 2024, unless otherwise stated.)

	1 January - 31 March 2024	1 January - 31 March 2023
Net profit for the period	**2,806,016**	**2,739,064**
Other comprehensive income:		
Items not to be reclassified to profit or loss		
Remeasurement losses of defined benefit plans	*342,900*	*(239,683)*
Remeasurement losses of defined benefit plans, tax effect	*(85,725)*	*47,937*
Items to be reclassified to profit or loss		
Other comprehensive income/(expense) related to cash flow hedges	*323,127*	*83,970*
Other comprehensive income/(expense) related to cash flow hedges, tax effect	*(80,782)*	*(16,794)*
Other comprehensive (expense)/income (after tax)	**499,520**	**(124,570)**
Total comprehensive income	**3,305,536**	**2,614,494**
Distribution of total comprehensive income:		
Equity holders of the parent	3,305,536	2,614,494
Non-controlling interests	-	-

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

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Condensed Consolidated statements of changes in equity for the interım periods ended 31 March 2024 and 2023
(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

			Accumulated other comprehensive income and expenses not to be reclassified to profit or loss	Accumulated other comprehensive income and expenses to be reclassified to profit or loss		Retained earnings		
	Paid-in Capital	**Capital Adjustment Differences**	**Remeasurement losses of defined benefit plans**	**Cash Flow Hedge Losses**	**Restricted reserves appropriated from profit**	**Prior years' profit**	**Net profit for the period**	**Total equity**
Balance as of 1 January 2023	**500,000**	**15,415,171**	**(1,064,432)**	**(3,789,778)**	**2,533,619**	**5,362,266**	**10,786,396**	**29,743,242**
Transfers		-	-	275,791	512,580	9,998,025	(10,786,396)	**-**
Total comprehensive income	-	-	(191,746)	67,176	-	-	2,739,064	**2,614,494**
Dividends	-	-	-	-	-	(5,170,591)	-	**(5,170,591)**
Balance as of 31 March 2023	**500,000**	**15,415,171**	**(1,256,178)**	**(3,446,811)**	**3,046,199**	**10,189,700**	**2,739,064**	**27,187,145**
Balance as of 1 January 2024	**500,000**	**15,415,171**	**(180,454)**	**(2,807,717)**	**3,046,199**	**9,106,235**	**17,355,551**	**42,434,985**
Transfers		-	-	371,252	997,500	15,986,799	(17,355,551)	**-**
Total comprehensive income	-	-	257,175	242,345	-	-	2,806,016	**3,305,536**
Dividends	-	-	-	-	-	(10,000,000)	-	**(10,000,000)**
Balance as of 31 March 2024	**500,000**	**15,415,171**	**76,721**	**(2,194,120)**	**4,043,699**	**15,093,034**	**2,806,016**	**35,740,521**

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

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Condensed Consolidated statements of changes in equity for the interım periods ended 31 March 2024 and 2023

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

	Notes	Current Period 31 March 2024	Prior Period 31 March 2023
A. Cash flows from operating activities		**(2,785,989)**	**9,882,188**
Profit for the period		2,806,016	2,739,064
Adjustments to reconcile net profit for the period		**3,664,522**	**4,365,563**
- Adjustments related to depreciation and amortization expenses	9,10	1,465,345	1,114,751
- Adjustments related to impairment of receivables	5.7	44,606	8,275
- Adjustments related to interest income	16	(1,592,336)	(943,807)
- Adjustments related to inventory impairment, net	8	75,693	(87,976)
- Adjustments related to gains arising from the disposal of property, plant and equipment		(15,600)	(22,119)
- Adjustments related to employment termination benefits		391,751	341,711
- Adjustments related to guarantee provisions	11	418,732	362,006
- Adjustments related to other provisions		(48,545)	356,633
- Adjustments related to interest expenses	17	17,780	27,936
- Adjustments related to tax expense / (income)	18	146,808	802,769
- Deferred finance income from forward purchases and sales, net	16	(615,886)	(273,508)
- Adjustments related to unrealised foreign currency translation differences		465,466	474,043
- Adjustments related to monetary (gain)/loss		2,910,708	2,204,849
Changes in working capital		**(8,717,185)**	**3,244,420**
- Adjustments related to decrease / (increase) in inventories		(969,024)	(757,977)
- Decrease / (increase) in trade receivables from third parties		(1,177,764)	1,300,761
- Decrease / (increase) in trade receivables from related parties		(2,619,110)	4,891,173
- Decrease / (increase) in other receivables from operating activities		4,345	(14,147)
- Increase / (decrease) in trade payables to third parties		1,067,181	(2,396,521)
- Increase / (decrease) in trade payables to related parties		(224,015)	(743,564)
- Adjustments related to increase in liabilities arising from customer contracts		(12,240)	(13,664)
- Decrease / (increase) in receivables from finance sector operations		(3,766,688)	(1,103,167)
- (Increase)/decrease in prepaid expenses		(554,543)	(72,450)
- Increase / (decrease) in deferred income		98,456	(15,675)
- (Decrease) in government incentives and aid		(7,971)	(3,087)
- Decrease / (increase) in other operating assets		(238,174)	(147,178)
- Increase in other operating liabilities		(317,638)	2,319,916
Cash flows generated from operations		**(2,246,647)**	**10,349,047**
- Tax payments		(305,230)	(172,347)
- Employment termination benefits paid		(52,583)	(219,199)
- Other cash outflows		(181,529)	(75,313)
B. Cash flows generated from investing activities		**(213,644)**	**(176,128)**
- Cash outflows from purchase of property, plant and equipment	9, 10	(496,339)	(233,540)
- Cash inflows from sale of property, plant and equipment		275,811	57,412
- Decrease / (increase) in financial investments		6,884	-
C. Cash flows from financing activities		**6,115,311**	**(3,416,435)**
- Cash inflows from borrowing	4	5,398,221	1,777,434
- Cash outflows related to debt payments	4	(924,650)	(885,485)
- Cash outflows related to debt payments arising from lease agreements	4	(11,985)	(2,508)
- Dividends paid		-	(5,170,591)
- Interest paid		(16,856)	(27,908)
- Other cash inflows / outflows (Blocked deposit change)		(116,747)	(128,401)
- Interest received		1,787,328	1,021,024
D. Monetary loss/gain impact on cash and cash equivalents		**(3,738,109)**	**(2,535,848)**
E. Effect of foreign currency translation differences on cash and cash equivalents		**370,696**	**(264,950)**
Net Increase/Decrease in Cash and Cash Equivalents		**(251,735)**	**3,488,827**
F. Cash and Cash Equivalents at the Beginning of the Period		**27,846,152**	**22,507,632**
Cash and Cash Equivalents at the End of the Period	4	**27,594,417**	**25,996,459**

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

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 1 - ORGANISATION AND OPERATIONS OF THE COMPANY

Tofaş Türk Otomobil Fabrikası A.Ş. (the "Company" or "Tofaş") was established in 1968 as a Turkish-Italian cooperation venture. The core business of the Company is manufacturing. exporting and selling passenger cars and light commercial vehicles. Tofaş, which is a joint venture of Koç Holding A.Ş. ("Koç Holding") and FCA Italy S.p.A (Stellantis), also produces various automotive spare parts used in its automobiles. The Company's head office is located at Büyükdere Cad. No: 145 Zincirlikuyu Şişli, İstanbul. The manufacturing facilities are located at Bursa. Tofaş is registered with the Capital Markets Board ("CMB") and listed on the Istanbul Stock Exchange ("ISE") in 1991 and its shares are currently traded on the Borsa Istanbul A.Ş. ("BIST").

Fiat Chrysler Automobiles signed a merger agreement with the PSA Group at the end of 2019, in which both companies will have a 50% share. Stellantis N.V. was established by merger in January 2021. A Framework Agreement has been signed on the main principles regarding the commercial activities between the Stellantis Group and the Company, the acquisition of the shares of Stellantis Otomotiv Pazarlama A.Ş., and the cooperation and partnership relations between the Company, the Stellantis Group and the Koç Group.

The Company conducts a significant portion of its business activities with Koç Holding and Stellantis Group Companies (Note 20).

The Company's subsidiaries as of 31 March 2024 and 2023 which are subject to consolidation are as follows:

		Rate of ownership of the Company (%)	
Company	**Field of activity**	**2024**	**2023**
Koç Fiat Kredi Finansman A.Ş. ("KFK")	Consumer financing	100	100
Fer Mas Oto Ticaret A.Ş.	Trading of automobile and spare parts	100	100
Koç Fiat Sigorta Aracılık Hizmetleri A.Ş.	Insurance services	100	100

For the purpose of interim consolidated financial statements, Tofaş and its consolidated subsidiaries are referred to as the "Group".

The number of personnel employed during the period by categories of the Group is as follows:

	Average		End of Period	
	31 March 2024	**31 December 2023**	**31 March 2024**	**31 December 2023**
Hourly-rated	4,312	4,215	4,268	4,381
Monthly-rated	1,637	1,541	1,631	1,644
Total	**5,949**	**5,756**	**5,899**	**6,025**

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Financial reporting standards applied

The accompanying consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which was published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Financial Reporting Standards ("TFRS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué. In addition, it is also presented in accordance with the TAS taxonomy published by POA on 4 October 2022.

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

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

2.1 Basis of Presentation (cont'd)

2.1.1 Financial reporting standards applied (cont'd)

The Company and Subsidiaries in Turkey maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. These consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the TFRS.

2.1.2 Financial reporting in high inflation economies

With the announcement made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023, entities that apply TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies for the financial statements for the annual reporting period ending on or after 31 December 2023. In accordance with the 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 are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on 31 December 2023.

TAS 29 is applied to the financial statements, including the consolidated financial statements, of entities whose functional currency is the currency of a hyperinflationary economy. In accordance with the standard, financial statements prepared in the currency of a hyperinflationary economy are stated in terms of the purchasing power of that currency at the balance sheet date. In the prior period financial statements, comparative information is expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Group has presented the consolidated financial statements as of 31 March 2023 and 31 December 2023 on the basis of purchasing power as of 31 March 2024.

The restatement in accordance with TAS 29 has been made by using the adjustment factor derived from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute ("TURKSTAT"). As of 31 March 2024, the indices and adjustment factors used in the restatement of the consolidated financial statements are as follows:

Date	Index	Adjustment Coefficient	Three-year cumulative inflation rates
31.03.2024	2,139.47	1.00000	211%
31.12.2023	1,859.38	1.15063	268%
31.03.2023	1,269.75	1.68495	152%

2.1.3 Comparative information

The financial statements of the Group include comparative financial information to enable the determination of the financial position and performance trends. In order to comply with the presentation of the current period financial statements, comparative information is reclassed, and significant changes are disclosed if necessary.

2.1.4 Functional and reporting currency

The Group's functional and reporting currency is Turkish Lira ("TRY"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Assets and liabilities in foreign currencies are translated at the exchange rate prevailing at the balance sheet date. Foreign exchange gains and losses from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.1 Basis of Presentation (cont’d)

2.1.5 Basis of consolidation

Subsidiaries are entities on which the Group has control. The Group controls an entity when the group 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. Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that control ceases. All gains and losses, inter-group transactions. balances and unrealized gains on transactions between Group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group’s accounting policies.

2.1.6 Significant accounting judgments. estimates and assumptions

In the preparation of the consolidated financial statements, the Group management must make assumptions and estimates that will affect the assets and liabilities reported as of the balance sheet date and determine the liabilities and commitments likely to occur as of the balance sheet date and the income and expense amounts as of the reporting period. Actual results may differ from the assumptions. Estimates are regularly reviewed, necessary adjustments are made and reflected in the profit or loss statement of the period they occur.

Comments that may have significant impact on the amounts reflected in the consolidated financial statements and the significant assumptions and evaluations made by taking into consideration the main sources of the estimates that occurred or may occur in the balance sheet date are as follows:

a) The Company determines warranty provision by considering the past warranty expenses and remaining warranty period per vehicle. In calculation of the warranty provision; vehicle quantity. warranty period and the historical warranty claims incurred are considered. As of 31 March 2024 the amount of guarantee expense is TL 418,732 (31 March 2023: TL 362,006) (Note 11).

b) The Group's subsidiary KFK management, as a result of the evaluations made on the loans given, allocates a certain provision for the losses that may arise from the receivables whose collection is deemed doubtful. Impairment and uncollectibility risk are calculated separately for each individually significant loan. In the condensed consolidated financial statements as of 31 March 2023, there is a general loan loss provision amounting to TL 103,631 for receivables from finance sector operations (31 December 2023: 75,785) (Note 7).

c) The cost of defined benefit plans is determined using actuarial valuations which involve making assumptions about discount rates. future salary increases and employee turnover. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

d) When allocating provisions for lawsuits, the probability of losing the lawsuits and the liabilities that will arise in case of loss are evaluated by the Group management by taking the opinions of the Group Legal Counsel and experts. The Group management determines the amount of provision for litigation based on the best estimates.

e) 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.

f) Group management has made assumptions based on the experience of the technical staff in determining the useful life of property, plant and equipment and intangible assets.

g) Deferred tax assets and liabilities are recognized for temporary differences between the carrying amounts of assets and liabilities in the financial statements using substantially enacted tax rates. Based on the available evidence, it has been assessed that it is probable that some or all of the deferred tax assets may or may not be realized in cash. The main factors considered include the potential for future income, accumulated losses from prior years, tax planning strategies to be implemented if necessary, and the nature of the income that can be used to convert the deferred tax asset into cash.

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

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

2.1 Basis of Presentation (cont'd)

2.1.6 Significant accounting judgments. estimates and assumptions (cont'd)

h) The Group capitalizes ongoing development expenditures and assesses annually whether there is any impairment on these capitalized assets. As at 31 March 2024 and 31 December 2023, no impairment has been identified for capitalized development expenditures.

2.2 New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2024

Amendments to TAS 1	*Classification of Liabilities as Current or Non-Current*
Amendments to TFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to TAS 1	*Non-current Liabilities with Covenants*
Amendments to TAS 7 and TFRS 7	*Supplier Finance Arrangements*
TSRS 1	*General Requirements for Disclosure of Sustainability-related Financial Information*
TSRS 2	*Climate-related Disclosures*

Amendments to TAS 1 *Classification of Liabilities as Current or Non-Current*

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2024 and earlier application is permitted.

Amendments to TFRS 16 *Lease Liability in a Sale and Leaseback*

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

Amendments to TAS 1 *Non-current Liabilities with Covenants*

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

Amendments to TAS 7 and TFRS 7 *Supplier Finance Arrangements*

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. Amendments are effective from annual reporting periods beginning on or after 1 January 2024.

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

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

2.2 New and Amended Turkish Financial Reporting Standards (cont'd)

a) Amendments that are mandatorily effective from 2024 (cont'd)

TSRS 1 ***General Requirements for Disclosure of Sustainability-related Financial Information***

TSRS 1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

TSRS 2 ***Climate-related Disclosures***

TSRS 2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after 1 January 2024 for the entities that meet the criteria specified in POA's announcement dated 5 January 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

b) New and revised TFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17	*Insurance Contracts*
Amendments to TFRS 17	*Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)*

TFRS 17 ***Insurance Contracts***

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 *Insurance Contracts* on 1 January 2025.

Amendments to TFRS 17 ***Insurance Contracts*** **and** ***Initial Application of TFRS 17 and TFRS 9 — Comparative Information***

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before.

Amendments are effective with the first application of TFRS 17.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

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

2.3 Summary of significant accounting policies

Interim condensed consolidated financial statements for the period ending 31 March 2024 have been prepared in accordance with TAS 34 standard for the preparation of interim financial statements of TMS/TFRS.

The accounting policies used in the preparation of these condensed interim consolidated financial statements as of and for the period ended 31 March 2024 are consistent with those used in the preparation of annual consolidated financial statements as of and for the year ended 31 December 2023. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements as of and for the year ended 31 December 2023.

2.4 Changes in significant accounting policies

The accounting policy changes arising from the first-time adoption of a new standard are applied retrospectively or prospectively in accordance with the transitional provisions, if any. Changes with no transition provisions, significant voluntary changes in accounting policy or accounting errors detected are applied retrospectively and prior period financial statements are restated. If changes in accounting estimates are related to only one period, they are recognized in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 3 - CASH AND CASH EQUIVALENTS

	31 March 2024	31 December 2023
Cash at banks		
-Demand deposits	27,108,404	27,565,930
-Time deposits	487,209	476,411
-Demand blocked deposit	627,976	511,228
-Time blocked deposit	13	13
	28,223,602	**28,553,582**

The breakdown of time deposits as of 31 March 2024 and 31 December 2023 is as follows:

	31 March 2024		31 December 2023	
	Amount	Annual interest rate (%)	Amount	Annual interest rate (%)
EUR	6,569,851	0.50% - 2%	12,130,402	0.7% - 4.5%
TL	20,538,553	43% - 52%	15,435,528	35% - 47.5%
	27,108,404		**27,565,930**	

As of 31 March 2024, the maturities of time deposits vary between 3 and 42 days (31 December 2023: between 4 and 37 days).

As at 31 March 2024, time and demand deposits amounting to TL 6,464,604 (31 December 2023: TL 2,053,851) are held at the bank which is a related party (Note 20).

As of 31 March 2024 and 2023, the reserves of cash and cash equivalent in cash flow statement:

	31 March 2024	31 March 2023
Cash on hand and banks	28,223,602	26,327,651
Less: interest accruals	(1,197)	(38,668)
Less: blocked deposits	(627,988)	(292,524)
	27,594,417	**25,996,459**

As of 31 March 2024, there are blocked deposits amounting to TL 627,988 (31 December 2023: 511,228 TL). TL 627,975 of this amount consists of the reserve requirement of the Central Bank of the Republic of Turkey (31 December 2023: TL 511,241).

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 31 March 2024, unless otherwise stated.)

NOTE 4 - FINANCIAL LIABILITIES

a) Short-term financial liabilities

	31 March 2024			31 December 2023		
	Foreign currency amount (thousand)	TL equivalent	Annual interest rate (%)	Foreign currency amount (thousand)	TL equivalent	Annual interest rate (%)
TL loans (*)	-	600.000	51.45-57.75	-	805.445	49.88-55.49
		600.000			**805.445**	

b) Short-term portion of long-term financial liabilities

	31 March 2024			31 December 2023		
	Foreign currency amount (thousand)	TL equivalent	Annual interest rate (%)	Foreign currency amount (thousand)	TL equivalent	Annual interest rate (%)
TL loans (*)	-	5,620,642	21,16-67,20	-	4,185,368	18.32-59.85
EUR loans	57,452	1,999,469	2.00	57,163	2,142,523	2.00
Bonds issued (1,2,3)	-	531,749	39,00-52,85	-	604,688	30,00-52,85
Short-term portions of long-term lease liabilities	-	15,097		-	15,259	-
		8,166,957			**6,947,838**	

c) Long-term financial liabilities

	31 March 2024			31 December 2023		
	Foreign currency amount (thousand)	TL equivalent	Annual interest rate (%)	Foreign currency amount (thousand)	TL equivalent	Annual interest rate (%)
TL loans (*)	-	6,383,472	21.16-67.20	-	4,035,034	16.64-34.50
Bonds issued (1,2,3)	-	1,113,879	39,00-52,85	-	1,803,827	30,00-52,85
Long-term lease liabilities	-	12,746			20,790	
		7,510,097		**-**	**5,859,651**	

(*) The whole short-term and long-term bank borrowings amounting to TL 12,604,114 (31 December 2023: TL 9,025,847) which are denominated in TL comprise bank borrowings obtained by KFK, consolidated subsidiary, to finance consumer financing loans as of 31 December 2023.

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 4 - FINANCIAL LIABILITIES (cont'd)

(1) Based on the decision taken at the Board of Directors meeting dated 24 February 2023, the Company issued bonds with a nominal payment of TL 500,000 with a nominal interest rate of 39.00% and a maturity of 18 months on 3 August 2023 after obtaining the necessary permissions in accordance with the provisions of the Capital Markets Law. The bonds were sold to qualified investors by the intermediary institution Yapı Kredi Yatırım Menkul Değerler A.Ş.

(2) Based on the decision taken at the Board of Directors meeting dated 24 February 2023, the Company issued bonds with a maturity of 24 months and a nominal interest rate of 52.85% and a nominal payment of TL 290,000 on 7 September 2023 after obtaining the necessary permissions in accordance with the provisions of the Capital Markets Law. The bonds were sold to qualified investors by the intermediary institution Ak Yatırım Menkul Değerler A.Ş.

(3) Based on the decision taken at the Board of Directors meeting dated 19 September 2023, the Company issued bonds with a nominal payment of TL 650,000 with a nominal interest rate of 48.50% and a maturity of 24 months on 7 December 2023 after obtaining the necessary permissions in accordance with the provisions of the Capital Markets Law. The bonds were sold to qualified investors by the intermediary institution Ak Yatırım Menkul Değerler A.Ş.

As at 31 March 2024, the interest rate on TL loans is fixed and the interest rate on EUR loans is variable.

As of 31 March 2024, TL 1,154,966 (31 December 2023: TL : 983,532) of short-term and long-term financial liabilities are obtained through banks which are related parties of the Group (Note 20).

The redemption schedule of the long-term bank borrowings and bonds as of 31 March 2024 and 31 December 2023 is as follows:

	31 March 2024	31 December 2023
Between 1-2 years	7,497,351	5,084,737
Between 2-3 years	-	754,124
	7,497,351	**5,838,861**

The movement of financial liabilities as of 31 March 2024 and 31 December 2023 is as follows:

	2024	2023
1 January	13,612,934	13,195,260
Effect of cash flows, net	4,473,571	891,949
Unrealized foreign exchange differences	142,339	113,915
Cash flows on payments arising from TFRS 16 lease agreements	(11,985)	(2,508)
Change in accrual of interest	924	28
Inflation Effect	(1,940,729)	(823,939)
	16,277,054	**13,374,705**

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 5 - TRADE RECEIVABLES AND PAYABLES

a) Trade receivables from third parties

	31 March 2024	31 December 2023
Buyers	11,339,735	10,243,835
Doubtful trade receivables	14,551	16,746
Less: provision for doubtful receivables	(12,841)	(14,779)
Less: unearned finance income from forward sales	(400,072)	(281,140)
	10,941,373	**9,964,662**

The movement of provision for doubtful receivables is as follows:

	31 March 2024	31 March 2023
1 January	14,779	24,482
Change during the period, net	(3)	71
Inflation Effect	(1,935)	(2,679)
	12,841	**21,874**

Collaterals received related with trade receivables

As of 31 March 2024, the Group has letters of guarantee amounting to TL 1,736,518, guarantee cheques amounting to TL 2,224, mortgages amounting to TL 5,238, direct borrowing system limit (payment guarantee limit granted by the bank to its customer according to the transaction volume) amounting to TL 11,136,753. (31 December 2023: Letter of guarantee amounting to TL 2,301,859, mortgage amounting to TL 6,131, direct borrowing system limit amounting to TL 10,688,105).

b) Trade payables to third parties

	31 March 2024	31 December 2023
Trade payables	13,089,010	13,401,793
Less: unrealised finance expense on credit purchases	(508,582)	(154,234)
	12,580,428	**13,247,559**

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 6 – OTHER PAYABLES

	31 March 2024	31 December 2023
Dividend payables to shareholders	10,000,000	-
Taxes and payables	1,212	66,010
Other	49,091	254
	10,050,303	**66,264**

NOTE 7 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS

	31 March 2024	31 December 2023
Short-term consumer finance loans	9,160,489	8,216,470
Doubtful loans	74,794	71,733
	9,235,283	**8,288,203**
Special provisions	(57,151)	(60,980)
General provisions	(69,777)	(55,335)
	9,108,355	**8,171,888**
Long-term consumer finance loans	4,292,104	2,945,904
General provisions	(33,854)	(20,450)
	4,258,250	**2,925,454**

As of 31 March 2024, interest rates on loans to consumers are fixed and range between 0.01% - 7.37% (31 December 2023: 0.01% - 6.74%) per month for TL loans.

The maturities of long-term consumer financing loans are as follows:

	31 March 2024	31 December 2023
Between 1-2 years	3,528,500	2,652,447
Between 2-3 years	729,723	272,600
Between 3-4 years	27	407
	4,258,250	**2,925,454**

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 7 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (cont'd)

Movements in the allowance for loan impairment are as follows:

	31 March 2024	31 March 2023
1 January	136,766	167,233
Provision allocated during the period	44,609	8,204
Collected during the year (-)	(1,193)	(1,463)
Inflation Effect	(19,400)	(14,281)
Total	**160,782**	**159,693**

The Group has obtained pledge rights as a guarantee for its consumer financing loans. up to total amount of receivables. depending on the agreement between the Group and the consumers. As of 31 March 2024, the fair value of guarantees obtained for the consumer loans amounting to TL 19,158,699 (31 December 2023: TL 15,182,842). Furthermore, the Group obtains mortgage guarantees where necessary. The Group has mortgage guarantee on vehicles for all consumer financing loans that Group booked special provision amounting to TL 20,322 (31 December 2023: TL 12,664) as of 31 March 2024.

NOTE 8 – INVENTORIES

	31 March 2024	31 December 2023
Raw materials	1,024,798	2,164,875
Work-in-progress	1,828,611	3,234,502
Goods	2,705,477	1,434,382
Imported vehicles	1,769,521	1,347,978
Spare parts	765,974	775,134
Goods in transit	2,813,603	2,369,381
Provision for inventory impairment (-)	(226,920)	(151,227)
	10,681,064	**11,175,025**

Movements in the provision for impairment on inventory are as follows:

	31 March 2024	31 March 2023
1 January	151,227	281,761
Movements during the period, net	75,693	(87,976)
	226,920	**193,785**

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 9 - PROPERTY. PLANT AND EQUIPMENT

The movement of property, plant and equipment and the accumulated depreciation for three months period ended 31 March 2024 is as follows:

	Land, land improvements and buildings	Machinery and equipments	Furniture and fixtures	Vehicles	Leasehold improvements	Construction in progress	Total
As of 1 January							
Cost	7,300,862	65,016,302	7,467,353	1,281,477	193,551	649,378	81,908,923
Accumulated depreciation	(4,901,796)	(59,728,176)	(6,488,116)	(510,819)	(136,009)	-	(71,764,916)
Net book value	**2,399,066**	**5,288,126**	**979,237**	**770,658**	**57,542**	**649,378**	**10,144,007**
1 January 2024, net book value							
Additions	-	925	526	-	-	384,086	385,537
Disposal cost	(1,092)	(303,963)	(78,385)	(93,133)	-	-	(476,573)
Depreciation of disposals	930	174,828	28,499	12,105	-	-	216,362
Transfers	7,703	42,589	28,725	274,083	-	(353,100)	-
Depreciation expense	(31,893)	(449,220)	(79,262)	(71,085)	(1,759)	-	(633,219)
31 March 2024, net book value	**2,374,714**	**4,753,285**	**879,340**	**892,628**	**55,783**	**680,364**	**9,636,114**
As of 1 January							
Cost	7,307,473	64,755,853	7,418,219	1,462,427	193,551	680,364	81,817,887
Accumulated depreciation	(4,932,759)	(60,002,568)	(6,538,879)	(569,799)	(137,768)	-	(72,181,773)
31 March 2024, net book value	**2,374,714**	**4,753,285**	**879,340**	**892,628**	**55,783**	**680,364**	**9,636,114**

As of 31 March 2024, there are no pledges or collaterals on property, plant and equipment (31 March 2023: None).

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 9 - PROPERTY. PLANT AND EQUIPMENT (cont'd)

The movement of property, plant and equipment and the accumulated depreciation for three months period ended 31 March 2023 is as follows:

	Land, land improvements and buildings	Machinery and equipments	Furniture and fixtures	Vehicles	Leasehold improvements	Construction in progress	Total
As of 1 January							
Cost	7,217,318	65,538,380	7,309,979	807,280	191,588	70,896	81,135,441
Accumulated depreciation	(4,766,926)	(58,854,640)	(6,337,698)	(423,045)	(128,792)	-	(70,511,101)
Net book value	**2,450,392**	**6,683,740**	**972,281**	**384,235**	**62,796**	**70,896**	**10,624,340**
1 January 2023, net book value							
Additions	13,349	13	766	6,574	197	141,212	162,111
Disposal cost	-	(2,194)	(1,048)	(54,324)	-	-	(57,566)
Depreciation of disposals	-	2,194	958	19,121	-	-	22,273
Transfers	6,578	32,221	21,050	24,664	382	(84,895)	-
Depreciation expense	(41,411)	(399,084)	(77,073)	(31,927)	(1,752)	-	(551,247)
31 March 2023, net book value	**2,428,908**	**6,316,890**	**916,934**	**348,343**	**61,623**	**127,213**	**10,199,911**
As of 31 March							
Cost	7,237,245	65,568,420	7,330,747	784,194	192,167	127,213	81,239,986
Accumulated depreciation	(4,808,337)	(59,251,530)	(6,413,813)	(435,851)	(130,544)	-	(71,040,075)
31 March 2023, net book value	**2,428,908**	**6,316,890**	**916,934**	**348,343**	**61,623**	**127,213**	**10,199,911**

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 10 – INTANGIBLE ASSETS

The movement table of intangible assets for the interim periods ending as of 31 March 2024 and 2023 is as follows:

	Licenses and development costs	**Other**	**Total**
As of 1 January			
Cost	42,337,594	4,442,065	46,779,659
Accumulated amortization	(37,709,346)	(4,166,133)	(41,875,479)
Net book value	**4,628,248**	**275,932**	**4,904,180**
1 January 2024, net book value			
Additions	101,284	9,518	110,802
Amortization expense	(811,378)	(20,748)	(832,126)
31 March 2024, net book value	**3,918,154**	**264,702**	**4,182,856**
As of 31 March			
Cost	42,438,878	4,451,583	46,890,461
Accumulated amortization	(38,520,724)	(4,186,881)	(42,707,605)
31 March 2024, net book value	**3,918,154**	**264,702**	**4,182,856**

	Licenses and development costs	**Other**	**Total**
As of 1 January			
Cost	41,657,363	4,338,479	45,995,842
Accumulated amortization	(35,460,631)	(4,096,195)	(39,556,826)
Net book value	**6,196,732**	**242,284**	**6,439,016**
1 January 2023, net book value			
Additions	69,975	1,454	71,429
Amortization expense	(546,882)	(16,622)	(563,504)
31 March 2023, net book value	**5,719,825**	**227,116**	**5,946,941**
As of 31 March			
Additions	41,727,336	4,339,934	46,067,270
Accumulated amortization	(36,007,511)	(4,112,818)	(40,120,329)
31 March 2023, net book value	**5,719,825**	**227,116**	**5,946,941**

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 11 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short-term debt provisions:

	31 March 2024	31 December 2023
Provision for warranty claims	1,967,334	2,003,060
Provision for legal cases	21,977	25,288
Other	222,914	271,459
	2,212,225	**2,299,807**

Movement table of the warranty provision is as follows:

	31 March 2024	31 March 2023
1 January	2,003,060	1,273,199
Paid during the period	(181,529)	(75,313)
Increase during the year (Note:15)	418,732	(362,006)
Inflation Effect	(272,929)	(200,303)
	1,967,334	**1,359,589**

Movement table of the provision for litigation is as follows:

	31 March 2024	31 March 2023
1 January	25,288	37,352
Inflation Effect	(3,311)	(4,157)
	21,977	**33,195**

Litigations against the Group

As of 31 March 2024, the total amount of outstanding legal claims brought against the Group is TL 30,026 (31 December 2023: TL 34,549). The Group has reflected a reserve amounting to TL 21,977 (31 December 2023: TL 25,288) in the financial statements.

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 11 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

Guarantees, pledges, mortgages and sureties:

As at 31 March 2024 and 31 December 2023, guarantees, pledges, mortgages and sureties ("GPMs") given by the Group are as follows in original currencies:

	31 March 2024			31 December 2023		
	TL Equivalent	EUR	TL	TL Equivalent	EUR	TL
A. Total Amount of CPM Given for Its Own Legal Entity	868.058	2.000	798.454	1.110.919	2.000	900.334
B. Total Amount of CPM Given on Behalf of the Fully Consolidated Entities	-	-	-	-	-	-
C. Total Amount of CPM Given on Behalf of Third Parties Debts for Continuation of	-	-	-	-	-	-
Their Economic Activities	-	-	-	-	-	-
D. Total Other CPM Given	-	-	-	-	-	-
i. Total CPM Given on Behalf of	-	-	-	-	-	-
the Parent Company	-	-	-	-	-	-
B ve C maddeleri kapsamına	-	-	-	-	-	-
ii. Total CPM Given on Behalf of Other Group Companies which are not included in the Scope of Items B and C	-	-	-	-	-	-
iii. Total CPM Given on Behalf of Third Parties	-	-	-	-	-	-
which are not included in the Scope of Items C	-	-	-	-	-	-
Total	**868.058**	**2.000**	**798.454**	**1.110.919**	**2.000**	**900.334**

As of 31 March 2024 and 31 December 2023, the ratio of other GPMs given by the Group to the Group's equity is zero.

Other

The Group has exported USD 2,907,361,693 within the scope of the export incentive certificate dated 04 March 2021 and numbered 2021/D1-01051, which provides an export commitment of USD 3,288,142,000 to be realized until 30 April 2024. The Group has imported USD 1,491,478,056 within the scope of the export incentive certificate, which imposes an import commitment of USD 1,950,181,000.

The Group has exported USD 504,107,911 within the scope of the export incentive certificate dated 21 February 2023 and numbered 2023/D1-01035, which provides an export commitment of USD 1,662,606,000 to be realized until 21 February 2024. The Group has imported USD 142,908,466 within the scope of the export incentive certificate, which imposes an import commitment of USD 953,730,840.

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 31 March 2024, unless otherwise stated.)

NOTE 12 - PREPAID EXPENSES AND INCOME, OTHER ASSETS AND LIABILITES

a) Short-term prepaid expenses

	31 March 2024	31 December 2023
Order advances given	94,034	43,351
Prepaid insurance and dealer expenses	315,769	182,107
	409,803	**225,458**

b) Long-term prepaid expenses

As of 31 March 2024, long term prepaid expenses amounting to TL 1,099,295 (31 December 2023: TL 729,097) consist of advances given for the purchase of property, plant and equipment amounting to TL 1,095,123 (31 December 2023: TL 713,660).

NOTE 13 SHAREHOLDER’S EQUITY

Share capital/adjustments to share capital and equity investments

Registered capital ceiling of the Company is 1,000,000,000 (exact TL). The Company’s historical authorized and issued share capital as of 31 March 2024 and 31 December 2023 is KTL 500,000,000 (exact TL) and consists of 50 billion shares with TL 0.01 (exact TL) par value each. As of 31 March 2024 and 31 December 2023, the breakdown of issued share capital of the Company is as follows:

		31 March 2024		31 December 2023	
	Share Group	Amount (historical)	Amount (%)	Amount (historical)	Amount (%)
Stellantis Europe SPA	D	189,280	37.86	189,280	37.86
Koç Holding A.Ş.	A	187,938	37.59	187,938	37.59
Koç Topluluğu Companies ve Koç Family	A	1,342	0.27	1,342	0.27
Other, including publicly traded shares	E	121,440	24.28	121,440	24.28
Total		**500,000**	**100**	**500,000**	**100**

Half of the Board of Directors' ("BoD") members are required to be elected from the nominees of A group shareholders, while the remaining half is to be nominated by D group shareholders. The General Assembly is authorized for determining the number and election of BoD members. At least one nominee from both A and D type of shareholders have to fulfill the requirements of an independent member as prescribed by the CMB legislation.

The historical values and inflation adjustment effects of the following equity accounts under the Company's balance sheet, in accordance with IFRS and Tax Law financial statements, as of March 31, 2024, are as follows:

31 March 2024 (IFRS)	Historical Value	Inflation adjustment effect	Indexed value
Capital	500,000	15,415,171	15,915,171
Restricted reserves appropriated from profit	2,010,646	2,033,053	4,043,699

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 13 SHAREHOLDER'S EQUITY (cont'd)

Share capital/adjustments to share capital and equity investments (cont'd)

31 March 2024 (TAS)	Historical Value	Inflation adjustment effect	Indexed value
Capital	500,000	12,043,392	12,543,392
Restricted reserves appropriated from profit	1,013,080	2,957,770	3,970,850

NOTE 14 - SALES AND COST OF SALES

a) Net sales

	1 January - 31 March 2024	1 January - 31 March 2023
Domestic sales	8,199,013	6,716,861
Foreign sales	23,787,748	24,691,933
Other	1,672,695	939,428
	33,659,456	**32,348,222**

The amount of sales discounts is TL 2,031,208 (31 March 2023: TL 894,551).

b) Production and sales quantities

	Production		Sales	
	March 2024	**March 2023**	**March 2024**	**March 2023**
Manufactured vehicles				
Egea	25,300	25,759	22,624	25,460
MCV	17,592	14,250	17,674	14,207
Egea Hatchback	11,229	11,928	10,084	11,672
Egea Stationwagon	1,737	2,000	1,733	1,983
Yeni Doblo	-	7,006	1	8,488
Total	**55,858**	**60,943**	**52,116**	**61,810**

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 14 - SALES AND COST OF SALES (cont'd)

b) Production and sales quantities (cont'd)

	Import		Sales	
	March 2024	**March 2023**	**March 2024**	**March 2023**
Imported vehicles				
Doblo	3,094	-	2,942	-
Ducato	1,698	535	1,928	533
Jeep	820	439	1,037	440
Scudo	333	48	269	50
Ulysse	263	177	194	177
Alfa Romeo	157	480	271	489
Fiat Topolino	132	-	45	-
Maserati	105	109	71	108
Panda Futura	91	-	71	-
Fiat 500	47	232	106	220
Ferrari	8	5	7	5
Fiat 600	2	-	2	-
	6,750	**2,025**	**6,943**	**2,022**

c) Cost of sales

	1 January - 31 March 2024	**1 January - 31 March 2023**
Direct material expenses	(18,805,921)	(20,195,304)
Depreciation and amortization expense	(1,191,369)	(1,014,851)
Direct labor expense	(438,930)	(478,327)
Other production expenses	(724,365)	(944,869)
Total cost of production	**(21,160,586)**	**(22,633,351)**
Change in work-in-process	(1,405,891)	(382,360)
Change in goods	1,271,095	(585,319)
Cost of merchandise sold	(7,227,244)	(3,835,953)
Cost of other sales	(48)	(93)
Total	**(28,522,674)**	**(27,437,076)**

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 15 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING EXPENSES, GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 March 2024	1 January - 31 March 2023
Marketing expenses	(1,102,689)	(933,510)
General administrative expenses	(856,326)	(572,077)
Research and development expenses	(419,586)	(298,673)
	(2,378,601)	**(1,804,260)**

a) Marketing Expenses

	1 January - 31 March 2024	1 January - 31 March 2023
Warranty expenses (Note 11)	(418,732)	(362,006)
Personnel expenses	(203,222)	(183,779)
Transportation and insurance expenses	(319,390)	(270,176)
Advertisement expenses	(64,700)	(20,784)
Depreciation and amortization expenses	(9,706)	(5,978)
Travel expenses	(7,106)	(5,578)
Other	(79,834)	(85,209)
Total	**(1,102,689)**	**(933,510)**

b) General Administrative Expenses

	1 January - 31 March 2024	1 January - 31 March 2023
Personnel expenses	(343,497)	(281,312)
Maintenance and repair expenses	(237,248)	(75,837)
Outsourced expenses	(64,538)	(59,853)
Depreciation and amortization expenses	(58,273)	(47,725)
Taxes, duties and charges	(37,829)	(17,499)
Insurance expenses	(21,380)	(16,389)
Travel expenses	(8,298)	(6,224)
Other	(85,263)	(67,240)
Total	**(856,326)**	**(572,077)**

c) Research and development expenses

	1 January - 31 March 2024	1 January - 31 March 2023
Personnel expenses	(283,520)	(188,671)
Outsourced R&D expenses	(62,616)	(41,178)
Depreciation and amortization expenses	(19,040)	(15,066)
Energy expenses	(2,903)	(5,149)
Transport and travel expenses	(10,099)	(9,763)
Other	(41,407)	(38,847)
Total	**(419,586)**	**(298,673)**

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 16 - OTHER INCOME AND EXPENSES FROM MAIN OPERATIONS

	1 January - 31 March 2024	1 January - 31 March 2023
Foreign exchange income from operating activities	531,749	1,025,956
Maturity difference income from operating activities	1,103,474	1,706,902
Other	198,754	55,847
	1,833,977	**2,788,705**

	1 January - 31 March 2024	1 January - 31 March 2023
Foreign exchange expenses from operating activities	(937,585)	(1,318,884)
Maturity difference expenses from operating activities	(487,588)	(1,433,394)
Other	(191,649)	(168,087)
	(1,616,822)	**(2,920,365)**

NOTE 17 - FINANCE INCOME/EXPENSES

	1 January - 31 Mach 2024	1 January - 31 Mach 2023
Foreign exchange income	993,186	1,497,020
Interest income	1,592,336	943,807
Total finance income	**2,585,522**	**2,440,827**

	1 January - 31 Mach 2024	1 January - 31 Mach 2023
Foreign exchange expenses	(877,135)	(1,411,111)
Interest expense	(17,780)	(27,936)
Other	(779)	(788)
Total finance expenses	**(895,694)**	**(1,439,835)**
Finance income, net	**1,689,828**	**1,000,992**

NOTE 18 - TAX ASSETS AND LIABILITIES

Current tax expense and deferred tax

Tax expense includes current tax expense and deferred tax expense. Tax is included in the income statement, provided that it is not directly related to a transaction accounted for under equity. Otherwise, the tax is accounted for under the equity, together with the related transaction.

Current tax expense is calculated by taking into account the tax legislation, in force as of the financial statement date, in respective countries where the investments of the subsidiaries and investments accounted for by the equity method are active. According to Turkish tax legislation, all legal or business centers and institutions in Turkey, are subject to Corporate Income Tax.

In the Turkish taxation system, financial losses may be offset against taxable profits for up to next five years while may not be offset (retrospectively) from previous years' earnings.

NOTE 18 - TAX ASSETS AND LIABILITIES (cont'd)

In addition, to be deducted from the corporate tax, a provisional tax of 25% is paid over the tax bases declared in the interim periods during the year in 2024 (31 December 2023: 25%).

As of 31 March 2024 and 31 December 2023, tax provision has been made in accordance with the applicable tax legislation.

The Company recognizes deferred tax based upon temporary differences arising between its financial statements and its statutory tax financial statements by using liability method. In the calculation of deferred tax, the tax rates valid as of the date of the statement of financial position are used in accordance with the current tax legislation.

As of 31 March 2024, a tax rate of 25% (31 December 2023: 25%) has been used in the deferred tax calculation.

While deferred tax liability is calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by generating taxable profit in the future.

Provided that they are subject to the tax legislation of the same country and there is a legally enforceable right to set off current tax assets from current tax liabilities, deferred tax assets and liabilities are mutually offset.

Tax assets and liabilities

Corporate tax

The Company and its subsidiaries established in Turkey and other countries in the scope of consolidation, associates, and joint ventures are subject to the tax legislation and practices in force in the countries they are operating.

The corporate tax rate in Turkey is 25%. (However, in accordance with the articles added to the Corporate Tax Law, the corporate tax rate of 20% has been applied as 25% for corporate earnings for the taxation period of 2023). The corporate tax rate is applied to the net corporate income calculated as a result of adding non-deductible expenses in accordance with the tax laws to the trade income of the corporations and deducting the exceptions and deductions in the tax laws. Corporate tax is declared until the evening of the thirtieth day of the fourth month following the end of the relevant year and is paid in a single installment until the end of the relevant month.

Companies calculate a provisional tax of 25% on their quarterly financial profits and declare it by the 17th day of the second month following that period and pay it by the evening of the seventeenth day. The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated over the corporate tax return to be submitted in the following year. If the amount of temporary tax paid remains despite the deduction, this amount can be refunded in cash or set off against any other financial liabilities to the government.

Corporate tax losses can be carried forward for a maximum period of 5 years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

10% withholding applies to dividends distributed by resident real persons, those who are not liable to income and corporation tax, non-resident real persons, non-resident corporations and non-resident corporations exempted from income and corporation tax. Dividend distribution by resident corporations to resident corporations is not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 18 - TAX ASSETS AND LIABILITIES (cont'd)

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis. As of 31 March 2024 and 31 December 2023, taxes payable are netted off for each Subsidiary and classified separately in the consolidated financial statements.

The breakdown of the tax expense reflected in the consolidated statement of profit or loss for the periods ending 31 March 2024 and 2023 is presented below:

	1 January - 31 March 2024	1 January - 31 March 2023
Current tax expense	(1,280,867)	(1,352,000)
Deferred tax income	1,134,059	549,231
	(146,808)	**(802,769)**

b) Deferred tax assets and liabilities

As of 31 March 2024 and 31 December 2023, temporary differences subject to deferred tax and the distribution of deferred tax assets calculated using the effective tax rates enacted as of the balance sheet date are summarized below:

	Cumulative temporary differences		Deferred tax asset/(liability)	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Discounted corporate tax (*)	5,578,049	2,808,995	2,664,288	1,295,575
Provision for employment termination benefits and unused vacation	1,193,959	1,366,562	298,490	341,641
Deferred income	176,404	-	44,101	-
Liabilities arising from customer service	175,604	189,071	43,901	47,269
Warranty expense provision	1,967,334	2,003,039	491,829	500,760
Depreciable assets	(1,453,476)	(268,460)	(363,369)	(67,114)
Inventories	(467,588)	(877,810)	(116,897)	(219,410)
Land valuations	(195,955)	(225,473)	(48,989)	(56,369)
Other	1,110,081	531,472	(55,605)	147,845
Deferred tax asset, net	**8,084,412**	**5,527,396**	**2,957,749**	**1,990,197**

(*) As a result of its fixed asset investments, the Group uses different reduced tax rates in proportion to different rates of investment amounts.

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 18 - TAX ASSETS AND LIABILITIES (cont'd)

The movement of the deferred tax asset balance during the period is as follows:

	1 January - 31 March 2024	1 January - 31 March 2023
Deferred tax asset as of 1 January	1,990,197	673,924
Deferred tax income	1,134,059	549,231
Related to other comprehensive income statement	(166,507)	31,143
Remeasurement gains/(losses) on defined benefit plans	*(85,725)*	*47,937*
Cash flow hedge losses	*(80,782)*	*(16,794)*
Total	**2,957,749**	**1,254,298**

(*) Related amount which is accounted under equity in connection with the tax effect of exchange losses subject to allowance from tax base in statutory records and reflected in the deferred tax charge.

The analysis of tax income reflected in the statement of profit or loss as of 31 March 2024 and 2023 is presented below:

	1 January - 31 March 2024	1 January - 31 March 2023
Profit before tax	2,952,824	5,340,121
Tax expense based on effective tax (25%)	(738,206)	(1,068,024)
Non-deductible expenses	(21,785)	(826)
Discount provided from R&D expenses made during the period	102,125	80,566
Effect of reduced tax rate	628,128	1,449,353
Investment incentives utilised and earned, net	1,368,713	(440,851)
Other	(758,270)	(1,153,587)
Monetary (loss)/gain	(727,513)	330,600
	(146,808)	**(802,769)**

NOTE 19 - EARNINGS PER SHARE

Earnings per share are determined by dividing net income by the weighted average number of shares that have been outstanding during the related period concerned. In 2024 and 2023, the weighted average number of shares outstanding is 50,000,000,000 and as of 31 March 2024 and 2023 earnings per share is Kr 5.61 and Kr 5.48 respectively.

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 20 - RELATED PARTY DISCLOSURES

Balances with related parties

Deposit and financial loan balances with related parties	31 March 2024	31 December 2023
Yapı ve Kredi Bankası A.Ş. (deposit) (1)	6,464,604	2,053,851
Yapı ve Kredi Bankası A.Ş. (financial loan) (1)	(1,154,966)	(983,532)

Trade receivables from related parties	31 March 2024	31 December 2023
Otokoç Otomotiv Tic. ve San. A.Ş. (1)	4,869,785	5,821,053
Stellantis Europe SPA (2)	7,462,505	5,147,277
Other (1)	129,114	357,427
Less: unearned finance income from forward sales	(84,728)	(98,348)
	12,376,676	**11,227,409**

Trade payables to related parties	31 March 2024	31 December 2023
Stellantis Europe SPA (2)	11,824,063	12,567,332
Other (1)	525,130	1,338,821
Rediscount receivables from related parties	(37,989)	(43,712)
	12,311,204	**13,862,441**

Transactions with related parties

Sales

	1 January - 31 March 2024	1 January - 31 March 2023
Otokoç Otomotiv Tic. ve San. A.Ş. (1)	7,927,557	6,016,332
Stellantis Europe SPA (2)	6,918,549	4,317,753
Other (1)	106,943	33,396
	14,953,049	**10,367,481**

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 20 - RELATED PARTY DISCLOSURES (cont'd)

Transactions with related parties (cont'd)

Domestic material and service purchases:

	1 January - 31 March 2024	1 January - 31 March 2023
Ram Dış Ticaret A.Ş. (1)	442,645	371,396
Otokoç Otomotiv Tic. ve San. A.Ş. (1)	220,002	167,809
Zer Merkezi Hizmetler ve Ticaret A.Ş. (1)	345,892	65,891
Plastiform Plastik San. Tic. A.Ş. (1)	63,109	56,712
Sistemi Comandi Meccanici Otomotiv San. Tic. A.Ş. (1)	43,988	25,990
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş. (1)	31,902	38,120
Opet Fuchs Madeni Yağlar Tic. A.Ş. (1)	46,485	19,722
Koç Holding A.Ş. (2)(*)	27,930	10,438
Opet Petrolcülük A.Ş (1)	21,830	13,075
Ingage Dijital Pazarlama Hizmetleri (1)	10,123	1,866
Setur Servis Turistik A.Ş.(1)	9,791	4,518
Ram Sigorta Aracılık Hizmet A.Ş. (1) (**)	7,758	4,130
Tanı Pazarlama ve İletişim A.Ş (1)	3,498	2,280
Akpa Dayanıklı Tüketim LPG ve Akaryakıt Ürünleri Pazarlama A.Ş.(1)	4,182	4,645
Diğer (1)	6,722	3,601
Toplam	**1,285,857**	**790,193**

(1) Represents the related parties of joint ventures; comprise of subsidiaries. joint managing company or associates.
(2) Represents the joint ventures.
(*) It includes the service fee invoiced to the Group as a result of the distribution of the expenses, including personnel and senior management expenses, incurred by Koç Holding A.Ş. in relation to the companies to which services are provided, in return for the services provided to the companies within Koç Holding A.Ş. in areas such as finance, law, planning, tax and senior management, within the framework of the "11- Intragroup Services" regulation of the General Communiqué Serial No.1 on Disguised Profit Distribution through Transfer Pricing.
(**) It includes premiums paid and accrued in accordance with the policies signed between Ram Sigorta Aracılık Hizmetleri A.Ş., which operates as an insurance agency, and insurance companies that are not related parties.

Foreign trade good. material and service purchase:

	1 January - 31 March 2024	1 January - 31 March 2023
Stellantis Europe SPA (2)	6,918,549	5,554,328
Other (1)	-	497
	6,918,549	**5,554,825**

Interest income from related parties for the three-month period ended 31 March 2024 is TL 246,850 (31 December 2023: TL 677,814).

Salaries and similar benefits paid to the top management consisting of (28 persons) (31 March 2023: 28 persons) for the three-month period of 2024 is TL 51,769 (31 March 2023: TL 31,652). TL 18.550 of the related amount consists of payments made due to resignation from top management.

NOTE 21- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's principal financial instruments are cash and cash equivalents and financial liabilities. The main purpose of these financial instruments is to raise financing for the Group’s operations. The Group has various other financial instruments such as trade payables and trade receivables. which arise directly from its operations. The main risks arising from Group's financial instruments are interest rate risk, liquidity risk, currency risk and credit risk. The Group’s management reviews and develops policies for managing each of these risks which are summarized below.

Credit risk

Credit risk is the risk that the other party will incur a financial loss as a result of the failure of the parties to fulfill their obligations with respect to a financial instrument. The Group attempts to control credit risk by monitoring credit exposures. limiting transactions with specific counterparties. and continually assessing the creditworthiness of the counterparties. It is the Group policy that all customers who wish to trade on credit terms are subject to credit screening procedures and the Group also obtains collaterals from customers when appropriate. In addition, the Group's doubtful loan / receivable risk is minimized by continuously reviewing the receivables. Trade receivables are evaluated by the Group management based on past experiences and the current economic situation and are presented net in the balance sheet after an appropriate amount of allowance for doubtful receivables (Note 5).

The amounts stated in the balance sheets reflects the maximum risk exposure of the Group.

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 21- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Types of credit exposed by types of financial instruments;

31 March 2024	Trade Receivables	Other Receivables		Cash and Cash Equivalents	Financial investments	Receivables from financial sector activities
	Related Party	Other	Other			
Maximum exposure to credit risk as of reporting date (A + B + C + D + E)	**12,376,676**	**10,941,373**	**8,130**	**28,223,602**	**40,048**	**13,366,605**
- The portion of the maximum risk secured by collateral, etc. (-)	33,200	-	-	-	-	13,366,605
A. Net book value of financial assets that are not overdue or impaired	**11,793,071**	**10,317,147**	**8,130**	**28,223,602**	**40,048**	**13,211,256**
a- The portion of the maximum risk secured by collateral, etc. (-)	33,200	-	-	-	-	13,211,256
- General loan provisions	-	-	-	-	-	(103,631)
Not past due or not impaired (gross carrying amount)	-	-	-	-	-	-
B. Carrying amount of financial assets that are renegotiated, otherwise considered overdue or impaired	-	-	-	-	-	-
b- The portion of the maximum risk secured by collateral, etc. (-)	-	-	-	-	-	-
C. Net book value of overdue but not impaired assets	**583,605**	**622,516**	**-**	**-**	**-**	**137,706**
c-The portion of the maximum risk secured by collateral, etc. (-)	-	-	-	-	-	113,941
D. Net book values of impaired assets	-	**1,710**	**-**	**-**	**-**	**17,643**
- Past due (gross book value)	-	14,551	-	-	-	74,794
- Impairment (-)	-	(12,841)	-	-	-	(57,151)
- Secured portion of the net book value by collateral, etc.	-	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Secured portion of the net book value by collateral, etc.	-	-	-	-	-	20,322
E. Off-balance sheet items that include credit risk	-	-	-	-	-	-

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 31 March 2024, unless otherwise stated.)

NOTE 21- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont’d)

31 December 2023	Trade Receivables	Other Receivables		Cash and Cash Equivalents	Financial investments	Receivables from financial sector activities
	Related Party	Other	Other			
Maximum exposure to credit risk as of reporting date (A + B + C + D + E)	**11,227,409**	**9,964,662**	**14,354**	**28,553,582**	**46,932**	**11,097,342**
- The portion of the maximum risk secured by collateral, etc. (-)	38,201	8,306,519	-	-	-	11,097,341
A. Net book value of financial assets that are not overdue or impaired	**10,916,697**	**9,741,124**	**14,354**	**28,553,582**	**46,932**	**11,010,794**
a- The portion of the maximum risk secured by collateral, etc. (-)	38,201	8,221,746	-	-	-	11,010,794
- General loan provisions						(75,786)
Not past due or not impaired (gross carrying amount)	-	-	-	-	-	-
B. Carrying amount of financial assets that are renegotiated, otherwise considered overdue or impaired	-	-	-	-	-	-
b- The portion of the maximum risk secured by collateral, etc. (-)						
C. Net book value of overdue but not impaired assets	**310,712**	**221,570**	-	-	-	**75,795**
c-The portion of the maximum risk secured by collateral, etc. (-)	-	(285,588)	-	-	-	(75,038)
D. Net book values of impaired assets	-	**1,967**	-	-	-	**10,753**
- Past due (gross book value)	-	16,746	-	-	-	71,733
- Impairment (-)	-	(14,779)	-	-	-	(60,980)
- Secured portion of the net book value by collateral, etc.	-	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Secured portion of the net book value by collateral, etc.	-	-	-	-	-	12,664
E. Off-balance sheet items that include credit risk	-	-	-	-	-	-

(1) Guarantees received and factors increasing the loan reliability are not considered when determining this amount
(2) Guarantees consist of guarantee notes. guarantee checks. mortgages and car pledges received from customers.

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 21- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Aging analysis of trade receivables

Aging of the Group's receivables which are overdue but not impaired is as follows:

31 March 2024	
1-30 days past due	1,020,763
1-3 months past due	162,261
3-12 months past due	157,516
1-5 years past due	3,286
	1,343,826

31 March 2023	
1-30 days past due	326,105
1-3 months past due	135,166
3-12 months past due	116,104
1-5 years past due	30,702
	608,078

Amount secured with guarantees

As of 31 March 2024 TL 102,154 of total past due receivables of the Group is due from the Group's related party, Stellantis Europe SPA (31 December 2023: TL 435,881). As of 31 March 2024, the Group's payables to Stellantis Europe SPA amount to TL 11,824,063 (31 December 2023: TL 12,567,332).

Foreign currency risk

The Group is exposed to foreign exchange risk arising from the ownership of foreign currency denominated assets and liabilities with sales or purchase commitments. The policy of the Group is to compare every foreign currency type for the probable sales or purchases in the future.

As explained in detail in Note 4, according to the manufacturing agreements signed by the Group, the repayment obligations related to loans obtained for Egea, Doblo, Mini Cargo are guaranteed by Stellantis Group through future purchases. Therefore, the Stellantis Group has assumed the risk of fluctuations in foreign exchange rates and interest rates that may arise from the loan used for the production of the vehicles.

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 21- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

31 March 2024		**TL equivalent (functional currency)**	**USD**	**EUR**	**Other**
1.	Trade Receivables	7,851,317	3,849	222,027	-
2a.	Monetary Financial Assets (including cash, bank accounts)	6,574,504	96	188,821	-
2b.	Non-Monetary Financial Assets	2,606,169	-	72,306	-
3.	Other	9,428	-	271	-
4.	**Current assets (1+2+3)**	**17,041,418**	**3,945**	**483,425**	-
5.	Trade Receivables	-	-	-	-
6a.	Monetary Financial Assets	-	-	-	-
6b.	Non-Monetary Financial Assets	969,577	-	26,900	-
7.	Other	-	-	-	-
8.	**Non-current assets (5+6+7)**	**969,577**	-	**26,900**	-
9.	**Total assets (4+8)**	**18,010,995**	**3,945**	**510,325**	-
10.	Trade Payables	(13,127,396)	(8,800)	(369,032)	(3)
11.	Financial Liabilities	(1,999,463)	-	(57,452)	-
12a.	Monetary Other Liabilities	-	-	-	-
12b.	Non-Monetary Other Liabilities	(57,742)	-	(1,602)	-
13.	**Current liabilities (10+11+12)**	**(15,184,601)**	**(8,800)**	**(428,086)**	**(3)**
14.	Trade Payables	-	-	-	-
15.	Financial Liabilities (*)	-	-	-	-
16a.	Monetary Other Liabilities	-	-	-	-
16b.	Non-Monetary Other Liabilities	-	-	-	-
17.	**Non-current liabilities (14+15+16)**	-	-	-	-
18.	**Total liabilities (13+17)**	**(15,184,601)**	**(8,800)**	**(428,086)**	**(3)**
19.	**Net Asset/ (Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)**	**1,999,462**	-	**57,452**	-
19a.	Hedged portion of assets amount	-	-	-	-
19b.	Hedged portion of liabilities amount	(1,999,462)	-	(57,452)	-
20.	**Net foreign currencies assets / (liability) position (9+18+19)**	**4,825,857**	**(4,855)**	**139,691**	**(3)**
21.	**Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+3+5+6a+10+11+12a+14+15+16a)**	**(691,610)**	**(4,855)**	**(16,967)**	**(3)**
22.	Total fair value of financial instruments used for foreign currency hedges	-	-	-	-
23.	Export	8,537,094	3,515	248,667	6,503
24.	Import	14,903,508	4,782	439,756	99,249

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 21- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

31 December 2023		**TL equivalent (functional currency)**	**USD**	**EUR**
1.	Trade Receivables	5,779,841	89	154,128
2a.	Monetary Financial Assets (including cash, bank accounts)	12,131,837	19	323,665
2b.	Non-Monetary Financial Assets	2,968,117	-	79,191
3.	Other	8,845	-	236
4.	**Current assets (1+2+3)**	**20,888,640**	**108**	**557,220**
5.	Trade Receivables	-	-	-
6a.	Monetary Financial Assets	-	-	-
6b.	Non-Monetary Financial Assets	698,680	-	18,641
7.	Other	-	-	-
8.	**Non-current assets (5+6+7)**	**698,680**	**-**	**18,641**
9.	**Total assets (4+8)**	**21,587,320**	**108**	**575,861**
10.	Trade Payables	(13,774,983)	(8,633)	(359,720)
11.	Financial Liabilities	(2,142,524)	-	(57,163)
12a.	Monetary Other Liabilities	-	-	-
12b.	Non-Monetary Other Liabilities	224	-	6
13.	**Current liabilities (10+11+12)**	**(15,917,283)**	**(8,633)**	**(416,877)**
14.	Trade Payables	-	-	-
15.	Financial Liabilities (*)	-	-	-
16a.	Monetary Other Liabilities	-	-	-
16b.	Non-Monetary Other Liabilities	-	-	-
17.	**Non-current liabilities (14+15+16)**	**-**	**-**	**-**
18.	**Total liabilities (13+17)**	**(15,917,283)**	**(8,633)**	**(416,877)**
19.	**Net Asset/ (Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)**	**2,142,524**	**-**	**57,163**
19a.	Hedged portion of assets amount	-	-	-
19b.	Hedged portion of liabilities amount	(2,142,524)	-	(57,163)
			-	-
20.	**Net foreign currencies assets / (liability) position (9+18+19)**	**7,812,561**	**(8,525)**	**216,147**
21.	**Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+3+5+6a+10+11+12a+14+15+16a)**	**2,003,016**	**(8,525)**	**61,146**
22.	Total fair value of financial instruments used for foreign currency hedges	-	-	-
23.	Export	24,557,259	-	824,019
24.	Import	53,794,235	16,146	1,778,283

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 31 March 2024, unless otherwise stated.)

NOTE 21- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont’d)

The following table demonstrates the sensitivity to a possible change of 10% in the USD. EUR and other exchange rates in the Group’s foreign currency denominated liabilities (excluding foreign currency denominated inventory and fixed asset purchase advances). with all other variables held constant. on the Group’s income before tax as of 31 March 2024 and 31 December 2023;

	Profit/loss		Equity	
31 March 2024	**Appreciation of foreign currency**	**Depreciation foreign currency**	**Appreciation of foreign currency**	**Depreciation foreign currency**
In case of a 10% appreciation of USD against TL:				
1- USD net asset/liability	(15,675)	15,675	-	-
2- Portion hedged against USD risk (-)	-	-	-	-
3- USD net effect (1 +2)	**(15,675)**	**15,675**	**-**	**-**
In case of a 10% appreciation of EUR against TL:				
4- EUR net asset/liability	(59,049)	59,049	(149,157)	149,157
5- Portion hedged against EUR risk (-)	149,157	(149,157)	-	-
6- EUR net effect (4+5)	**90,108**	**(90,108)**	**(149,157)**	**149,157**
In case of a 10% appreciation of other foreign exchange rates against TL:				
7- Other foreign currency net asset/liabilitt	(12)	12	-	-
8- Other foreign currency hedged portion (-)	-	-	-	-
9- Other Foreign Currency Assets net effect (7+8)	**(12)**	**12**	**-**	**-**
Total (3+6+9)	**74,421**	**(74,421)**	**(149,157)**	**149,157**

	Profit/loss		Equity	
31 December 2023	**Appreciation of foreign currency**	**Depreciation foreign currency**	**Appreciation of foreign currency**	**Depreciation foreign currency**
In case of a 10% appreciation of USD against TL:				
1- USD net asset/liability	(28,876)	28,876	-	-
2- Portion hedged against USD risk (-)	-	-	-	-
3- USD net effect (1 +2)	**(28,876)**	**28,876**	**-**	**-**
In case of a 10% appreciation of EUR against TL:				
4- EUR net asset/liability	229,179	(229,179)	214,251	(214,251)
5- Portion hedged against EUR risk (-)	(214,251)	214,251	-	-
6- EUR net effect (4+5)	**14,928**	**(14,928)**	**214,251**	**(214,251)**
In case of a 10% appreciation of other foreign exchange rates against TL:				
7- Other foreign currency net asset/liabilitt	-	-	-	-
8- Other foreign currency hedged portion (-)	-	-	-	-
9- Other Foreign Currency Assets net effect (7+8)	**-**	**-**	**-**	**-**
Total (3+6+9)	**(13,948)**	**13,948**	**214,251**	**(214,251)**

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 21- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Interest risk

Interest rate risk arises from the impact of changes in interest rates on the financial statements. The Group is exposed to interest rate risk due to timing mismatches or differences of assets and liabilities that are due to be expired or re-priced in a given period. The Group manages this risk by applying risk management strategies by matching the dates of interest rate change of assets and liabilities.

As of 31 March 2024, there are no interest rate sensitive financial instruments in the balance sheet (None as of 31 December 2023).

Liquidity risk

Liquidity risk is the risk that a company will be unable to meet its funding requirements. Liquidity risk is reduced by balancing cash inflows and outflows with the support of loans provided by qualified credit institutions.

The breakdown of financial assets and liabilities according to their maturities is disclosed considering from balance sheet date to due date period. Financial assets and liabilities that have no certain due dates are classified in over one-year column.

31 March 2024

Contractual maturities	Book value	Total Contracted Cash Outflows (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)
Non-derivative financial liabilities					
Bank loans	14,603,583	21,326,499	4,557,910	8,017,564	8,751,025
Lease liabilities	27,843	67,358	34,681	19,931	12,746
Trade payables	24,891,632	35,294,136	35,294,026	110	-
Debt securities issues	1,645,628	2,671,617	157,193	1,101,634	1,412,790
Employee benefit payables	986,595	986,595	986,595	-	-
Other payables	10,050,303	10,050,303	10,050,303	-	-
	52,205,584	**70,396,508**	**51,080,708**	**9,139,239**	**10,176,561**

31 December 2023

Contractual maturities	Book value	Total Contracted Cash Outflows (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)
Non-derivative financial liabilities					
Bank loans	11,168,370	15,537,282	2,938,311	6,941,569	5,657,402
Lease liabilities	36,049	82,968	23,136	39,042	20,790
Trade payables	27,110,000	27,125,801	27,123,480	2,321	-
Debt securities issues	2,408,515	3,756,971	-	1,221,017	2,535,954
Employee benefit payables	1,219,344	1,219,344	1,219,344	-	-
Other payables	66,263	66,263	66,263	-	-
	42,008,541	**47,788,629**	**31,370,534**	**8,203,949**	**8,214,146**

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise stated.)

NOTE 21- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Capital management policy

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes amendments to it, in light of changes in economic conditions.

The Group may adjust dividend payments to shareholders or return capital to shareholders in order to adjust and maintain its capital structure. As of 31 March 2024, there have been no changes in objectives, policies or processes.

	31 March 2024	31 December 2023
Total financial debt	16,277,054	13,612,934
Cash and cash equivalents (-)	(28,223,602)	(28,553,582)
Net financial debt	(11,946,548)	(14,940,648)
Equity	35,740,521	42,434,985
Net financial debt/equity ratio	**(%33)**	**(%35)**

NOTE 22 –EVENTS AFTER THE REPORTING PERIOD

Koç Holding Board of Directors resolved to purchase A group Tofaş shares with a nominal value of TL 176 corresponding to approx. 0.035% of the share capital of Tofaş from Temel Ticaret ve Yatırım A.Ş. for a total cash consideration of TL 47,226 for Tofaş shares with the purpose of simplifying the share structure of group companies. The shares have been transferred and the consideration has been paid full on 3 May 2024.
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The cash dividend of 10,000,000 TL, decided to be paid to the shareholders at the General Assembly on 28 March 2024, was paid on 08 April.2024.