

We have been on the road since 1928.
A value-adding road companion
for all stakeholders in the
world of mobility.



Otokoç Otomotiv **95.YIL**

Otokoç **AVIS** **AVIS** filo **AVIS** filo **Budget**

MAESTRO

Otokoç Sigorta

zipcar



otokocihale.com

Otokoç Parça

2023 Annual Report

**WE ARE PROUD AND THRILLED TO BE ADVANCING FOR
A CENTURY ON THE PATH LED BY THE GREAT LEADER ATATÜRK,
IN THE LIGHT OF THE REPUBLIC.**

As Koç Group, we believe that the best way to celebrate our Republic is through work, production and the achievement of excellence.

We continue, with the same determination, to serve with love and devotion for our country, to protect and defend the Republic entrusted to us by Atatürk, along with its principles and values, acting with the responsibility of carrying the values of the Republic to future generations.



Earthquake

As Otokoç Otomotiv Family, we are even more committed to achieving positive results that will contribute to our industry and our country. The year 2023 began with a devastating earthquake. February, the shortest month of the year, is remembered as the longest for all of us. We endured many losses, but our hopes were occasionally restored from the very places where they had been shattered. As Otokoç Otomotiv, we are involved in developing and implementing sustainable, long-term strategies to mitigate the repercussions of this disaster. We have extended our ongoing support to the impacted region since day one in an effort to heal the wounds of the devastating earthquake, and we remain steadfast in our commitment to this endeavor.

Otokoç Otomotiv swiftly established coordination from the very beginning, with the Otokoç Fiat Adana facility serving as a central support hub. Adana facility was utilized as a support hub for group company dealers and other individuals in need throughout the earthquake region. A combined fleet of 90 vehicles, consisting of 53 caravans, 3 off-road vehicles, 7 commercial vehicles, and 27 passenger cars, was designated for the purpose of providing earthquake relief. The vehicles were allocated for various purposes, such as distributing goods, transporting rescue teams, delivering medication, and providing accommodation for branch and dealer employees. Transportation support was extended to İşitme Engelliler Eğitim Faaliyetleri Derneği-İEEF (Association for Hearing Impaired Individuals Educational Activities) and Zihinsel Engelliler Vakfı (Foundation for Mentally Handicapped), in order to assist disabled individuals. Points of immediate need were identified, and relief materials such as containers, disaster tents, mobile kitchens, water and food supplies, blankets, sleeping bags, winter clothing, generators, chargers, and heaters have been

delivered to these points. Our employees provided medicines for critical diseases to earthquake victims, and transportation support was provided to individuals who were unable to reach the hospitals. We contributed financially to Arçelik's mobile kitchen initiative. In addition to all these endeavors, we have executed the 5 thousand container project, which will address the shelter and social equipment needs of 20 thousand individuals in the region, under the coordination of Koç Holding in collaboration with other affiliated companies. 4 thousand Ramadan boxes were dispatched to the earthquake region on behalf of our employees. A donation campaign was initiated, utilizing the disaster fund established within the scope of the support endeavors initiated by the Vehbi Koç Foundation.

These container cities, established in collaboration with public institutions and national and international non-governmental organizations, were designed as living spaces that stand out with their inclusive and social opportunities, considering the needs of women, children, young people, the elderly, and disabled individuals. Operating in Hatay Umut Kent with the contributions of the Vehbi Koç Foundation and the support of Ford Otosan and Otokoç Otomotiv, Gelecek Hayalim Merkezi (My Future Dream Center) provides training, culture, and art activities for children, youth, women, and families. The Otokoç Otomotiv computer class was also established to facilitate the training. In honor of 8 March International Women's Day, as Otokoç Otomotiv, we made a donation on behalf of our women colleagues to support the Kadın Emeğini Değerlendirme Vakfı-KEDV (Foundation for the Evaluation of Women's Labor), which strives to meet the urgent needs of women affected by the earthquake and assist them in rebuilding their lives.

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OUR FOUNDER



"I have always tried to do the right thing. I found peace with the belief that I served my family, my country, and the age I lived in."

A handwritten signature in black ink, which appears to be "Vehbi Koç".

Vehbi Koç

OUR PATH TO THE FUTURE WITH THE LEADERSHIP IN MOBILITY



Otokoç Otomotiv brings together
all solutions for mobility under a
single roof.

OTOKOÇ OTOMOTİV AT A GLANCE

About Us

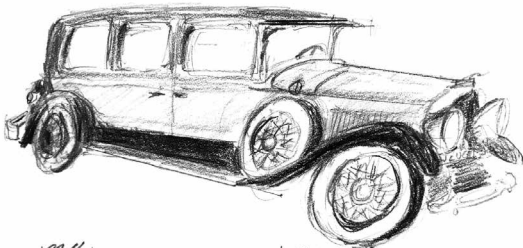
Incorporated in 1928 as the Koç Group's first investment in the automotive industry and the initiator of the history of automotive, Otokoç Otomotiv is today Turkey's leading company offering services under the brands Otokoç, Avis, Avis Filo, Avis Filo Maestro, Budget, Otokoç Sigorta (insurance), Zipcar, Otokoç 2. El (2nd Hand), Otokoç İhale (online 2nd hand), and Otokoç Parça (Spares).

With the Ford, Ford Trucks, Volvo, Fiat, Alfa Romeo, Jeep, and Maserati brands, the Company provides its customers with a comprehensive range of automotive solutions under Otokoç's roof, including new vehicle sales, service and spare

parts services, wholesale spare parts sales, insurance and financing, tender system, accessory sales, second-hand sales, and vehicle protection systems. In car rental, Avis and Budget brands offer short-term rentals, Avis Fleet offers operational lease or fleet rental, Avis Filo Maestro offers end-to-end fleet management, and Zipcar brand offers rental-by-the-hour, e.g. car sharing service. Otokoç Otomotiv, an organization that has amassed 405 points in 9 countries to date, maintains its operations in accordance with its vision of "Being a leading and global reference point in the development of innovative mobility solutions."

Otokoç Otomotiv in the World

Active in Turkey, Greece, Hungary, Ukraine, Georgia, Azerbaijan, Kazakhstan, Northern Cyprus and Northern Iraq with its car rental operation, Otokoç Otomotiv keeps a close eye on investment opportunities.



1928 LINCOLN MODEL L 168A SEDAN

Mhmm 13 Ağustos 2018

Developing innovative mobility solutions and acting with the vision of being a global and leading reference point, Otokoç Otomotiv, which provides retail, vehicle rental, and vehicle sharing services in the automotive industry, is a company of Koç Holding.

SUSTAINABLE MOBILITY FOR A SUSTAINABLE FUTURE



Otokoç Otomotiv undertakes operational and cultural investments to ensure a sustainable future.

Vision

Being a global and leading reference point for developing innovative mobility solutions.

Mission

We are the road companion for all stakeholders creating value in the world of mobility.

Values

- Sincerity
- Transparency
- Collaboration
- Innovativeness
- Development

Strategy Implementation Framework

OTOKOÇ OTOMOTİV

FINANCIAL

Sustainable and Profitable Growth

Cost and Resource Management

CUSTOMER

Single Client - Single Platform

PROCESSES

Unique Customer Experience

Sales Effectiveness and Multi-channel Management

Innovative Products, Services

Business Excellence

OUR FOUNDATION

Human Resources and Competence Unit

Agile Organization and Corporate Culture

Technology and Digitalization

Sustainability

RETAILING

Otokoç



Koç Holding's first investment in the automotive industry, Otokoç carries out the sales and after-sales operations of Ford, Ford Trucks, Volvo, Fiat, Alfa Romeo, Jeep and Maserati brands. The Company is the retail sector leader in the brands it sells with vehicle options that cater to all kinds of needs and customer segments. Having an extensive service network of 51 branches across Turkey, Otokoç is the leading brand with its initiatives giving the forefront to unconditional customer satisfaction.

The Company operates in 31 locations as a point of trust in 2nd hand vehicles with innovative options such as car sales, same-day car delivery in cash purchases, professional surveyor services, a broad service network, contactless pick-up, and online purchasing.

Otokoç Sigorta

With 25 branches in 9 cities in Turkey and 79 expert employees, it acts as a hub of pioneering and trusted companies in the sector, with a focus on motor TPL and motor own damage policies, health insurance, and home and workplace insurance.



Engaged in original and equivalent spare parts wholesaling and retailing, Otokoç Parça is the dealer of Ford, Fiat, Magneti Marelli, and Mako brands while supplying spares, batteries, tires, accessories and consumables under its own brand, Axiom, domestically and abroad. On retail sales, it provides supplies to chain markets and insurance companies alongside online and offline channels.

SHARING



Zipcar, which operates with the mission of providing a simple and accountable city life, carries out its activities under Otokoç Otomotiv in Turkey. Functioning on a membership basis, Zipcar offers hourly, and daily rental service at 90 locations in İstanbul and Ankara.

RENTAL

AVIS®

 **Budget®**

AVIS® filo

The story of Avis is the story of car rental in Turkey. Its foundations were laid 49 years ago, and Avis had to overcome numerous obstacles before achieving its current position. Carrying the responsibility of being the pioneer and the first in the country, Avis continues to lead the journey with passion and confidence, offering service with 94 offices in 56 provinces across Turkey. Due to the high level of customer satisfaction, Avis' clients help the business maintain its leadership position. Achievements of Avis are crowned with awards garnered over the years.

Budget combines the power of one of the world's largest rent-a-car brands with in-depth local knowledge, flexibility, and the service that best fits needs. Budget offers service with 55 offices in 36 provinces across Turkey.

Capturing the distinction of Avis in fleet rental service, Avis Filo is the leading vehicle rental brand with its diversified services including professional portfolio management, a fast and far-reaching replacement vehicle supply process, and 24/7 full support. Avis Filo Maestro brand allows customers with self-owned vehicles to view fleet management end-to-end with a 360-degree perspective from driver behavior analysis to driver scoring, from driver-based coaching to oil and risk management, from fleet health to breach detection, and from sales to re-marketing.

Payless CAR RENTAL

In Greece, services are provided under the Payless brand.

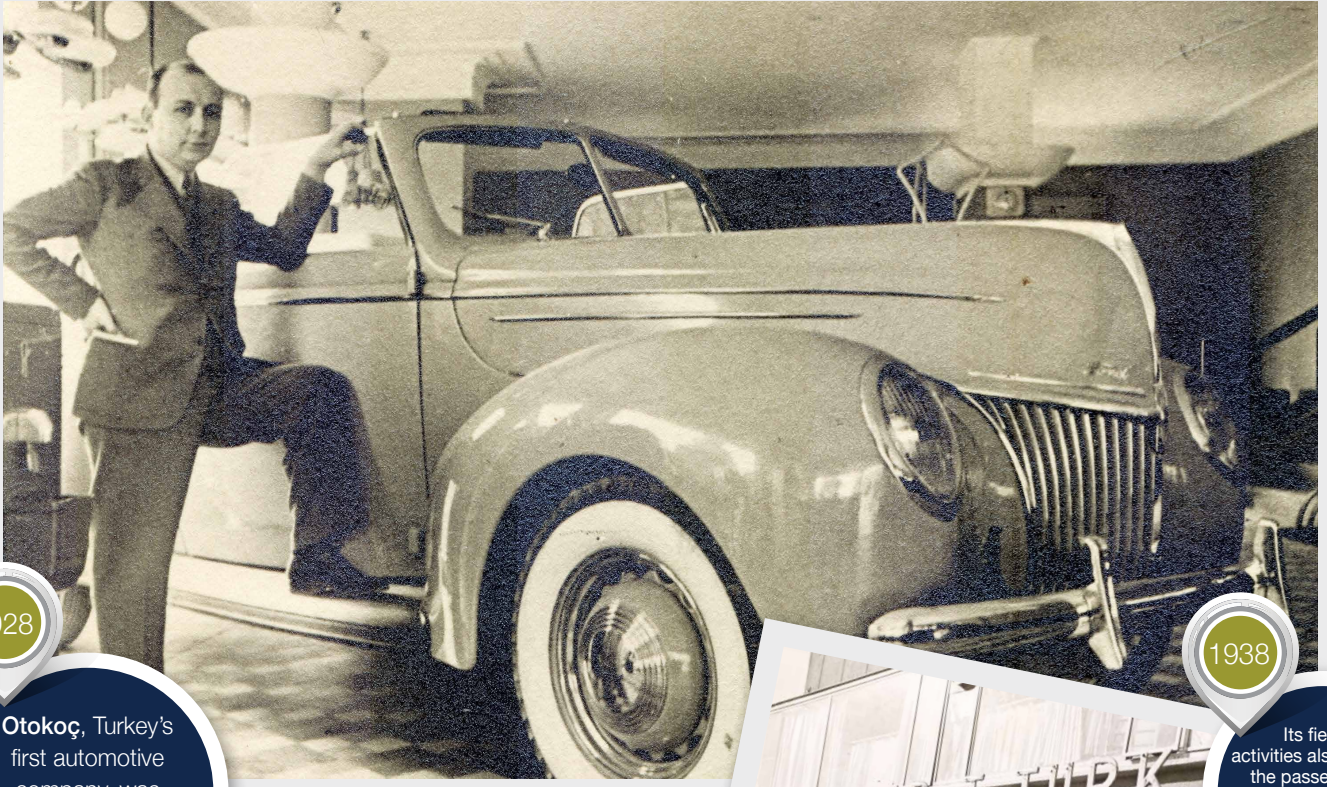
AVIS®
CARAVAN

The caravan rental service, operating under the Avis Caravan brand, remains operational with its offices located in Izmir and Istanbul.

The Company provides a range of services through its Avis Caravan fleet, which comprises 127 vehicles, encompassing moto, towing, and off-road caravans.

It will continue to operate in its leading role in the development of the caravan ecosystem in Turkey.

MILESTONES



1928

Otokoç, Turkey's first automotive company, was originally incorporated as a Ford agency.

1938

Its field of activities also covering the passenger car business, Koç Ticaret A.Ş., Turkey's first joint stock company, was incorporated.



1944

Bernar Nahum, one of the leading names that authored the history of the Turkish automotive industry, joined the Koç Group, and the foundations of Motör Ticaret were laid.

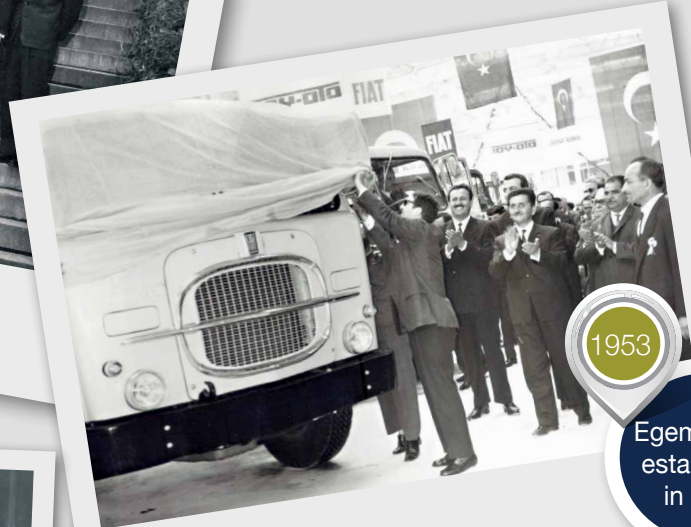


The Koç Group's first operation in the automotive industry, Otokoç Otomotiv, also embodies the history of the Turkish automotive sector. The establishment of the Koç Group's Automotive Group also dates back to Otokoç.



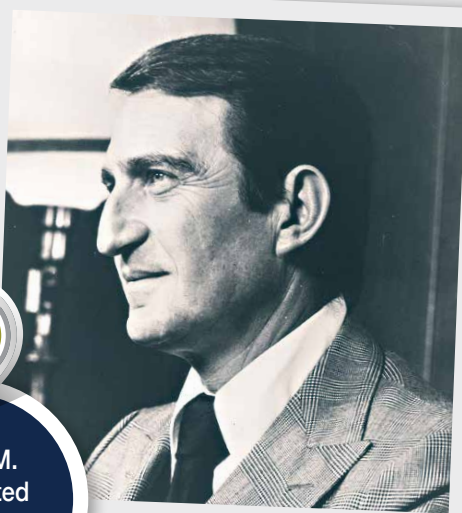
1951

As the dealer network continued to expand, the first dealers meeting in the Turkish private sector was organized in 1951.



1953

Egemen was established in İzmir.



1958

Rahmi M. Koç started working at Otokoç.



1960

Otokoç A.Ş. became the distributor of Otosan Mamulleri.

MILESTONES

1966

The manufacturing of Anadolu started, which gave momentum to the Turkish automotive industry.



1974

Avis, Turkey's first car rental company, was established with a fleet of 9 cars.



1996

Ford and Fiat regional sales companies began offering service all over Turkey.



1997

The first overseas investment was established with Avis Azerbaijan.



2001

Marking the first collaboration, Ford regional sales companies merged under Otokoç, and Fiat regional sales companies under Birmot.





2005

Otokoç, Birmot, and Avis came together and formed the second collaboration.



2007

Budget, the second rent-a-car brand, joined the family.



2009

Otokoç included the Volvo brand in its portfolio.

2012

A decision was adopted to grow through investments abroad.



2012

Jeep brand was included in Birmot's portfolio.



MILESTONES

2013

Ford Trucks
4S facility
structuring
kicked off.

2014

Otokoç
Otomotiv became
Zipcar's first
licensee holder
in the world.

2018

Otokoç Otomotiv,
in partnership with
Avis Budget Group,
realized its investment
in Greece.

2017

Birmot began
offering service
for the Maserati
brand.

2019

With the
Avis Caravan
brand,
caravan rental
services started.

İçimizdeki Çevik Otokoç Otomotiv

2021

The agile transformation process started under the brand name "Agile Within Us".

2020

Brand representation abroad was increased with Budget and Payless brands entering the Azerbaijan, Kazakhstan, and Northern Iraq markets.

Otokoç

Otokoç artık çok daha büyük.
#muhteşembirleşim

2022

Birmot and Otokoç brands united and started serving under the roof of Otokoç.

2022

Avis Filo Maestro brand took its place under the roof of Otokoç Otomotiv.



Otokoç Otomotiv 95.yılı

2023

During the 100th year of the Republic of Turkey and the 95th year of Otokoç Otomotiv, investments were made in micromobility manufacturer and local startup ALBA Elektrikli Ulaşım Sistemleri, and iUGO, which develops connected vehicles and mobility technologies, as well as WAT Mobility, which operates in the field of electric vehicle charging network operation. A solar power plant investment with a generation capacity of 17 GW/year was made in Niğde.

KEY FINANCIAL AND OPERATIONAL HIGHLIGHTS

(Amounts expressed in terms of purchasing power of the Turkish lira at 31 December 2023.)

CASH POSITION (TL MILLION)	2022	2023
Cash and Banks	8,902	7,376
Current Assets	35,890	42,821
Total Assets	82,361	100,886
Total Financial Liabilities	31,488	39,609
Financial Liabilities, net	22,463	32,178
Short-term Liabilities	26,521	27,855
Total Liabilities	53,990	66,223

FINANCIAL RATIOS

Current Ratio	1.4	1.5
Financial Liabilities, net / EBITDA	2.0	2.4
Current Assets / Total Assets	0.4	0.4
Short-term Liabilities / Total Liabilities	0.5	0.4
Total Liabilities / Total Assets	0.7	0.7

MARGINS (%)

Gross Profit Margin	15	10
EBITDA Margin	14	12
Operating Profit Margin	8	4
Pre-tax Profit Margin	13	8
Profit Before Tax	11	6

KEY INDICATORS (TL MILLION)

	2022	2023
Sales Revenues	79,445	111,260
Gross Profit	12,089	11,582
Operating Profit	6,410	4,946
EBITDA	11,268	13,272
Pre-tax Profit	10,481	9,339
Net Profit	8,775	7,102
Net Profit -Attributable to the Parent Company	8,385	6,674

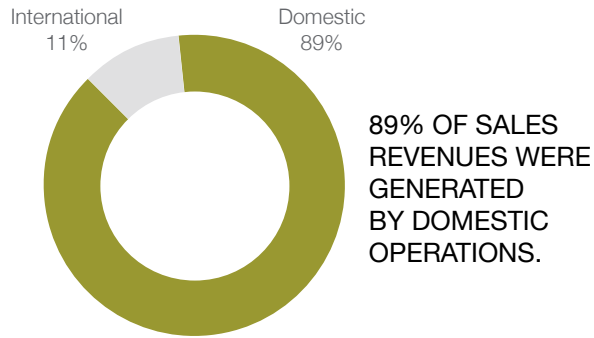
KEY INDICATORS (TL MILLION)

	2022	2023
Sales Revenues	79,445	111,260
Domestic	70,108	99,566
International	9,337	11,693
Pre-tax Profit	10,481	9,339
Domestic	9,192	7,988
International	1,290	1,352

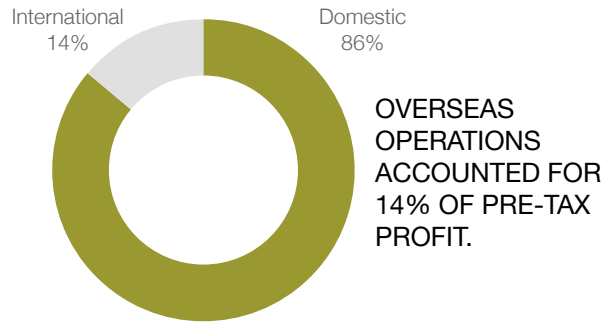
BREAKDOWN - DOMESTIC VS INTERNATIONAL (%)

	2022	2023
Sales Revenues		
Domestic	88	89
International	12	11
Pre-tax Profit		
Domestic	88	86
International	12	14

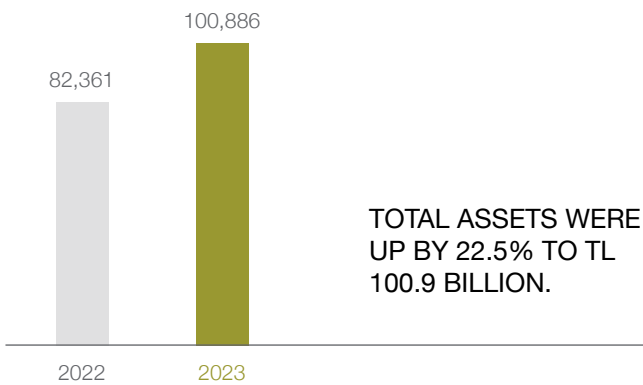
DISTRIBUTION OF SALES REVENUES (%)



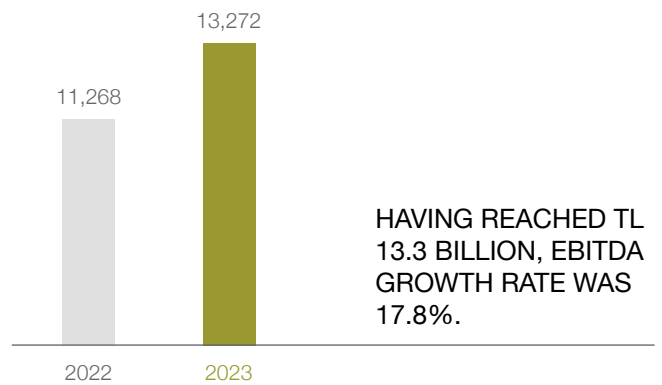
DISTRIBUTION OF PRE-TAX PROFIT (%)



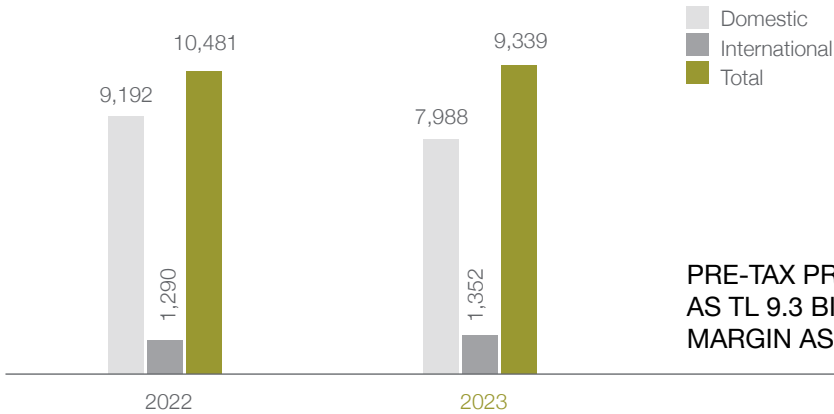
TOTAL ASSETS (TL MILLION)



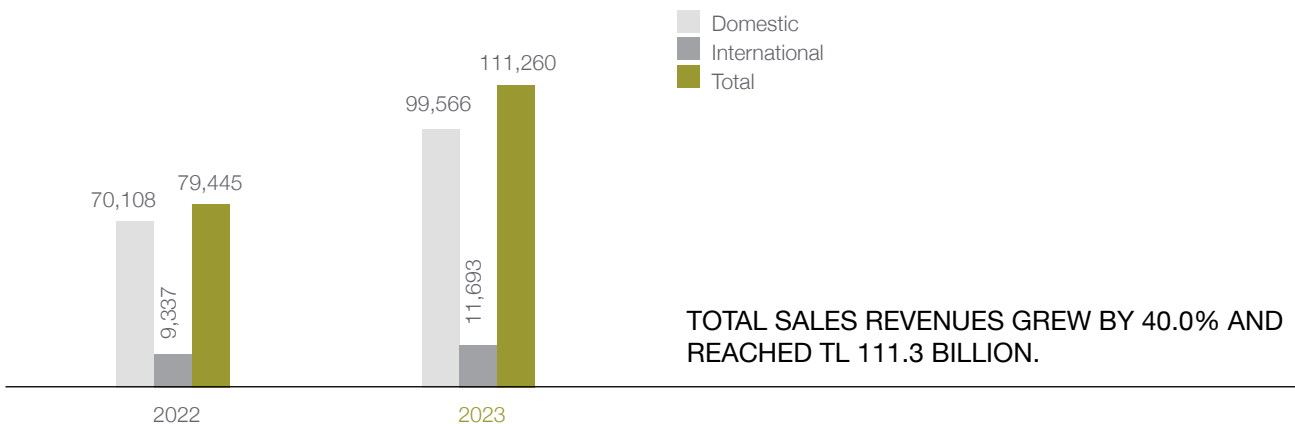
EBITDA (TL MILLION)



PRE-TAX PROFIT (TL MILLION)



SALES REVENUES (TL MILLION)



MESSAGE FROM THE COMPANY LEADER



I AM PROUD TO ANNOUNCE THAT OUR OPERATIONS HAVE PERSISTED UNDER THE ROOF OF OTOKOÇ OTOMOTİV THROUGHOUT 2023, CONSISTENTLY UPHOLDING OUR UNWAVERING COMMITMENT TO INNOVATION AND PROGRESS.

The year 2023, in which we celebrated the 100th anniversary of our Republic as well as the 95th anniversary of Otokoç Otomotiv to repletion, was also very shocking and tragic for our country due to the 6 February Kahramanmaraş earthquakes and the war agenda.

Esteemed Investors,

Distinguished Business Partners,

Dear Colleagues,

Charles Dickens, a novelist and social critic, opens his novel “A Tale of Two Cities”, written in the 1800s, with the equally renowned sentence: “It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of light, it was the season of darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us, we were all going direct to heaven, we were all going direct the other way...”

As we leave behind 2023, a year full of both joy and sorrow, I am unable to find a better depiction. The year 2023, in which we celebrated the 100th anniversary of our Republic as well as the 95th anniversary of Otokoç Otomotiv, was also very shocking and tragic for our country due to the devastating Kahramanmaraş earthquakes on 6 February and the unsettling war agenda. 2023 has taken its place in our memories as a year in which so many inconceivable developments occurred in just one year for both our country and the world, and various emotions ranging from sorrow to solidarity and from hope to success and pride were intertwined. As Otokoç Otomotiv Family, we acted immediately and diligently from the very first day of the earthquake to reach our employees, business partners, and their families who were affected by this disaster and address their needs. In the subsequent period, we placed even greater emphasis on the positive results that will contribute to our society and country. We persistently plan and implement moves that will address the repercussions of this disaster in a sustainable and enduring manner.

Aside from the earthquake disaster, a review of the year 2023 reveals a multitude of agenda issues, such as the Russia-Ukraine war extended from the previous year, the emergence of new geopolitical risks stemming from hot conflicts in the Middle East, supply chain disruptions, high global inflation, economic fluctuations, tensions between the United States and China, and the repercussions of wars on food and energy prices have contributed to the challenging conditions we face. Furthermore, topics such as combating climate change, which has become more evident, have ascended to the top of the global agenda. We are aware of the fact that the upcoming year will not be easy. Likewise, it is worth recalling that in the evaluations made at the World Economic Forum held in January 2024, chief economists expect the global economy to weaken as the pace of geopolitical fragmentation accelerate, and they describe the economic outlook as “full of uncertainties”.

Notwithstanding these challenges, I am proud to announce that our operations have persisted under the roof of Otokoç Otomotiv throughout 2023, consistently upholding our unwavering commitment to innovation and progress. The establishment of the new Turkey in accordance with the vision of Atatürk and his associates, as well as the significant transformation required to realize this ideal, laid the foundation for every achievement, and we, as Otokoç Otomotiv, have experienced the pride and joy of realizing numerous significant achievements and firsts with the illuminating light of our 100-year-old Republic, which we have accompanied for 95 years as of 2023. Amidst this momentous period where one is more special than the other for us and almost the same age anniversaries converge, we have felt even more profoundly that the history of our company is, in a sense, a projection of the history of the Republic of Turkey and that it represents the values and achievements of our Republic.

MESSAGE FROM THE COMPANY LEADER

As employees of Otokoç Otomotiv, we prioritize people in every aspect of our operations, striving continuously for almost a century to enhance not only our company but also our industry, country, and the world at large by acquiring superior attributes, much like the Republic. We currently work in three main areas: automotive retail, car rental, and car sharing, throughout 9 countries, at 405 locations, and with around 4 thousand employees. We hold leading positions in 4 countries, including Turkey, due to the services and solutions we provide. We have made significant progress in our 2023 plans across all our operational areas, demonstrating our agility and proactive approach in all circumstances. We have successfully achieved our goal of maintaining our strong position in the global arena by maintaining our focus on “Strategic Planning”, “Sustainability and Environment”, “Innovation and Entrepreneurship”, “Human Resources”, and “2nd Hand”, which are our most important muscles. In this regard, if we consider our 2023 activities:

Retail

In 2023, our market share in automotive retail was 26.9% for Ford and Ford Trucks sales, 31.5% for Fiat sales, 38.2% for Alfa Romeo and Jeep sales, 31.4% for Volvo sales, and 36.1% for Maserati sales. We achieved 7.7% of the overall market share through vehicle sales. Alongside our sales operations, we have initiated the Service 4.0 project, which is conducted as a pilot in our Otokoç Ataşehir Branch, in our retail business line. With this efficiency-oriented project, the working hours of technicians in the workshops are instantly monitored and reported. We plan to expand the Service 4.0 system in 2024, once it has proven its effectiveness. We expect this expansion to significantly increase efficiency by at least 10%.

Strong position

We have successfully achieved our goal of maintaining our strong position in the global arena by maintaining our focus on “Strategic Planning”, “Sustainability and Environment”, “Innovation and Entrepreneurship”, “Human Resources”, and “2nd Hand”.

Car Rental

As Otokoç Otomotiv, the investment partner of Avis Budget Group and its largest licensee globally, we achieved a 26% growth in the turnover of the car rental business unit in Turkey and maintained our leadership position. Our vehicle park reached 111.6 thousand units by the end of 2023.

Otokoç Sigorta

We increased the number of partner insurance companies to 12 in 2023 in order to provide our customers with more product and price options in parallel with market dynamics on our platform, which was launched on www.otokocsigorta.com with the tagline “With You at Every Moment of Your Life”, and we aim to further increase this number in 2024.

Otokoç Parça

In 2023, its profitability grew by 3.0% over 2022, reaching 5.2 billion TL with a 40% increase in turnover.

Otokoç 2. El

At Otokoç 2. El, where we maintain our leading position in Turkey in corporate second-hand vehicle sales, our Kayseri, Sivas, Erzurum, Şanlıurfa, and Gaziantep dealers were established in 2023. Our brand achieved sales of 32,827 units in Turkey in 2023. As part of our growth plan, we target expanding our reach to have 20 dealers by the end of 2024, 35 by the end of 2026, and a progressive increase to nearly 40 dealers by the end of 2028.

Expanding our ecosystem in Turkey with investments that add value to our company, as well as the strategy of growing together with initiatives, are our constant focus.

We are Proud of Our Innovation and Intrapreneurship Culture

Our Digital Transformation journey initiative commenced in collaboration with Deloitte, in accordance with our motto “Always Towards the Future in Mobility Leadership” and our overarching vision of establishing ourselves as a digital mobility company. Through assessments, new digital initiatives are being meticulously designed, considering industry trends, the company’s current maturity level, targeted level of expertise, and the stakeholder ecosystem. These considerations guide the strategic steps that will drive Otokoç Otomotiv forward in its digital transformation journey. Designed initiatives are prioritized based on market demand, impact, and difficulty of implementation, and the establishment of Otokoç Otomotiv’s 3-year digital transformation road map also includes the design of a high-level governance structure to ensure that digital transformation becomes an organic component of the Company.

Aligned with our company’s vision of expanding our product and service offerings in the retail channel, we made the strategic decision to commercialize the e-bike project in October 2023 and positioned it as a new business line by transferring the project to the retail business unit. We made a venture investment of USD 750 thousand in exchange for a 10% shareholding to support the growth of the local micromobility company Alba, with which we started collaboration in this field in 2022. Our long-term goals include developing different electric micromobility vehicles and associated technologies for these vehicles (connected bikes, etc.) in collaboration with Alba and expanding our presence beyond the Turkish market. At Otokoç Otomotiv, our constant focus is on expanding our ecosystem in Turkey with investments that add value to our company, as well as the strategy of growing together with initiatives. Within this framework, we made an investment of USD 1 million in iUGO, a company specializing in the development of efficient

driving solutions, in 2023. In 2023, we also invested USD 750 thousand in the seed round investment for ALBA Elektrikli Ulaşım Araçları A.Ş., a local electric micromobility vehicle manufacturer based in Bursa.

We have made an investment in WAT Mobilite, a company engaged in operating electric vehicle charging networks. WAT Mobilite manages electric vehicle charging stations with a holistic approach that emphasizes customer experience. In anticipation of a rise in electrification, a device sales pilot was conducted in our branches with WAT Mobilite, an investment that will enhance our preparedness for the future.

The strategy of Inomotion, our Intrapreneurship program, is built on new business models and sustainability in mobility. By the end of 2023, we studied 49 of the 1,580 idea applications to the Innovation Programs initiated in 2015 employing the lean startup methodology, and 29 of them were selected to progress to the pilot stage. Our aim is to try and implement innovative ideas in a shorter time and with reduced costs, through our intrapreneurship efforts, which have resulted in a total of 7 commercial products to date, including Ek Saat, Lastick, Digital Franchise, Avis Caravan, Budget Wherever You Want, Two-Way Rental, and E-Bike.

We Received the 4th Star in Agile Transformation

Our employee count, which had been 3,073 at the end of 2022, reached 3,824 as of 31 December 2023. In accordance with our cultural manifesto, which is founded upon the principles of sincerity, transparency, collaboration, innovation, and development, we reconsidered our agile transformation journey, which we started in 2021, through the Business Agility Institute survey. As one of nearly 1,800 companies included in this research in 2023, we were entitled to receive the 4-Star agile organization certificate, which is only attained by a select 10% of companies within a 5-year timeframe. This achievement signified a 9-point enhancement in our business agility index when compared to the previous year.

MESSAGE FROM THE COMPANY LEADER

Preferred leader

In the International Region Net Promoter Score measurement, Avis Turkey emerged as the leader in 2023, while Avis Greece ranked 2nd.

Our Achievements and Efficiency Studies

We received widespread recognition throughout 2023. We have garnered over 100 national and international awards, including distributor reward programs, customer experience, employee loyalty, e-commerce, metaverse, communication awards, and C-level recognition. We achieved a ranking of 39th in Capital's Turkey's Largest 500 Companies and 35th in the Fortune 500. In the International Region Net Promoter Score measurement conducted by Avis Budget Group through an independent research company, Avis Turkey emerged as the leader in 2023, while Avis Greece ranked 2nd.

Within the scope of continuous improvement endeavors, we conducted 18 projects in 2023 through business excellence studies and Lean 6 Sigma methodology. Furthermore, we generated TL 16 million in total revenue for our company by implementing business excellence projects in accordance with the Zero-Based Budgeting (ZBB) framework. We provided training programs to a total of 691 colleagues on a variety of topics, including Lean Tools, Problem Solving Techniques, 5S, Lean 6 Sigma Yellow and Green Belts. We continued our studies on optimizing budget utilization with the ZBB program that we initiated the previous year. Subsequent to Turkey, we commenced the Zero-Based Budgeting process in Greece. We attained a cumulative efficiency of TL 478 million by evaluating 297 initiatives in accordance with the ZBB methodology.

Within the scope of Avis Filo Maestro, which is one of the strategic deep dive initiatives, we continued to focus on infrastructure and software development this year. We are aware of the significance of investing in a connected vehicle platform and coordinating with stakeholders to establish a sustainable business model.

Our engagement score, which has been steadily improving for 3 consecutive years, reached over 80% this year and our company was deemed worthy of the "2023 Kincentric Turkey Best Employer" award.

We also received the Best Companies to Work For award with Sales Network's Best Team to Join 2023.

The 2023 employee engagement survey in Greece yielded a score of 84 with a participation rate of 91%. MyAvis Easy Leasing's long-term rental procedures and "cardom.gr" second-hand vehicle sales processes were digitalized, and a mobile application was introduced for after-sales services. The Avis CRM application went live at the end of 2023. The EU Recovery and Resilience Fund granted a EUR 750 million loan with a 12-year term and a reasonable interest rate for green transition investments. A total of EUR 331.1 million of green financing was provided with Greece's largest ever non-banking securitization transaction of Otokoç Otomotiv's subsidiary Olympic and with the RRF funding.

We state that “Our Path is Towards the Future” to create sustainable values together with all our stakeholders, considering the needs of the society in which we live.

Sustainability: Our Path is Towards the Future

As Otokoç Otomotiv, our motto “Our Path is Towards the Future” signifies our commitment to creating sustainable values in collaboration with all our stakeholders, with an emphasis on our employees, business partners, and customers, while remaining aware of our responsibilities towards our planet and considering the needs of the society in which we live. While placing sustainability at the core of our strategies, the Sustainability Committee, which we established to manage sustainability in a holistic manner with a corporate perspective and monitor performance, conducts studies for all our internal and external stakeholders. The Committee operates with the assistance of the Energy Efficiency and Audit and Risk Committees, which were also established in the same year.

We continue with our efforts to combat climate change within the scope of the Koç Group’s Carbon Transition Program. Through the land SPP (Solar Power Plant) investment we made in Niğde as well as the rooftop solar panels commissioned in Otokoç Antalya, Otokoç Adana, and Otokoç İnönü branches, we have achieved an electricity generation capacity of 17,449 MWh, that is, to provide the electricity requirements of all Otokoç Otomotiv locations from solar energy. In the meantime, we anticipate a reduction of 8,562 tons of CO₂ emissions per year as a result of these investments. We continue saving water through the rainwater harvesting system that was commissioned at Otokoç Bursa and subsequently at Otokoç Konya Branch, and we utilize the harvested water for our vehicle washing operations.

Our greenhouse gas emissions are calculated and verified by an independent, accredited organization in accordance with the ISO 14064-1 Greenhouse Gas Emissions Reporting Standard. Our operations are conducted within the scope

of the Integrated Management System, consisting of ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, and ISO 10002 Customer Satisfaction Management System standards. Regarding the certification processes that have been performed since 2008, all rental office locations were included in the scope of environmental and OHS certification in 2023, and a total of 89 locations obtained integrated management system certification.

Omnichannel Lead Management

Within the scope of the omnichannel sales process for new, second-hand, and rental vehicles, we have created releases through Meta Lead Generation, Meta Conversion and Catalog, and Criteo Conversion and Catalog. We communicate with our customers who submit requests or receive offers via online channels such as the Otokoç and Otokoç 2. El websites by automatically transferring them to our CRM system and subsequently routing them to the call center through automated calls. We direct customers, whose demands and price offers are processed during the call, to the branches they prefer to receive service for their sales transactions through CRM. We assure the completion of sales and assist in the branch’s transaction follow-up through call center control calls. In this way, we reach the customer through the most appropriate channel and at the right time with proactive and reactive methods, provide an integrated purchasing journey with online and offline integration, and achieve maximum conversion. In the rental process, we aim to retarget our customers who visit our online channels, capture leads, and enable them to continue their rental journeys that they left unfinished. In this context, we achieved a total of 270,136 leads in 2023.

MESSAGE FROM THE COMPANY LEADER

Gender Equality

We have implemented programs that will enhance the efficacy and competence of women in operational and leadership positions.

Otokoç Fenerbahçe Jersey Chest Sponsorship

Since 2018, our global car rental brand Avis and we have been collaborating on the Jersey Chest Sponsorship of the Fenerbahçe Football Team. We have made the decision to maintain our Jersey Chest Sponsorship with our Otokoç brand for the 2023-2024 season.

Our Social Responsibilities

We also strive to contribute to the sustainability of ecological life. Through a collaborative effort with eCording and the use of ecoDrones, we successfully created a huge forest by spreading 125 thousand seed balls of cedar and red pine to hard-to-reach areas that require afforestation through 21 flights across specific regions in Muğla.

Similar to societies worldwide, gender equality is also a key focus for us. We aim to foster an egalitarian corporate culture in industries dominated by men, where gender stereotypes exist, and to break down the invisible glass ceiling by extending our collaborative efforts beyond our company boundaries. We set out as crowds to draw attention to the issue and amplify the power of positive actions. We used our human-oriented approach and the collaboration of sports clubs and federations to promote the slogan “Glass Ceiling is Only Good in a Car” at summits, in media communications, and in the metaverse in order to increase awareness of gender stereotypes and the issue of inequality in all spheres of life. As Otokoç Otomotiv, we prioritize initiatives specifically designed to facilitate the employment of young women talents. We organized an internship program for senior women university students. We enhanced our efforts to promote diversity and inclusion. We have implemented programs that will enhance the efficacy and competence of women in operational and leadership positions. Women filled 24% of newly created leadership positions throughout this process.

The “We Speak the Same Language” project, initiated in 2017 by Otokoç Otomotiv in collaboration with the Avis brand and İşitme Engelliler Eğitim Faaliyetleri Derneği-İEEF (Association for Hearing Impaired Individuals Educational Activities), remains an ongoing endeavor. Within the scope of the project targeting individuals with hearing impairments, a population exceeding three million in Turkey, our objective was to ensure equitable access to services, remove potential barriers at vehicle rental points, and enhance the overall quality of service provided. Within this framework, in collaboration with the İEEF, we provided exclusive benefits in car rental, a First Aid Manual in Turkish Sign Language, and first aid training in sign language specifically tailored for those with hearing impairments. In addition to our contributions, such as the Video Support Service Center, following the earthquake disaster in 2023, İEEF visited the impacted region with the vehicles we allocated, and they provided communication support to numerous individuals with hearing and speech impairments. Additionally, we continued to accompany them through the Video Support Service Center.

Traditional Atatürk Commemoration Visit -100th Anniversary Special

As Otokoç Otomotiv, we have been visiting an important route in Ankara with our volunteer colleagues to commemorate our Great Leader Mustafa Kemal Atatürk on the annual occasion of 10 November for almost 20 years. This year, on the occasion of the 100th anniversary of our Republic and the 95th anniversary of Otokoç Otomotiv, we moved beyond the scope we organize every year, and the volunteer team that gathered to represent Otokoç Otomotiv traced the legacy of the Great Leader across a broader geography. Employees of Otokoç Otomotiv embarked on the “Path of Independence” journey along the Samsun-Havza-Ankara route from 6-9 November, demonstrating their devotion and love to Him. The program commenced with visits to various important

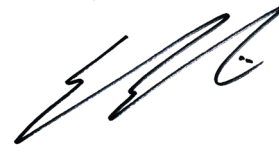
In the second century of our Republic, we will continue to fulfill our responsibilities and attain new achievements that will inspire our industries operating across all fields to achieve global leadership.

sites in Samsun, including the Bandırma Ferry, the National Struggle Park Open-Air Museum, the Samsun Gazi Museum, the Statue of Honor, Tütün İskelesi (the Tobacco Pier), and the İlkadım Monument, where Atatürk stepped in Samsun and paved the way for "Independence". On the 2nd day of the program, we had the opportunity to visit Havza Atatürk House and Taş Mektep. During the 3rd day of the program, as part of the Atatürk Commemoration visit in Ankara, an official ceremony at Anıtkabir was held, attended by the senior management of Otokoç Otomotiv, who paid their respects by laying a wreath at the mausoleum. I had the privilege of conveying my feelings in the spiritual presence of Atatürk. Following the ceremony, filled with profound emotions, the 1st Turkish Grand National Assembly building and the 2nd Turkish Grand National Assembly building were visited. On the last day of the program, following our visits to the Anatolian Civilizations Museum and Rahmi M. Koç Museum, we set out on our return trip. Furthermore, simultaneous ceremonies were held at Otokoç Otomotiv Headquarters and all branches to commemorate the Great Leader Mustafa Kemal Atatürk on the occasion of his anniversary of his demise. During these ceremonies where the Koç Holding 10 November film was screened, my fellow leaders delivered speeches about the meaning and significance of the day while also observing a moment of silence.

We are moving towards our 100th anniversary as the leading mobility company of Turkey. In the second century of our Republic, we will continue to fulfill our responsibilities and attain new achievements that will inspire our industries operating across all fields to achieve global leadership. With our human-centered approach at every step, we prioritize building our internal processes and ensuring customer satisfaction without compromising quality standards while fostering a transparent communication experience. In addition to our vision of providing a unique experience in all areas we

serve, we consider striving for the future of our planet and contributing to social welfare to be our primary duties. I would like to extend my sincere appreciation to all my colleagues and distinguished stakeholders who have accompanied us along this path with shared awareness and enthusiasm, and I once again reiterate our commitment to making operational and cultural investments ensuring a sustainable future and state that "Our Path is Towards the Future".

I extend my warm greetings and utmost respect to all of you.



İnan Ekici
Otokoç Otomotiv Company Leader

BOARD OF DIRECTORS



İsmail Cenk Çimen
Chair



Levent Çakıroğlu
Member



Haydar Yenigün
Member



Özgür Burak Akkol
Member



İnan Ekici
Company Leader

SENIOR MANAGEMENT



İnan Ekici
Company Leader



Dr. Mehmet Önder Kutman
CFO



Uğur Güven
COO (Car Retailing)



Mert Atılğan
Car Rental and Mobility Business
Unit Leader



Dr. Andreas Taprantzis
CEO
Greece Country Director



Tanıl Akçaoğlu
Ford and Volvo Business Unit Leader



Barış Kılınç
Fiat, Arj and Maserati Business Unit
Leader



Dr. Erdal Kemikli
Technology and Strategy Leader



Birkan Çalışkan
2nd Hand and Fleet Operations Business
Unit Leader



İrem Çalık
Human Resources Leader

AWARDS



Otokoç Otomotiv

- Fortune 500 - Ranked 35th
- Capital 500 - Turkey's Largest 500 Companies - Ranked 39th
- Hermes Creative Awards
 - o Special Event Category - 10 November Atatürk Commemoration Events - Honorary Award
 - o PR Campaign Category - Glass Ceiling is Only Good in a Car - Gold Award
 - o Corporate Social Responsibility Program Category - We Speak the Same Language - Gold Award
- Sales Network Best Team to Join 2023 Award - Best Company to Work For
- Hammers Awards - Otokoç Metazone Project Best Metaverse Team Silver Award
- Future of Cloud & AI Awards - Occupational Health and Safety Optimization with Artificial Intelligence Technology
- Fast Company - Meaning-Focused Companies - Ranked 62nd
- Business Life Awards
 - o İnan Ekici - Most Effective 50 CEOs
 - o Dr. M. Önder Kutman - Most Effective 50 CFOs
 - o Esra Arslanbaş Kaynak - Most Effective 50 CMOs
 - o İrem Çalık - Most Effective 50 CHROs
- Sales Network Summit - İnan Ekici - Leaders of the Century Awards
- CIO Look 2023 - Esra Arslanbaş Kaynak - The 10 Most Visionary Leaders to Watch
- CXO Medya - CIO of the Year Award - Dr. Erdal Kemikli
- DataExpert Turkey - Esra Arslanbaş Kaynak - Most Effective 50 CMOs



- Fast Company - Esra Arslanbaş Kaynak - - Most Successful 50 Digital CMOs (Ranked 6th)
- Fortune C-Suite Series - Dr. Erdal Kemikli - 50 CTOs determined in the Technology Leaders List
- International Data Corporation - Dr. Erdal Kemikli - 10 CIO of the Year Award
- Fortune C Suite - Dr. Erdal Kemikli - 50 CTO and Fortune C Suite - Dr. M. Önder Kutman - 50 CFO
- Golden Leader Awards Most Admired CMO Esra Arslanbaş Kaynak
- Golden Leader Awards Most Admired CEO İnan Ekici

Avis

- Echo Awards - E-Commerce Award / Car Rental Category
- Brandverse Awards - Best Car Rental Brand
- Hammers Awards - Car Rental Industry - Best Marketing Team in the Car Rental Industry Gold Award
- Techbrands Awards - Most Technological Brand
- Marketing Türkiye - E-Commerce Award
- The One Awards - Most Reputable Brand





Avis Kazakistan

- C.E.O. Award - Customer Satisfaction Story

Avis Greece

- Great Place to Work 2023 - International Certificate
- Ermis Advertising and Communication Awards
 - o Digital Campaign Category - Bronze
 - o Social Content Marketing Category - Bronze
 - o Integrated Digital Campaign Category - Silver
- Avis Leaders Appreciation Awards - Dealers Exceeding Their Targets Award
- Acknowledgement Award - Long-Term Loyalty and Engagement Award

HR Awards 2023

- Great Place to Work 2023 international certificate
- 34th Koç Group Sports Festival - Volleyball Winner Cup

Ermis Advertising and Communication Awards

- o Digital Campaign Category - Bronze
- o Social Content Marketing Category - Bronze
- o Integrated Digital Campaign Category - Silver

Social Responsibility 2023

- Afforestation of the fire-damaged Dadia forest with the NGO "Save Your Hood"
- Raising awareness on breast cancer prevention with the "Scientific Mammalogy Association"
- Meeting the needs of sick children with "Make a wish NGO"

Avis - Budget

- AVIS BUDGET Group NPS Award - Customer Recommender Score First Place
- C.E.O. Award - Customer Satisfaction Story

Budget

- Hammers Awards - Best Marketing Team in Adventure Road Car Rental Industry -Silver Award

Connected E-Bike

- Best Of Sales Awards 2023 - Technology and Innovation Implementation in Sales Category

Otokoç

- Hammers Awards - Local Campaigns Project / Best Marketing Team in the Automotive Industry -Silver Award

Otokoç Sigorta

- IDC Future Enterprise Awards - Best in Future of Industry Ecosystems- Online Sales Platform Project
- Allianz Turkey - Automotive Dealer Agencies - Insurance Company Producing the Highest Premiums



AWARDS



Zipcar

- Kristal Geyik Awards Best Entrepreneurship Company of the Year
- Brandverse Awards - Addressable TV Usage Campaign
- Hammers Awards - Addressable TV - Gamification Editing
- Best Online Media Buying Team Silver Award

Otokoç Dealers

- Ford Otosan Excellence in After-Sales Service
 - o Otokoç Tarsus
 - o Otokoç Antalya
- Ford Otosan President's Award
 - o Otokoç İzmir
- Ford Otosan Champions League Award
 - o Otokoç İnönü
- Volvo Car Turkey Best Authorized Dealer Award
 - o Otokoç Adana
 - o Otokoç Antalya
- Volvo Car Turkey Technical Service Development Award
 - o Otokoç Samsun
- Volvo Car Turkey Volvo All Star Competition Award
 - o Otokoç Antalya- First Place

- Tofaş Severance Awards - 50th Year Severance Award
Otokoç Ankara
- Tofaş Severance Awards - 50th Year Severance Award
Otokoç Küçükyaalı
- Ford Dealers Olympics - Turkey 2nd Award Otokoç Eskişehir
- After Sales Excellence 2023 - 3rd Quarter Award Otokoç
Adana
- Tofaş Branch Awards Provincial Leadership
 - o Otokoç Zincirlikuyu - Fiat Turkey Total Sales 1st Place
 - o Otokoç Samsun - Fiat D Group Retail Commercial
Vehicle Sales 1st place
 - o Otokoç Bursa - Fiat C Group Retail Commercial Vehicle
Sales 1st place / Fiat C Group Retail Passenger Car
Sales 1st place
 - o Otokoç İzmir
 - o Otokoç Eskişehir
 - o Otokoç Adana
 - o Otokoç Ankara
 - o Otokoç Antalya
 - o Otokoç Beylikdüzü
 - o Otokoç Kütahya
 - o Otokoç Küçükyaalı



34th Koç Group Sports Festival Awards

Award winners are listed in alphabetical order:

• Athletics

- o Avis Söğütözü
- o Otokoç Ataşehir
- o Otokoç Beylikdüzü
- o Otokoç Budget
- o Otokoç Otomotiv
- o Otokoç Sancaktepe
- o Otokoç Sultanbeyli

34th Koç Group Sports Festival
Awards -Athletics 800 m -1st place
Avis Söğütözü

• Basketball

- o Adana Otokoç
- o Ankara Otokoç Fiat
- o Antalya Otokoç Fiat

• Bowling

- o Antalya Otokoç Ford

• Football

- o Adana Otokoç 2. El
- o Antalya Otokoç Fiat
- o Antalya Otokoç Ford
- o Samsun Otokoç Fiat

• Table Tennis

- o Antalya Avis Budget
- o Antalya Otokoç Ford

• Beach Volleyball

- o Antalya Avis
- o Antalya Otokoç Fiat
- o Avis Greece

• Volleyball

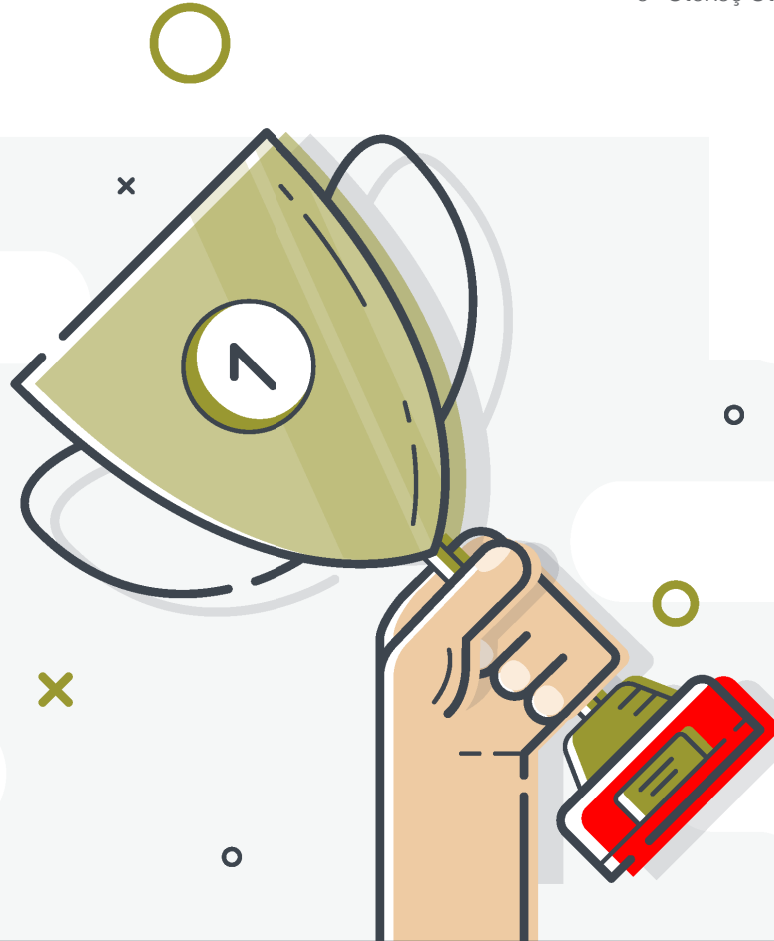
- o İzmir Otokoç Ford

• Sailing

- o Otokoç Otomotiv

• Swimming

- o Otokoç Otomotiv



THE TURKISH AUTOMOTIVE MARKET AND OTOKOÇ OTOMOTİV

In 2023, Otokoç Otomotiv got 7.7% market share.

Market Composition

In 2023, total sales in the domestic automotive market grew by 55.5% and were registered as 1,278 thousand units.

AUTOMOTIVE DOMESTIC MARKET SALES IN 2023

(thousand units)	2019	2020	2021	2022	2023
Passenger Cars	387	610	562	593	967
Light Commercial Vehicles	49	96	110	117	156
Medium Commercial Vehicles	43	66	66	73	110
Heavy-Duty Commercial Vehicles	9	19	29	38	45
Total Industry	488	791	766	822	1,278

55.5%

VEHICLE SALES IN THE INDUSTRY INCREASED BY 55.5% IN TERMS OF UNITS IN 2023.

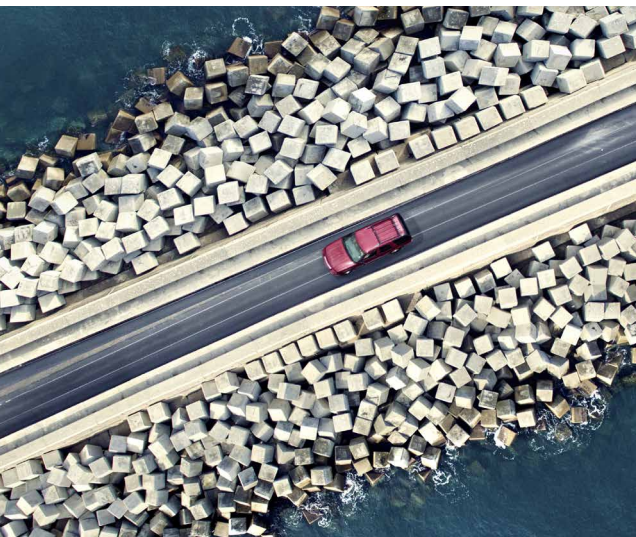
63.2%

PASSENGER CARS ATTAINED THE HIGHEST GROWTH WITH 63.2% ON THE BASIS OF SEGMENTS.

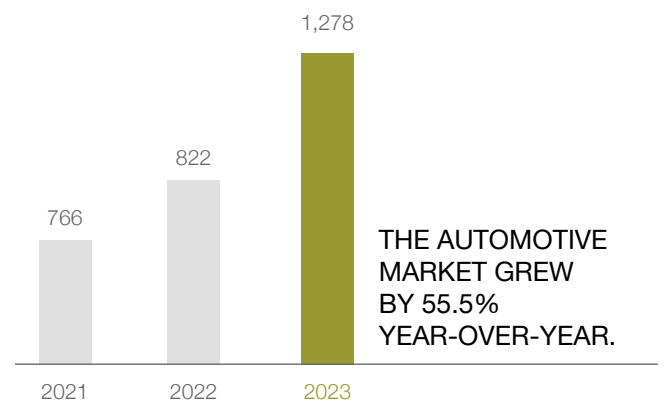


Based on vehicle segments, the market grew by 63.2% compared to the prior year in passenger cars, 32.5% in light commercial vehicles, 49.8% in medium commercial vehicles, and 17% in heavy commercial vehicles.

(thousand units)	2021	2022	2021-2022 (% change)	2022	2023	2022-2023 (% change)
Passenger Cars	562	593	5.5	593	967	63.2
Light Commercial Vehicles	110	117	6.8	117	156	32.5
Medium Commercial Vehicles	66	73	11.7	73	110	49.8
Heavy-Duty Commercial Vehicles	29	38	33.1	38	45	17.0
Total Industry	766	822	7.2	822	1,278	55.5



TOTAL INDUSTRY (THOUSAND UNITS)



THE TURKISH AUTOMOTIVE MARKET AND OTOKOÇ OTOMOTİV

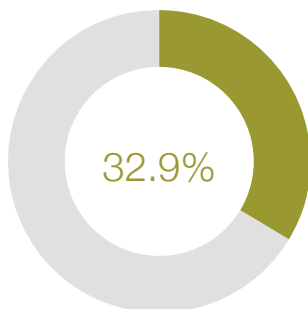
Otokoç FIAT & ARJM was responsible for 32.9% of Tofaş sales in the passenger car market and got a 4.5% share in the Turkish passenger car market in 2023.

The Company was responsible for 32.9% of Tofaş sales in the passenger car market and got a 4.5% share in the Turkish passenger car market in 2023. Realizing 30.0% and 26.6% of Tofaş sales in the light and medium commercial vehicles markets, respectively, the Company got 11.1% and 2.6% share from the overall market in these two segments. With a total of 63,465 units, the Company had a 31.8% share out of Tofaş sales.

OTOKOÇ AND TOFAŞ SALES

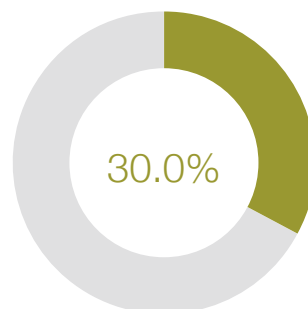
(thousand units)	2022			2023		
	Otokoç Sales	Tofaş Sales	Penetration (%)	Otokoç Sales	Tofaş Sales	Penetration (%)
Passenger Cars	32.7	100.9	32.4	43.3	131.6	32.9
Light Commercial Vehicles	15.2	45.4	33.6	17.3	57.7	30.0
Medium Commercial Vehicles	1.1	3.7	30.4	2.8	10.6	26.6
Total	49.1	150.0	32.7	63.5	199.9	31.8

PENETRATION RATE IN TOFAŞ PASSENGER CAR SALES (%)



IN 2023, OTOKOÇ SOLD 43.3 THOUSAND TOFAŞ PASSENGER CARS.

PENETRATION RATE IN TOFAŞ LIGHT COMMERCIAL VEHICLES (%)



IN 2023, OTOKOÇ SOLD 17.3 THOUSAND TOFAŞ LIGHT COMMERCIAL VEHICLES.



4.5%

OTOKOÇ FIAT & ARJM GOT A 4.5% SHARE IN THE PASSENGER CAR MARKET.

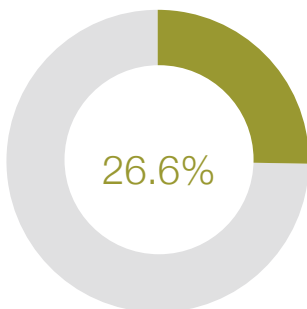
11.1%

OTOKOÇ FIAT & ARJM'S SHARE IN THE LIGHT COMMERCIAL VEHICLE MARKET IN 2023 WAS 11.1%.

2.6%

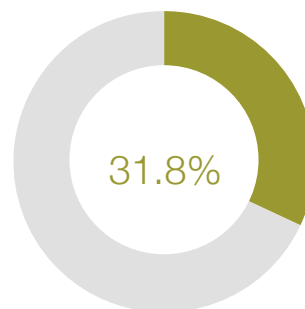
OTOKOÇ FIAT & ARJM'S MARKET SHARE IN MEDIUM COMMERCIAL VEHICLES WAS 2.6%.

PENETRATION RATE IN TOFAŞ MEDIUM COMMERCIAL VEHICLE SALES (%)



IN 2023, OTOKOÇ SOLD 2.8 THOUSAND TOFAŞ MEDIUM COMMERCIAL VEHICLES.

PENETRATION RATE IN OVERALL TOFAŞ SALES (%)



IN 2023, OTOKOÇ SOLD 63.5 THOUSAND TOFAŞ VEHICLES IN TOTAL.

THE TURKISH AUTOMOTIVE MARKET AND OTOKOÇ OTOMOTİV

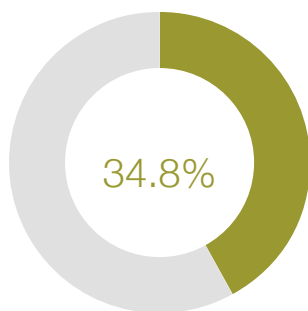
Otokoç was responsible for 34.8% of Ford sales in the passenger cars market and got a 1.1% share in this segment in 2023.

Otokoç was responsible for 34.8% of Ford sales in the passenger cars market and got a 1.1% share in this segment in 2023. Realizing 22.9% of Ford sales in the light commercial vehicles market, the Company got a 5.3% share of the total market in this segment. With a 27.2% share of Ford sales in the medium commercial vehicles market, the Company got 8.8% of the total market in this segment. In the heavy-duty commercial vehicles market, the Company realized 16.9% of Ford sales and got a 4.4% share of the total market in this segment. With 30,633 units in total, the Company's share in Ford sales was 26.9%.

OTOKOÇ AND FORD SALES

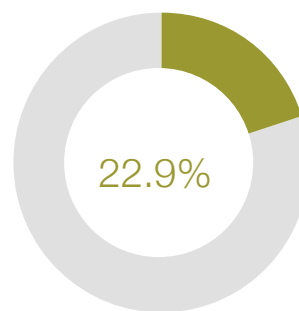
(thousand units)	2022			2023		
	Otokoç Sales	Ford Sales	Penetration (%)	Otokoç Sales	Ford Sales	Penetration (%)
Passenger Cars	5.0	11.3	44.0	10.8	30.9	34.8
Light Commercial Vehicles	8.1	37.0	21.8	8.2	35.8	22.9
Medium Commercial Vehicles	7.1	29.1	24.4	9.7	35.6	27.2
Heavy-Duty Commercial Vehicles	2.3	9.0	26.0	2.0	11.7	16.9
Total	22.5	86.4	26.0	30.6	114.0	26.9

PENETRATION RATE IN FORD PASSENGER CAR SALES (%)



IN 2023, OTOKOÇ SOLD 10.8 THOUSAND FORD PASSENGER CARS.

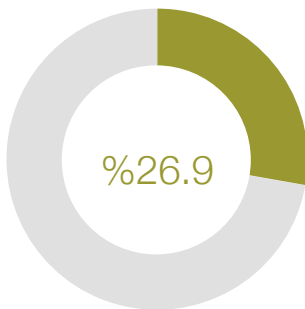
PENETRATION RATE IN FORD LIGHT COMMERCIAL VEHICLES (%)



IN 2023, OTOKOÇ SOLD 8.2 THOUSAND FORD LIGHT COMMERCIAL VEHICLES.



PENETRATION RATE IN TOTAL FORD SALES (%)



IN 2023, OTOKOÇ SOLD 30.6 THOUSAND FORD VEHICLES IN TOTAL.

1.1%

OTOKOÇ GOT 1.1% SHARE IN THE PASSENGER CARS MARKET.

5.3%

THE COMPANY GOT A 5.3% SHARE OF THE LIGHT COMMERCIAL VEHICLES MARKET IN 2023.

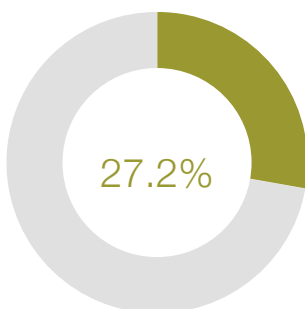
8.8%

SHARE IN THE MEDIUM COMMERCIAL VEHICLES MARKET WAS REGISTERED AS 8.8%.

4.4%

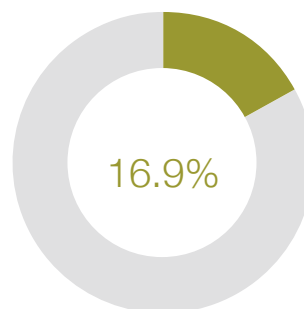
THE SHARE IN THE HEAVY-DUTY COMMERCIAL VEHICLES MARKET WAS 4.4%.

PENETRATION RATE IN FORD MEDIUM COMMERCIAL VEHICLES SALES (%)



IN 2023, OTOKOÇ SOLD 9.7 THOUSAND FORD MEDIUM COMMERCIAL VEHICLES.

PENETRATION RATE IN FORD HEAVY-DUTY COMMERCIAL VEHICLES SALES (%)



IN 2023, OTOKOÇ SOLD 2.0 THOUSAND FORD HEAVY-DUTY COMMERCIAL SALES.

THE TURKISH AUTOMOTIVE MARKET AND OTOKOÇ OTOMOTİV

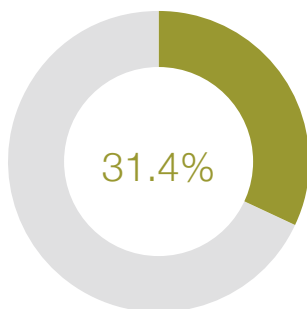


VOLVO SALES

(units)	2022			2023		
	Otokoç Sales	Volvo Sales	Penetration (%)	Otokoç Sales	Volvo Sales	Penetration (%)
Passenger Cars	2,488	8,228	30.2	3,660	11,646	31.4

The Company sold 3,660 cars and reached a penetration rate of 31.4% in Volvo passenger car sales in 2023.

PENETRATION RATE IN VOLVO PASSENGER CARS SALES (%)



IN 2023, OTOKOÇ SOLD 3.7 THOUSAND VOLVO PASSENGER CARS.

RENTAL CAR PARK

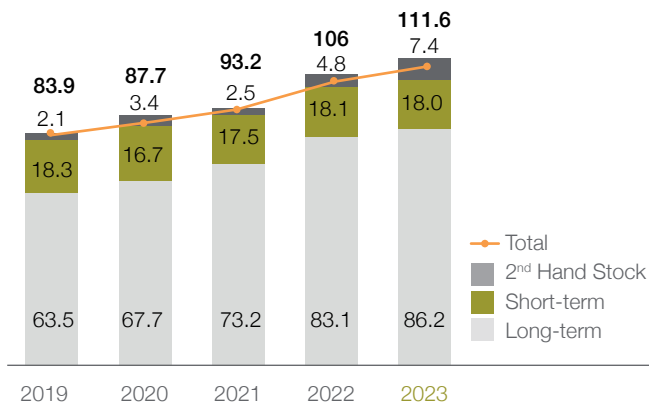
There were 111.6 thousand vehicles in the Company's total car park at year-end 2023.

The car park for Otokoç's rental operations is shown in the table below as of year-end.

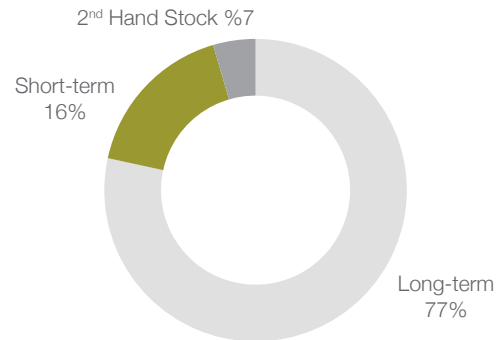
CAR PARK

(thousand units)	2019	2020	2021	2022	2023
Long-term	63.5	67.7	73.2	83.1	86.2
Short-term	18.3	16.7	17.5	18.1	18.0
Second-Hand Stock	2.1	3.4	2.5	4.8	7.4
Total Car Park	83.9	87.7	93.2	106.0	111.6

CAR PARK (THOUSAND UNITS)



BREAKDOWN OF CAR PARK (%)



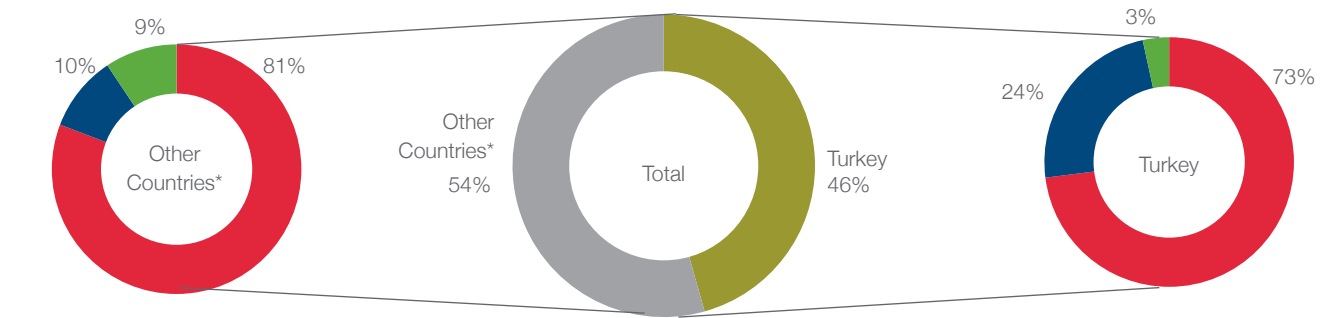
News from Greece

The 2023 employee engagement survey in Greece yielded a score of 84 with a participation rate of 91%. MyAvis Easy Leasing's long-term rental procedures and "cardom.gr" second-hand vehicle sales processes were digitalized, and a mobile application was introduced for after-sales services. The Avis CRM application went live at the end of 2023. The EU Recovery and Resilience Fund granted a EUR 750 million loan with a 12-year term and a reasonable interest rate for green transition investments. A total of EUR 331.1 million of green financing was provided with Greece's largest ever non-banking securitization transaction of Otokoç Otomotiv's subsidiary Olympic and with the RRF funding.



THE TURKISH AUTOMOTIVE MARKET AND OTOKOÇ OTOMOTİV

BREAKDOWN OF CAR PARK (%)



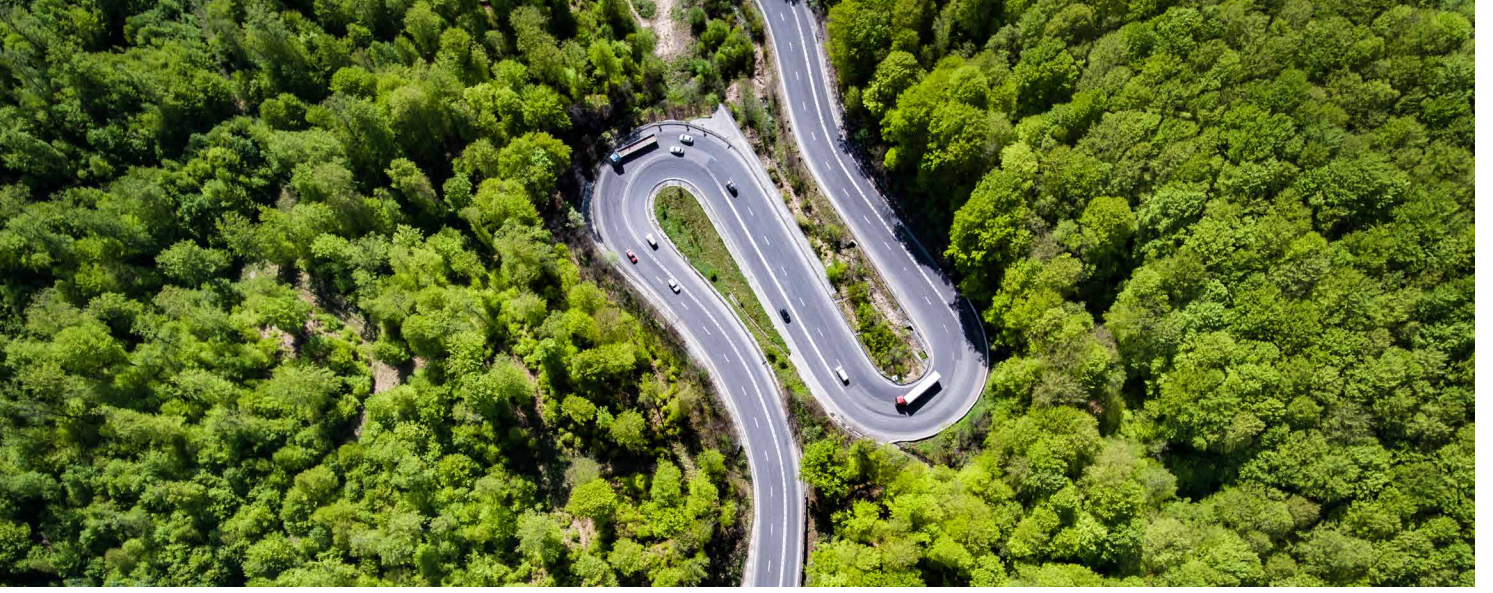
*Greece, Kazakhstan, Hungary, Azerbaijan

Long-term

Short-term

2nd Hand Stock





KAZAKHSTAN



ACTIVE IN TURKEY, GREECE, KAZAKHSTAN, AZERBAIJAN, HUNGARY, GEORGIA, UKRAINE, NORTHERN CYPRUS AND NORTHERN IRAQ THE COMPANY PURSUES OPERATIONS AT 405 LOCATIONS, 83 OF WHICH ARE ABROAD, IN 9 COUNTRIES IN TOTAL.

OTOKOÇ 2. EL

Otokoç 2. El will continue to grow with its dealership structuring.

With innovative options such as vehicle sales, same-day vehicle purchasing with cash, professional expert services, a wide service network, contactless delivery, and online purchasing, Otokoç 2. El, which operates in 31 locations as a point of trust in second-hand area, continues to diversify its sales channels and to establish a dealership network in line with its strategy of responding to the needs of the ever-growing second-hand automotive market and developing its supply channels.

The Sivas dealer opening ceremony of Otokoç 2. El, which is Turkey's leader in corporate second-hand vehicle sales, was held on 25 November 2023. Otokoç Otomotiv, Oto Sabir executives, Sivas local government representatives, and guests attended the ceremony held on the occasion of the dealer opening.

During the year, Kayseri, Sivas, Erzurum, Şanlıurfa and Gaziantep dealers opened. With the high volume of sales achieved in the second-hand market, Otokoç 2. El brought together numerous second-hand vehicles with their owners. The Company will continue to carry further the sales volume and its value-adding service quality for its customers with dealers carefully selected.

Otokoç 2.El plans to achieve incremental growth by establishing a network of 20 dealers by the end of 2024, followed by 35 dealers by the end of 2026, and ultimately reaching a cumulative count of about 40 dealers by the end of 2028 through its sales channels. Otokoç 2. El, building its business model on providing fast, reliable and technological solutions, realized 32,827 sales in 2023 in Turkey and continues its investments to maintain its leadership position in the corporate second-hand market with a growth target.

OTOKOÇ 2. EL SALES

(Pieces)	2 nd Hand Total Sales	2023	
		Otokoç 2. El Sales	Otokoç 2. El Market Share (%)
Passenger and Light Commercial Vehicles	8,823,288	32,827	0.4

*Market data source: EBS Analiz Otomotiv Yönetim Danışmanlığı San. ve Tic. A.Ş.



OTOKOÇ SİGORTA

The otokocsigorta.com website, launched in July 2023, strives to connect with its customers through the digital platform, with the tagline “With You at Every Moment of Life”.

With a strong presence of 25 branches in 9 provinces across Turkey and a team of 79 expert employees, the Company serves as the agency for the leading and reliable companies of the industry, particularly in traffic and motor insurance, health insurance, and home and workplace insurance.

Otokoç Sigorta, providing service with its robust field channel structure since 2007, expanded its sales channels with the launch of the otokocsigorta.com website in July.

Otokoç Sigorta, which increased the number of insurance companies to 12 in 2023 in order to provide its customers with a broader range of options in terms of product and price range in the dynamic insurance market, intends to further increase its partner count in 2024.

Otokoç Sigorta | Hayatın Her Anında
yanınızda



AGILE TRANSFORMATION

The Cultural Leadership Development Program, which was exclusively tailored for Otokoç Otomotiv, facilitated a value-oriented leadership development journey for its leaders, and this journey commenced in 2023 with the participation of 66 leaders.

Otokoç Otomotiv regards agile transformation not only as a goal but also as an effective method that invigorates its organizational culture. In this sense, it focuses on cultural transformation. Through the principle of inclusion and diversity, it has demonstrated the values and principles of Otokoç Otomotiv with over 700 employees from every location of the organization, from every business family, from all ages, and from all different positions. In 2023, they communicated their collaboratively formulated Culture Manifesto to all relevant stakeholders.

During the cultural transformation process, they identified their key focus areas in collaboration with their leaders so as to preserve the values and behavioral principles outlined in the Culture Manifesto. At Otokoç Otomotiv, there are currently nine distinct cultural initiatives that are actively striving to preserve their values and transform them into daily behavioral practice.

Throughout the year, focus groups were organized within the Company to raise awareness of the values and behavioral principles outlined in the culture manifesto, gathering insights from more than 400 employees in 46 different sessions. Roadshows, held in 11 different locations starting in the second half of the year, brought together around 1,700 employees to fully embrace the values and behavioral principles outlined in the Culture Manifesto.

As part of the transformation journey, a value-oriented leadership development journey was designed for its leaders with the Cultural Leadership Development Program, which was exclusively tailored for Otokoç Otomotiv, and this journey commenced in 2023 with the participation of 66 leaders.

Participation and awareness were enhanced across the Company over the course of the year by means of various communication activities conducted through different channels.

İçimizdeki **G**evik
Otokoç Otomotiv

İçimizdeki **G**evik
KÜLTÜR MANİFESTOSU

Ritme Ahenk Kat!

İçtenlik

İnsanlara bağ kurmanın gücüne, samimiyet ve güvene dayalı açık iletişime inanınız.

YAPARIZ

- Birbirimizi akıl ve kalple dinleriz.
- Yaklaşım ve önerilerimizde çözümün parçası oluruz.
- Saygı ve saygınlıkta tutulur davranırız.

YAPMAYIZ

- "Mıgır" yapılmaz.
- Bildirimi varsaymaz, ön yargı ile yaklaşmaz.
- Başkalarının duygularını düşünmeden gelmeyiz.

Şeffaflık

Her koşulda insana saygıyı temel alarak, nedenleri ve sonuçları açıkça paylaşmanın gücüne inanınız.

YAPARIZ

- Bilgiyi, fikirleri açıkça paylaşıyoruz.
- Kararlara ilgili paydaşları dahil ederiz.
- Paydaşlarımızın neden ve sonuçları açısından emin oluruz.

YAPMAYIZ

- İleri geri konuşmaya göre farklı davranmaz.
- Farklı fikirleri ve farklı sesleri kulak ardı etmez, kimseyi fikrinden dolayı yargılamaz.
- Kapalı kapılar ardında konuşmaz.

İş Birliği

Ortak dil ve ortak hedefle, tüm paydaşlarımızla birlikte daha güçlü olacağımıza inanınız.

YAPARIZ

- Birbirimizin faydası için ortak amaçla hareket ettiğimizi bilir, ortak hedefler koyarız.
- Birbirimizden yardım ister, birbirimize yardım ederiz.
- Kararlarımızı ortak akıl ile alırız, sorumluluk alırız.

YAPMAYIZ

- Sadece kendi sonucumuza odaklanmaz.
- Paydaşların ihtiyaç ve beklentilerini göz ardı etmeyiz.
- Üzerimize düşen sorumluluğu yapmaktan kaçınmaz.

Yenilikçilik

Toplum, çevre ve paydaşlar için geleceğimizi inşa etmenin yolunun cesaretle yeniyi yer açmak olduğuna inanınız.

YAPARIZ

- Uygulamalarımızı ve iş yapış şeklimizi gözden geçirir, iyileştiririz.
- Merakla yeniyi arar ve deneyiz.
- Ovaklamız ortak akıl ile belirlenir, kararlılıkla hayata geçirir ve yaşatırız.

YAPMAYIZ

- Her yenide öncelikli demeyiz.
- "Biz bunu daha önce denemiştik, olmaz" demeyiz.
- Sadece bugünü ve mevcut işimizi düşünmeyiz.

Gelişim

Bizi bugüne taşıyan yeteneklerimize, gelecek için sürekli öğrenme ve gelişime inanınız.

YAPARIZ

- Düzeni geliştirmenizi ister ve geliştirmenizi sağlar.
- Deneyimimizden öğrenir, kendi gelişimimizi sağlar.
- Başarılarımızı ve gelişimimizi takdir eder ve birlikte kutluyoruz.

YAPMAYIZ

- Suçlamaya, suçlu aramaya.
- Mevcut bilgi ve becerilerimizle yetinmeyiz.
- Birbirimize hata yapma korkusu yaşatmayız.

Otokoç Otomotiv **95**YILI

4 stars

In the 2023 BAI evaluation, Otokoç Otomotiv achieved a rating of 4 stars, becoming one of the few agile organizations worldwide.



Agile Maturity

The Business Agility Institute is a global research institution that focuses on studying business agility. The annual measurements provide insights into the transformation journeys of companies. Through the incorporation of feedback throughout its two-year agile transformation process, Otokoç Otomotiv has achieved a notable distinction as one of the few agile organizations around the world by attaining 4 stars in the 2023 BAI evaluation.

Rental and Mobility

The transformation of the Avis Filo business unit's operational procedures to a point where it provides all Otokoç Otomotiv products to corporate customers has been successfully concluded.

The installation of the mobility tribe, aimed at developing end-to-end mobility solutions to support the Company's mobility vision, has commenced. The primary focus of the tribe was on cross-functional teams that concentrated on connectivity products.

Avis Filo Maestro, one of the Company's strategic focus points, became the first business family of the Company to embark its agility journey.

Second-Hand and Fleet Procurement

The objective of the business procedure transformation undertaken at Second-Hand is to effectively distribute targets among all teams, thereby bolstering the playmaker role of the Otokoç 2. El brand within the market.

Retail Business Unit

In the Retail Business Unit, following the pilot branch experience with Otokoç Taşdelen and the design initiated in Otokoç İzmir, teams were elevated as the second work area, and a special playbook for branch agile transformation was compiled by integrating their experiences there. Thus, the dissemination process has commenced. Concurrently with the establishment of the 'Branch Agile Leader' position to ensure effective deployment in the branches, 'Agile Coaches' provided training to foster a productive work environment.

Field deployments of agile transformation within the retail business unit have been completed by 66%. (Representing 20 out of 30 branches)

Agile Transformation in Figures

- 137 Teams
- 1,253 Employees
- 9,161 Hours of Training
- 1,046 Individuals Trained
- 7 Different Employee Experience Processes Design
- Contact with Over 700 Employees
- 156 One-on-One Communications
- 110 Different Sessions
- 110 Hours of Internal Interaction

As part of the agile transformation journey to become a dynamic organization that generates greater value for employees, customers, and stakeholders, we will continue to digitalize processes through providing a holistic service and incorporating the value added by agility and design. This will enable us to meet customer expectations at all end-to-end touchpoints much more quickly and in the desired manner. Moving forward, we will employ agile steps from the present to the future.

2024 Targets

In 2024, the Company will complete the transformation of its business procedures in its Turkey organization while continuing its efforts to enhance cultural maturity. Ensuring increased value for employees, customers, and all stakeholders constitutes the driving force behind this entire transformation journey.

HUMAN RESOURCES

Various programs and processes have been developed to foster the development of leadership skills, which is an essential aspect that will drive Otokoç Otomotiv into the future and enhance the employee experience.



We have sustained our practices and developed new programs to attract young talents that will lead Otokoç Otomotiv into the future, enhance the employee experience, and contribute to the development of our leaders. As we progress in our developments and practices pertaining to Occupational Health and Safety, we focus on Sustainability within the scope of Facility Management.

Employee Focus

Our practices have been sustained, and new programs have been developed to attract young talents who will lead Otokoç Otomotiv into the future, enhance the employee experience, and foster the development of our leaders.

A “Cultural Leadership Development Program” was designed to facilitate Otokoç Otomotiv’s cultural transformation. The program involved individuals in leadership positions who were designated as the ambassadors of cultural transformation.

All coaching programs within the Company are positioned under the brand “Sirius” with the motto “Recognize, Rejuvenate, Shine”. In 2023, the Sirius brand incorporated 11 additional internal coaches into the “Internal Coaching” process. These coaches successfully completed a 6-month training program called “Journey to Mastery in Coaching.” Upon the completion of this year’s processes, the Company has achieved a total of 42 internal coaches. In 2023, a total of 42 internal coaches were matched with a total of 91 coaches.

Besides, the Reverse Mentoring process, which is planned to continue every year, has been positioned under the “Sirius” brand, and the practice of senior management members being reverse mentored by Management Trainees (MT) who are management candidates in our Company has been maintained through 2023.

Within the scope of the digitalization process in training programs, the LinkedIn Learning platform went live for managers and different prioritized skill groups. It currently provides online training services to more than 600 active users.

Over the course of the year, a total of 298 individuals received English language support with the start of the

English Language Training process, which fosters employee development through performance and potential evaluation.

Throughout the whole year, training programs were conducted for all business units, functions, and employee groups, reaching over 3,000 individuals and providing an average of 45 hours of training was provided per person.

Our loyalty rate, which has been steadily rising for 3 consecutive years, has surpassed 80% this year. As a result, our Company has been deemed worthy of the “2023 Kincentric Turkey Best Employer” award. For 2 consecutive years, it has been featured on the “Best Workplaces” list.

Additionally, Sales Network’s Best Team to Join 2023 recognized our Company with the Best Companies to Work For award.

A series of communication initiatives were implemented throughout the course of the year with the aim of promoting and disseminating the “Otokoç 1 World” employer brand. This brand was developed with the objective of attracting talented individuals in line with Otokoç Otomotiv’s vision and enhancing the overall employee experience. Participation in targeted campus events was accomplished, and young talents were met at 23 different career events. The Company has successfully recruited a total of 108 young individuals through several employment programs designed specifically for young talents. These programs include the Move’n Grow Sales School—Retail, Move’n Grow Part-time Sales School—Rental, Technician School, Upgrade Long-Term Internship Program, ShineUp Summer Internship Program, and SpeedUp MT Program.

In order to enhance the candidate experience, a Recruitment Manifesto and Interview Guide have been developed. To enhance the employee experience, monthly HR Online meetings are conducted to elucidate Human Resources procedures, and an HR Communication Handbook has been published to facilitate expedited communication with Human Resources. As part of the Healthy Lifestyle initiative, we have introduced psychological support and dietitian services for our colleagues. These services can be used in person 6 times a year. Social clubs have been established

with the aim of enhancing the level of engagement among colleagues and facilitating their collective interaction through common hobbies. The initial phase commenced with a total of 10 clubs. Our objective with Social Clubs is to provide our colleagues with the opportunity to unite in several fields, ranging from sports to the arts, receive training, and participate in tournaments.

A partnership has been established with a volunteering platform to facilitate the engagement of our employees in social responsibility initiatives that make meaningful contributions to society. Over the course of the year, 113 individuals who are part of our “İyi 1 Dünya Elçimiz” (A Good World Ambassador) participated in 9 different initiatives, contributing a total of 334 hours of volunteer work.

To enhance awareness regarding diversity and inclusion within the Company and to execute diverse projects in this regard, a new roadmap has been formulated, and collaboration has commenced with our consultants, who are comprised of scholars, as of the end of 2023.

Occupational Health and Safety

In 2023, as part of our commitment to Occupational Health and Safety, ISO 45001 Occupational Health and Safety Management certificate was obtained for all rental offices throughout Turkey, in addition to the ISO 45001 Management System implemented in all our branches and warehouses.

We strive to safeguard our employees mentally and physically from work accidents and occupational diseases, to ensure that they work in healthy and safe environments, to identify occupational health and safety risks and mitigate them by deploying a proactive approach, to achieve the goal of zero accidents, and to cultivate an effective occupational health and safety culture.

Among our material topics, we consider occupational health and safety. Ensuring a healthy and safe working environment for our employees is one of our key responsibilities. We conduct reward programs to enhance the awareness of our employees in this particular area.

Reporting rates of non-conformance and improvement suggestions through Worksafe increased fourfold, reaching a total of 7,500 notifications.

Following the devastating earthquake, our Company took immediate action to provide emergency kits to all employees, prioritizing their safety and preparedness in the event of a potential emergency. Meanwhile, we conducted emergency awareness training sessions and ensured our employees remained well-informed.

With the deployment of personal protective equipment cabinets in our Otokoç Parça warehouses, both employees and visitors have started to obtain Personal Protective Equipment (PPE) for warehouse use from these cabinets.

Fire and explosion risks were assessed in all our branches and warehouses, and a document outlining measures for explosion protection was developed. After-work actions are closely monitored with branch management and the Facility Management team.

Administrative Affairs & Facility Management

We organized a series of monthly “Lezzetli 1 Mola” (A Delicious Break) events throughout all of our locations in 2023 with the goal of enhancing the overall employee experience.

Renovation of employee break areas in 18 locations and of cafeterias in 5 branches was completed.

As part of the 34th Koç Sports Festival, the number of our participants as Otokoç Otomotiv increased 3.5 times, and 659 of our colleagues participated in 15 branches in 2023. In total, 16 teams received degrees in 15 branches.

In order to reduce energy consumption in our branches, various measures, such as new solar energy projects, energy-efficient compressor replacements, time clocks for environmental lighting, and LED conversion projects, are being implemented.

We installed inverter compressors in 16 branches to replace our existing compressors. Subsequent to this replacement, a total efficiency of 331,430 kWh was attained in 2023. By means of our energy efficiency project, a reduction of 146.4 tons of CO₂e was provided.

In 2023, our 13 branches achieved a total efficiency of 520,476 kWh by replacing the lighting with LED lighting. Owing to our energy efficiency project, we managed to achieve a reduction of 229.9 tons of CO₂e emissions.

In 2023, a total of 327,853 kWh of efficiency was achieved through installing relays on the facade and environmental lighting and ensuring that they are turned off at certain hours. Due to our energy efficiency project, we were able to achieve a reduction of 144.82 tons of CO₂e emissions.

Three solar power plants were installed, including one on land and three on rooftops. With the Solar Power Plants installed in our Antalya Ford, Adana Fiat, and İnönü Ford branches, 2,656,000 kWh of efficiency and a reduction of 1,173 CO₂ emissions were achieved.

Our Niğde land solar power plant was commissioned in October 2023, with a projected annual efficiency of 17,449 MWh. By means of our project, we were able to achieve a reduction of 7,707.77 tons of CO₂e emissions.

Efficiency in natural gas usage has been achieved by obtaining hot water from solar energy. Efficient ventilation has been achieved in wet areas with the new ventilation scenario.

Thanks to the Otokoç Bursa Ford rainwater harvesting project, a total of 650 m³ of water was saved.

MARKETING

With a focus on delivering excellent service to customers, the Company remains committed to innovation across all areas and prioritizes the principles of continuous development and digital transformation.

Customer Experience

Since its establishment, Otokoç Otomotiv has consistently pursued innovative endeavors across all areas in order to deliver excellent services to its customers in line with an approach that prioritizes the principle of customer satisfaction and the recognition of the significance of continuous development and digital transformation.

As Otokoç Otomotiv, our customer satisfaction policy and approach are founded upon the principles of delivering customer-oriented service without compromising quality standards and by fostering transparent communication.

Our main focus points include responding to demands promptly and effectively, accurately understanding requests and needs, and developing the simplest service designs that we can offer to our customers.

Based on the Company's vision of providing a unique customer experience in all the brands it serves, the Branded Customer Experience Program, which was initiated to implement the Customer Experience transformation simultaneously with the agile transformation process, was sustained in 2023.

Based on the findings of Maturity & Culture Research studies and comprehensive business analysis conducted for Short-Term Rental and Otokoç Retail Brands, the Company continues with its endeavors to establish a unique customer experience.

In order to accomplish service standardization and promote the dissemination of standards across all customer touchpoints, significant measures are being implemented as part of an ongoing transformation journey facilitated by internal trainers, as well as the implementation of redesigned customer measurements and customer journey maps.

Endeavors Regarding Customer Experience were Crowned with Awards

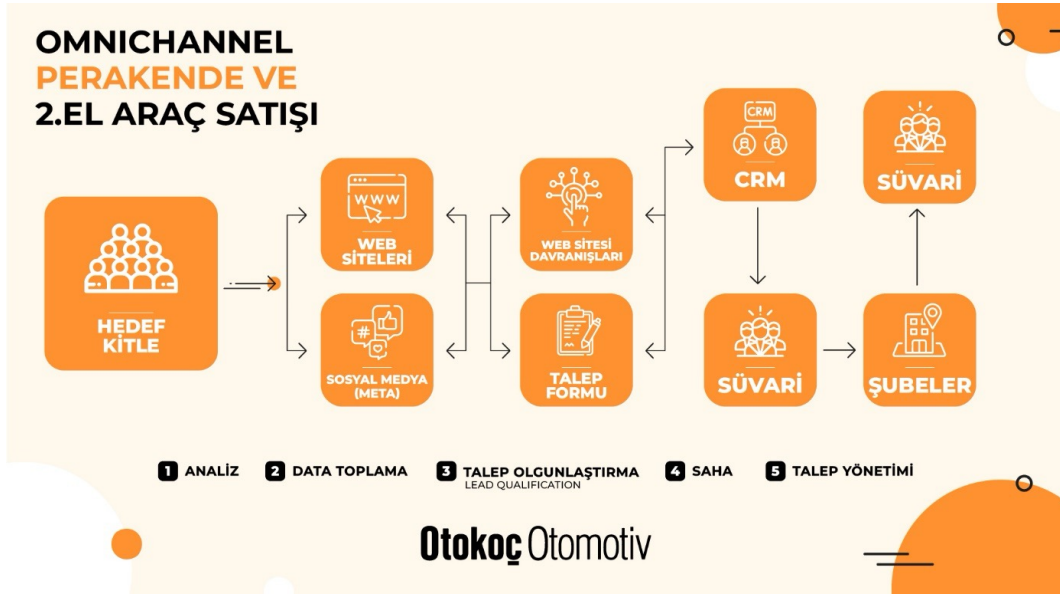
In the "International Region Net Promoter Score" measurement conducted by Avis Budget Group with an independent research company, Avis Turkey completed the year as the leader in the 1st league category, while Avis Greece ranked 2nd.

Values Provided by Digital Assistants in All Brands of Otokoç Otomotiv

The digital assistants we integrated into the websites of our brands, which have been designed with user-friendly interfaces, have acquired the capability to communicate in a natural language or interaction format. Numerous studies are simultaneously being conducted to provide personalized services by learning users' preferences and habits through digital assistants.

Digital assistants have the capability to offer access to a diverse array of information and services. Specifically, they can facilitate the fast and immediate retrieval of information and conditions from brands' websites.

All of these factors facilitate the increasingly widespread adoption and utilization of artificial intelligence-based digital assistants. These technologies are extensively deployed to contribute to our customers' lives and enhance their unique service experience.



Omnichannel

Aklım Yolda (Thinking of the Road) Channel

Otokoç Otomotiv pioneered a new approach in Turkey by establishing a distinct channel brand that diverged from its own brand name within the automotive industry. The Aklım Yolda channel distinguishes Otokoç Otomotiv from other automotive companies by offering engaging, noteworthy, and original content that caters to the needs of the target audience across various themes and areas. By developing the Company's own brand faces, a sustainable platform was established.

Since its introduction, the Aklım Yolda channel has garnered over 37 million views and accumulated more than 1.7 million hours of viewing time. The average viewing time of 2.44 minutes served as an indication that the desired content was successfully created. Aklım Yolda has successfully expanded its reach to new audiences in a short time, emerging as one of the reference points in all categories touching mobility. It has also created a digital ecosystem comprising 430,000 subscribers across various media platforms.

With a total of 261 videos released to date, the contents on the YouTube channel of Aklım Yolda are categorized under four main titles: Yürünge and Sıfır Noktası (vehicle reviews), Danış Bana (precautions for all risks and insurance contents), and Uzman Gözünden (vehicle experiences of well-known people). Aklım Yolda YouTube channel, a platform that stands out with its rich content, reached 100 thousand subscribers and was awarded the Silver Play Button YouTube plaque.

A K L İ M
— yolda —

Omnichannel Lead Management

In response to the growing impact of technology and digitalization, Otokoç Otomotiv develops marketing processes in line with consumer behavior and expectations, as well as the business models of brands. Consumers today engage with brands through channels such as websites, social media, mobile applications, and chatbots in addition to physical stores or call centers, and in this multi-channel landscape, they expect to receive a unified and consistent experience whenever and wherever they desire to access a particular service.

In parallel with these evolving expectations, we focused on making our offline and online channels support each other and offering an integrated omnichannel sales experience that follows an integrated approach, where our customers can initiate transactions through one channel, mature them in other channels, and ultimately finalize their purchases.

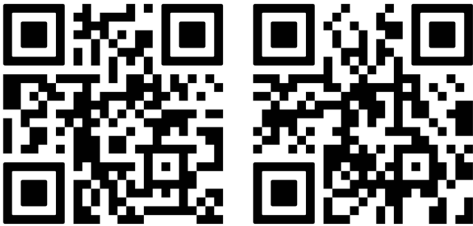
Within the scope of the omnichannel sales process for new, second-hand, and rental vehicles, we have created releases through Meta Lead Generation, Meta Conversion and Catalog, and Criteo Conversion and Catalog. We communicate with our customers who submit requests or receive offers via online channels such as the Otokoç and Otokoç 2. El websites by automatically transferring them to our CRM system and subsequently routing them to the call center through automated calls. We direct customers, whose demands and price offers are processed during the call, to the branches they prefer to receive service for their sales transactions through CRM. We assure the completion of sales and assist in the branch's transaction follow-up through call center control calls. In this way, we reach the customer through the most appropriate channel and at the right time with proactive and reactive methods, provide an integrated purchasing journey with online and offline integration, and achieve maximum conversion. In the rental process, we aim to retarget our customers who visit our online channels, capture leads, and enable them to continue their rental journeys that they left unfinished. In this context, we achieved a total of 270,136 leads in 2023.

MARKETING

In 2023, Otokoç Otomotiv maintained its function as a sustainable experience center serving all consumers with the Otokoç Metazone land it acquired in Decentraland, one of the decentralized metaverses, within the scope of the WEB 3.0 strategy.

Metaverse

Breaking new ground in the automotive industry, we sustained our studies on Otokoç Metazone land, which we acquired in Metaverse Decentraland last year, and on this universe without slowing down. This year, at the Sales Network Summit, which provides added value to the development of the sales ecosystem, industries, and society, we established a dedicated experience area for Metaverse and introduced Otokoç Metazone to our guests who came with VR glasses in this area. We hosted London Business School, one of the world's leading educational institutions, on our central campus. During the "London Business School Istanbul 2023 Global Experience" event, attendees from London Business School, a highly esteemed institution in the field of business, learned about Otokoç Otomotiv's Web 3.0 vision and plans for the future and also had the opportunity to directly experience NFT and Metaverse applications. As Otokoç Otomotiv, an organization that prioritizes people and renews and improves itself in every aspect in order to provide the highest quality service to its customers, we are already stepping into the world of the future with the Web 3.0 move we made in accordance with this approach and providing users and brands with a multi-layered experience.



The Digital Platforms unit focuses on enhancing the user experience across the websites of all Otokoç Otomotiv brands.

User Experience Focus on Digital Platforms

The Digital Platforms unit focuses on enhancing the user experience across the websites of all Otokoç Otomotiv brands. To achieve this, tools and techniques are tailored to the specific requirements and goals of each brand. Using tools such as heat maps to analyze the user behavior of the platforms, it is aimed at delivering a consistent customer experience across all channels.

The website and applications utilize the Kentico Xperience platform for user-friendly content management. Additionally, online user surveys are employed to provide personalized vehicle recommendations. We offer special campaigns and vehicle categories for different segments, improve service quality through customer satisfaction surveys, and instantly inform our customers about campaigns via application or web notifications. Through e-bulletin submissions, we present potential recommended routes for customers to plan throughout Turkey, and we create blog posts that touch their lives according to their interests.

Otokoç Fenerbahçe Jersey Chest Sponsorship

Since 2018, we have maintained a collaboration with Avis, our global car rental brand that operates under the roof of Otokoç Otomotiv, for the Chest Sponsorship of the Fenerbahçe Football Team Jersey. Regarding the 2023-2024 season, a decision was made to transfer the Jersey Chest Sponsorship to the Otokoç brand, which operates under the roof of Otokoç Otomotiv and is among the leading companies in the automotive retail industry. The launch and communication initiatives were executed meticulously throughout the season.



Otokoç 2. El - Güvende Buluşalım (Let's Meet at Safety)

A new commercial emphasizing the reliable and professional second-hand services of Otokoç 2. El, the leader of corporate second-hand vehicle sales in Turkey, has been released. The commercial "Güvende Buluşalım" reflects the corporate and reliable brand image of Otokoç 2. El, offering a wide range of vehicles in different segments. It covers a variety of second-hand service themes, such as the 7-Day/500-KM Return Guarantee, Mechanical Warranty, Credit Opportunities, Exchange, Cash Vehicle Purchases, Wide Branch Network, Free Appraisal, and Online Sales. In its new commercial, which aims to illustrate the distinction of Otokoç 2. El, the leading player in the corporate second-hand automotive industry, the concerns of a family in the process of purchasing a second-hand vehicle are portrayed in humorous and striking language.

While the famous actor Tansel Öngel, the brand ambassador of Otokoç 2. El, appeared in the commercial featuring "Güven", the famous comedian Tahsin Hasoğlu portrayed the son, who held a central role in the family's decision-making process.



DIGITALIZATION

In addition to the value, it generated with its vision of “Becoming a Digital Leader in the Industry” in terms of digital transformation, the Company has made a breakthrough in the industry.

The “Digital Transformation Strategy and Roadmap Development” Program was initiated in 2023 in collaboration with Deloitte, aligning with the vision and goal of becoming a Digital Leader in the Industry.

The program involved 80+ employees; interviews were conducted with business units and headquarters departments through a series of 14+ inside-out exploration meetings. 500+ questions were answered, encompassing customer focus studies and field surveys. Deploying outside-in analyses, 11 macro trends that are projected to impact the mobility industry until 2035 were reviewed and assessed in terms of their timing and impacts from the perspective of Otokoç Otomotiv.

A study was conducted to assess the current competencies, development opportunities, potential focus areas, and ongoing business and technology initiatives of Otokoç Otomotiv in the field of digital transformation. The study involved department leaders and teammates and employed Deloitte’s “Digital Transformation Maturity Model” as the framework for analysis. Through this measurement, the challenges encountered by Otokoç Otomotiv and the critical features it will need to disseminate digital transformation throughout the organization have been identified.

 **Dijital Dönüşüm**

 **FutureDive**
Gelecek Dönüşümde

4 primary levels

The Digital Transformation Maturity Model comprises 4 primary levels, 8 fundamental domains, 49 sub-propositions, and 104 competencies.

Otokoç Otomotiv 95. YILI **Dijital Dönüşüm**

Dijital Dönüşüme Odaklanıyoruz

Dijital Dönüşüm ekibimizin koordinasyonunda ve Deloitte iş birliği ile düzenlenen; üst yönetim ve yöneticilerimizin katıldığı “İçten-Dışa Keşif: Dijital Olgunluk Değerlendirme ve İnisiyatifleri Üzerinde Uyumlanma Çalıştayı”nın ilki 26 Eylül’de ikincisi 11 Ekim’de merkez kampüsünde gerçekleştirildi.

Dijital dönüşümde Otokoç Otomotiv merkez departmanları ve iş birimlerinin mevcut durumu, hedeflenen konum ve bunlara ulaşmak için tasarlanan dijital dönüşüm inisiyatifleri üzerinde uyumlanma sağlandı.



Deploying outside-in analyses, 11 macrotrends that are projected to impact the mobility industry until 2035 were reviewed and assessed in terms of their timing and impacts from the perspective of Otokoç Otomotiv.

Key Areas;

- Data and Analytics
- Digital Front Office
- Creative Strategy
- Organizational Transformation and Talent
- Omnichannel Experience
- Digital Asset and Content Management
- Digital Operations
- Cloud, Integration and Cyber Security

Tasks carried out within the framework of the program consist of:

- Conducting an analysis of the intersections among disruptive technologies, prominent market themes, trends associated with these themes, and best/common practices under these trends in relation to Otokoç Otomotiv's existing and potential initiatives.
- Identifying digital initiatives that will serve Otokoç Otomotiv's vision and contribute to the achievement of its corporate strategy, and designing new digital initiatives that are consistent with the Company's goals and bounds, considering trends, the Company's maturity level, targeted competence level, and stakeholder ecosystem.
- Identifying enablers (such as technology and others) that will facilitate the actualization of projects.
- Conducting the "Outside-in View: Trend, Inspiration, and Digital Initiatives" workshop to align on the outcomes generated by the above-mentioned studies and to reach a consensus on the initiatives and prioritization that will lead the Company forward in digital transformation.



DIGITALIZATION

TL 42 million

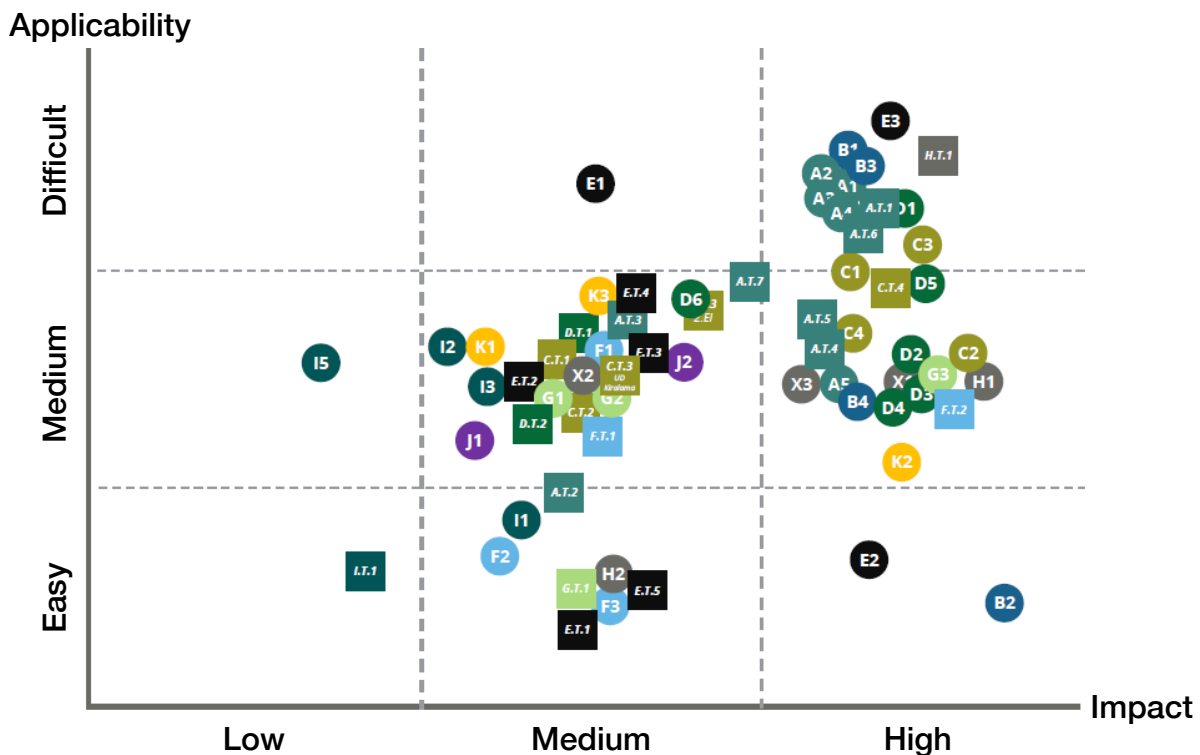
The cumulative financial impact of digital transformation projects completed in 2022 was TL 42 million in 2023.

64 initiatives have been designed that will facilitate Otokoç Otomotiv in achieving business unit-based and consolidated results in digital transformation.

Through the integration of our analysis derived from the inside-out exploration and maturity assessment phase with our assessments conducted from an outside-in perspective, a total of 64 initiatives were designed under 12 themes, 4 of which were Centers of Excellence (CoE), which are intended to facilitate Otokoç Otomotiv in attaining business unit-based and consolidated results in digital transformation. The initiative matrix was established in the following manner:

Prioritization of designed initiatives was based on the parameters of desirability, viability, and feasibility, and a high-level governance structure was established alongside the development of Otokoç Otomotiv's 3-year road map for digital transformation in order to ensure that this road map is implemented and that digital transformation becomes a sustainable aspect of the Company. Additionally, road maps have been customized to the 5 countries in which Otokoç Otomotiv operates internationally (Azerbaijan, Georgia, Hungary, Kazakhstan, and Ukraine).

The cumulative financial impact of digital transformation projects completed in 2022 was TL 42 million in 2023.



PROJECT OFFICE

Through the adoption of agile principles, the Project Office serves as a facilitator and enabler for achieving strategic goals with a holistic Portfolio perspective and value-driven prioritization.

In 2023, the Project Office changed its governance, role, and responsibility structure by adopting agile principles, aiming at taking action through the identification of opportunities for change and transformation opportunities and the swift implementation of technological solutions. Through this design, Portfolio governance has been implemented, ensuring the consolidation of technology demands from diverse channels into a single pool, fostering a holistic perspective and value-driven prioritization using data-based parameters. It serves as a facilitator and enabler for achieving strategic goals.

By establishing an Initiative Evaluation Committee, additional resource or team building requirements are identified through the review of the existing portfolio and transfer of the changes. By determining the size of the project, dependencies, constraints, and risks are established, and the project's position in the portfolio is updated in accordance with the projected start and end dates.

The Project Office mitigated 50+ risks specific to the projects it executed and managed a budget of TL 50+ million through collaboration with external business partners. With its contributions to the collaborations that will constitute the IT Ecosystem, it has enabled the development of new business models and supported taking steps that will position Otokoç Otomotiv ahead of the competition in the targeted market.

With 20+ projects commissioned in 2023, the Company was deemed worthy of receiving a total of 8 awards from 5 different technology organizations. The projects completed during the same year contributed a business value of TL 100+ million.

The projects that have been commissioned are:

- Avis Filo Maestro Customer Portal Project
- Tofaş BOS Integration Project
- SAP B1 ERP Authorizations Project
- Hungary KD Website Project
- Blacklist Project
- Plate Tracking System Project
- Instantaneous Average Cost Calculation Project
- Data Warehouse Hyperion Project
- Otokoç Life Project
- Thomson Reuters Project
- Second-Hand ERP Deduplication Project
- Internal Audit and Escalation Software Project
- Otokoç Sigorta B2B and B2C Website Project
- Otokoç Global Project
- TYP B2B Website Renovation Project
- Data Warehouse - SSH Proactive Service Project
- Artificial Intelligence Based OHS Analysis Project in TYP Warehouses
- Otokoç Website Renewal Project

R&D

We shape the Technology of the Future with our R&D studies, in which we aim to be one of the pioneers in the industry.

Our objective is to engage in both national and international projects pertaining to mobility solutions and technology and to strive to reduce costs while fostering the development and efficiency of our human resources.

The basis of our R&D studies lies in our vision of “Becoming a leading brand worldwide through the integration of Innovation and Technology Leadership with sustainable mobility solutions and technological excellence on a global scale.” Among the goals we have established in line with this vision are as follows:

- Introducing new technological products to the market
- Steering the market by introducing our own products in foreign countries
- Creating know-how by bringing in and enhancing the work performed by external resources through advancing the competencies of technical employees, hence reducing costs
- Enhancing technological competence by participating in joint calls through university and industry collaborations
- Ensuring an increase in IP rights by expanding the Company’s patent portfolio through inventions and developments derived from R&D studies
- Further increasing the recognition of our brands.





Innovative Projects and Technological Excellence

Within the scope of the work we have initiated, we support our goal of making a difference in the technology world through projects characterized by strong innovative aspects and high-quality R&D. In this context, two projects have been approved for funding under the EU Horizon Incentive Program.

Our **“EcoMobility”** project, for which we submitted an application to the EU Horizon Incentive Program, received Otokoç Otomotiv’s first EU Horizon project approval. Our project contract was signed in 2023, and the project was initiated in the same year. In the EcoMobility Project, there are 6 companies from Turkey, including Otokoç Otomotiv, and a total of 44 global companies. It is aimed at providing electrical components and high-tech products via door-to-door transportation services mobility platform with the interaction of all stakeholders in the ecosystem (cars, e-bikes, scooters, etc.), including suppliers, operators, and end users.



“Economical Zero Emission Vehicles for Urban Passengers (ZEV-UP)”, which was accepted in 2023, is our second project entitled to receive an EU Horizon Incentive. In the ZEV-UP Project, there are 4 companies from Turkey, including Otokoç Otomotiv, and a total of 16 global companies. All-electric vehicles (EV) have zero exhaust emissions and are considered a significant solution in the pursuit of Fit-for-55, Europe’s goal of minimizing CO₂ levels by 2030, and climate neutrality by 2050. The ZEV-UP project aims to address this urgent need by employing innovative design and engineering techniques that aim to develop modular, cost-effective, and user-oriented EVs, and ZEV-UP tools will be customized to meet the specific needs of users in developed and emerging markets, ensuring a high level of user acceptance and market adoption.



INNOVATION AND ENTREPRENEURSHIP

Innovation efforts, which commenced with Otokoç Otomotiv's inclusion in the Koç Innovation Program in 2015, continue in the areas of Intrapreneurship, Open Innovation and Co-Innovation.

Intrapreneurship

In the course of intrapreneurship processes adopted since 2015, the lean enterprise methodology was employed to evaluate 47 business ideas; during the pilot phase, 29 business ideas were developed; and ultimately, 6 business ideas (business models) were commercialized. Approximately 2,700 new customers have been garnered, and the revenue generated from commercialized intrapreneurship initiatives has surpassed TL 100 million over the past 4 years. In the course of intrapreneurship initiatives, Otokoç Otomotiv provided mentoring and training on Innovation and Entrepreneurship to over 1,100 employees.

The second term of the VIP (Very Innovative People) Ideation Program, initially conducted in 2022, was completed in 2023. A total of 20 employees from various disciplines of Otokoç Otomotiv participated in the program, which has the objective of developing innovative business models at the Horizon 2 level.

The Intrapreneurship Awards Ceremony, which has been organized annually as a part of the corporate culture since 2017, was held in December this year.

In the 11th Cycle Intrapreneurship Acceleration Program, initiated in November 2023, 3 business ideas are being studied on the themes of sustainability and upcycling.

Open Innovation

In 2023, Otokoç Otomotiv engaged in Open Innovation Studies, collaborated with over 150 startups in the areas of mobility, retail technologies, platform technologies, sustainability, and conducted PoC projects.

Areas of collaboration and PoC include: the development of the carbon management platform; the management and monitoring of the recycling process of electronic waste generated within the Company from a single platform; the provision of essential services (such as vehicle parking, driver assistance, and washing) to vehicle owners through a single channel; and the implementation of video call studies between customers and sales consultants to enhance the online experience.

Furthermore, a video camera-enabled platform was established to promptly and automatically detect damage to the vehicles with the support of artificial intelligence during the collection and delivery of rental cars at Esenboğa Airport.

The strategy of the Inomotion program is based on new business models and sustainability in mobility. The strategy of Inomotion, our Intrapreneurship program, is built on new business models and sustainability in mobility. By the end of 2023, we had studied 49 of the 1,580 idea applications to the Innovation Programs initiated in 2015 employing the lean startup methodology, and 29 of them were selected to progress to the pilot stage. Our aim is to try and implement innovative ideas in a shorter time and with reduced costs through our intrapreneurship efforts, which have resulted in a total of 7 commercial products to date, including Ek Saat, Lastick, Digital Franchise, Avis Caravan, Budget Wherever You Want, Two-Way Rental, and E-Bike.

>150 startups

As part of Innovation Studies, interaction was established with over 150 startups and collaborations and PoCs were conducted.

2,700 new customers

In the past 4 years, our commercialized in-house initiatives have successfully attracted around 2,700 new customers.

Due to the implementation of Intrapreneurship processes since 2015, 6 business ideas (business models) have been commercialized.

Co-Innovation

In 2022, Otokoç Otomotiv incorporated e-bikes and e-scooters into its portfolio in collaboration with micromobility manufacturer Alba Electric Transportation Systems. A total turnover of TL 4.5 million was realized during the successful pilot phase, and the determination to proceed with commercialization was made in 2023.

Investments

With the intention of augmenting its ecosystem in Turkey through value-added investments and fostering growth along with startups, Otokoç Otomotiv made 2 innovative and technology-based startup investments in 2023.

The initial investment in IUGO, the Company's partner in connected vehicles and mobility technologies, was made in June. Otokoç Otomotiv provides an investment of USD 1 million to IUGO, a startup specializing in vehicle telemetry, and safe and efficient driving solutions. The investment aims to further enhance its efforts in the field of connected vehicle technology via supporting the startup in achieving its future business objectives. The Company realized its second investment in Alba, its partner in e-bike and e-scooter products, which it recently included in its portfolio. Supporting the growth of a local enterprise with an investment of USD 750 million in the seed investment round, Otokoç Otomotiv has expanded its product and service portfolio to include electric micromobility vehicles.

Growth Board

The Growth Board, which was established in 2022 to disseminate innovation and entrepreneurship efforts abroad and facilitate collaboration with investments in Turkey and globally, persisted in evaluating the initiatives on the agenda of Otokoç Otomotiv and the investment opportunities in 2023. The Growth Board, established with the involvement of industry-leading professionals who serve as pioneers and inspire innovation, is of great importance for collaborations with major domestic and international investors.

The Koç School Entrepreneurship Program

The Koç School Entrepreneurship Program is an initiative aimed at cultivating entrepreneurial skills among high school students. Through this program, students are encouraged to engage in product design and business model development, collaborating with their respective teams. This program, developed by Otokoç Otomotiv, provides students with an opportunity to engage in an actual entrepreneurial process, encompassing the identification of a business idea, its subsequent transformation into a business model, and the resulting editing of the model for investor presentations.

In this setup, which was initially implemented in 2023, 30 high school students completed the 12-week entrepreneurship program. By employing Design-Focused Thinking and Lean Startup methodologies, the process of converting 4 startup ideas into viable business models was successfully accomplished, resulting in the delivery of investor presentations.

This program provides a holistic entrepreneurial journey experience from beginning to end, incorporating training and inspiration programs as well as the guidance of expert startup founders, mentors, and investors.

SUSTAINABILITY

As Otokoç Otomotiv, by developing mobility solutions, being aware of our responsibilities towards the planet with the vision of being a global and leading reference point and considering the needs of society by focusing on our employees and customers, we say “Our Path is Towards the Future” to generate sustainable value for all our stakeholders.

As a Company that cares about people, society, the environment, and the planet, Otokoç Otomotiv regards sustainability as its core task and prioritizes it in its strategies.

Combating Climate Crisis

Otokoç Otomotiv is committed to combating climate change and minimizing carbon emissions in its operations within the scope of the Carbon Conversion Program initiated by Koç Holding, with the goal of becoming carbon neutral by 2050. In 2023, Otokoç Otomotiv's greenhouse gas emissions for 2022 were calculated according to the ISO 14064-1 Greenhouse Gas Emissions Reporting Standard and verified by an independent accredited organization.

All of the electricity utilized in the Headquarters and all retail branches is generated from 100% renewable energy sources. In 2023, the procurement of 12,092.4 MWh of renewable electricity prevented 5,342 tons of greenhouse gas emissions. EPIAŞ YEK-G certification confirms the fact that the electricity utilized is entirely derived from renewable sources.

Investments in renewable energy and the expansion of green energy use were sustained in 2023.

- The İnönü Ford Trucks branch rooftop solar power plant, commissioned in August 2023, generated 103 MWh of electricity and prevented 46 tons of CO₂ greenhouse gas emissions.
- In October 2023, the solar power plant investment, built on a sufficiently expansive plot of land to cater to the electrical requirements of all Otokoç Otomotiv locations, was completed. With the land solar power project established in the Gölcük town of the central district of Niğde province, it is planned to generate 17,449 MWh of electricity per year, and it is aimed to prevent the emission of 7,710 tons of CO₂ greenhouse gases. The objective of this investment is to achieve the elimination of carbon emissions resulting from electricity consumption by the year 2024.

Furthermore, the Antalya Ford branch rooftop solar power plant, commissioned in 2021, generated 1,357 MWh of electricity and prevented 600 tons of CO₂ greenhouse gas emissions. In 2022, the Adana Fiat rooftop solar power plant generated 1,194 MWh of electricity and prevented 527 tons of CO₂ greenhouse gas emissions.

Otokoç Otomotiv Antalya Branch broke new ground, and the American Green Building Council recognized Otokoç Otomotiv Antalya Branch as the first Gold-certified building registration globally in the “Retail: Vehicle Dealership” category of the LEED v.4.1 O+M:EB certificate type. Solar panels installed on the branch's rooftop generate the necessary electricity for the branch.

100%

All of the electricity utilized in the Headquarters and all retail branches is generated from 100% renewable energy sources

Lean 6 Sigma

Within the scope of continuous improvement efforts, business excellence studies and Lean 6 Sigma projects were sustained.

International standards are implemented within the scope of Otokoç Otomotiv operations.

As part of its collaboration with Yuvam Dünya Derneği (Yuvam Dünya Association), in order to raise awareness of the combat against the climate crisis, Otokoç Otomotiv provided training on the climate crisis to its employees in its journey called "Yuvayı Kurtaran Yol Arkadaşı" (the Companion Who Saves the Home) in order to change habits and facilitate the adoption of a lifestyle that will minimize the adverse impacts of the climate crisis, and organized various activities such as interviews, book club and field trips. The Company is committed to its journey to combat the climate crisis through projects that will touch its employees and all stakeholders.

Environment and Waste Management

At Otokoç Otomotiv, environmental management activities are conducted according to international standards as well as in full compliance with legal regulations. All locations hold the ISO 14001:2015 Environmental Management System certificate, which aims to systematically improve environmental management.

Regular field checks and internal audits are implemented to ensure compliance with environmental legislation and to monitor environmental performance. Corrective actions are planned to address the findings reported during environmental inspections, and the appropriate measures are implemented. Environmental performance results are reviewed and assessed at the Management Review Meetings annually.

A waste management hierarchy is adopted in the management of waste resulting from company operations. The resulting waste is segregated at the source in compliance with the legislation, stored temporarily, and sent to an environmentally licensed recycling facility to be maximally reintegrated into the economy as much as possible. Waste management training is provided to employees regarding the prevention of waste generation, sorting, and recycling. Additionally, within the scope of efforts to address plastic pollution, the use of single-use plastic by individuals has been eliminated as of the second half of 2023.

Integrated Management Systems

International standards are implemented within the scope of Otokoç Otomotiv's operations.

All operations are conducted within the scope of the Integrated Management System, which consists of ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, and ISO 10002 Customer Satisfaction Management System standards.

The external audits of the Integrated Management System were successfully completed in March 2023, and recertification was granted until 2026. In 2023, car rental offices were included in the scope of management systems certification that has been prevalent since 2008, and a comprehensive certification was granted to a total of 89 locations, including the Headquarters, retail branches, and rental offices.

Business Excellence

Within the scope of continuous improvement efforts, business excellence studies and Lean 6 Sigma projects were sustained. The 'Lean 6 Sigma Black Belt Internal Coaching Program' was launched in 2023, and the total value generated by 18 projects conducted during the year and all business excellence projects being monitored reached TL 16 million. The Company maintains its efforts to disseminate the 5S and Kaizen activities implemented across many locations while also sharing and disseminating exemplary instances of best practices throughout the locations. In 2023, a grand total of 691 employees were provided with training on lean tools, problem-solving techniques, 5S, Yellow and Green Belt, and Lean 6 Sigma.

CORPORATE COMMUNICATIONS

CORPORATE SOCIAL RESPONSIBILITY

Glass Ceiling is Only Good in a Car

The issue of gender-based judgments and inequalities faced by women in all areas of life remains a significant global concern. It is crucial for women to recognize and embrace their power to change and transform the world and shape a sustainable future, with the support of all social layers. As a company, we have been working collaboratively for years to foster an egalitarian corporate culture and break down the invisible glass ceiling in industries dominated by men, where gender-based stereotypes exist. We are committed to extending this approach beyond our organization and fostering the necessary awareness with our thousands of employees who are passionate about promoting gender equality, aiming for a world that is more equitable and inclusive.

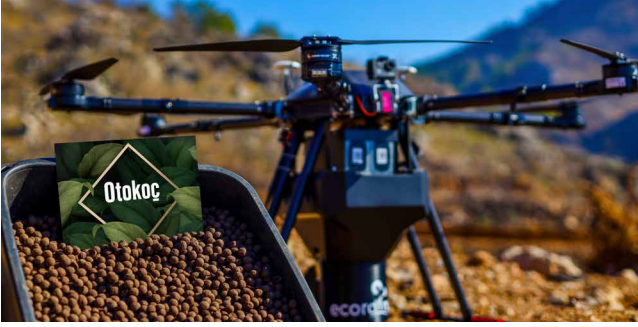
We set out as crowds to draw attention to the issue and amplify the impact of actions aligned with this cause. We collaborated with sports clubs and federations. Through our human-oriented perspective, we have emphasized that “Glass Ceiling is Only Good in a Car” during summits, press communications, and in the metaverse to raise awareness about the issue of gender-based judgments and inequality that persist in various aspects of life. We made efforts to spread this awareness among our colleagues, the public, and our stakeholders through specially designed communications. At Otokoç Otomotiv, we prioritize initiatives specifically designed to facilitate the employment of young women talents. An internship program was also organized with the Human Resources Department for senior women university students.

İçeride
Tavan
Arabada
Güzel!



We Speak the Same Language

As Otokoç Otomotiv, Turkey's leading mobility company, we strengthened our ongoing partnership with İşitme Engelliler Eğitim Faaliyetleri Derneği-İEEF (Association for Hearing Impaired Individuals Educational Activities) with the aim of becoming one of the levers of a sensitive issue with the Avis brand in 2017 and launched the “We Speak the Same Language” project to facilitate car rentals for hearing impaired individuals and promote their inclusion in traffic. Within the scope of the project focused on hearing impaired individuals, which has a population of over three million in Turkey, our goal was to enhance their inclusion in social life, ensure equal access to services, remove barriers, address potential issues at car rental points, and enhance the quality of service. In this context, through our collaboration with İEEF, we provide services to hearing impaired individuals at a 40% discount. We also drew attention to first aid awareness in society through our First Aid Handbook in Turkish Sign Language project. First aid training was provided in sign language. As part of the project, Avis has taken a step forward in Turkey by placing First Aid Handbooks prepared by İEEF in Turkish Sign Language in their rented vehicles, thus supporting a non-governmental organization and breaking new ground in Turkey. At the same time, during the pandemic in the world and in our country, we established the “Hearing Impaired Educational Activities—Video Support Service Center” in partnership with the İEEF in order to provide solutions to all kinds of problems of hearing impaired individuals and facilitate their access to the service. We organized Sign Language Training at Koç University Hospital. Additionally, after the earthquake disaster we experienced on February 6, 2023, İEEF went to the region with the vehicles we provided, and provided communication support to many hearing- and speech-impaired individuals. Meanwhile, they were supported through the Video Support Service Center. We annually conduct training sessions for Avis and Budget offices to facilitate the integration of new employees and to refresh previous achievements. We will also organize these training sessions at the Avis and Budget offices in 2024.



Ecording

As Otokoç and Otokoç 2. El, we strive to contribute to the sustainability of ecological life. Through a collaborative effort with ecording and the use of ecoDrones, we successfully created a huge forest by spreading 125 thousand seed balls of cedar and red pine to hard-to-reach areas that require afforestation through 21 flights across specific regions in Muğla. Seven women contributed to the production of seed balls. By utilizing the QR code, our customers have the opportunity to choose the variety of seed balls to be thrown.



The Tohum Autism Early Diagnosis and Education Foundation Collaboration

As Otokoç Otomotiv, we engage in many partnerships with the Tohum Turkey Autism Early Diagnosis and Education Foundation. Additionally, we contribute to the fundraising campaigns by participating as the Otokoç Otomotiv Corporate Running Team in the races arranged within the scope of the Istanbul Marathon. Autism awareness training was carried out within the Company with the aim of enhancing employee awareness.



SÜRDÜRÜLEBİLİR BİR ÇEVRE ŞİMDİ HEPİMİZİN ELİNDE.

Otokoç 2. El olarak, siz değerli müşterilerimizin aldığı her bir araç doğada ağaca dönüştürüyor, ekolojik yaşamın sürdürülebilirliğine katkıda bulunuyoruz.

Sürdürülebilir ve inovatif çevre teknolojileri geliştiren sosyal girişim ecording iş birliği ile binlerce karaçam ve kızılçam tohum topunu ecoDrone'lar yardımıyla ağaçlandırılması zor alanlarla buluşturarak dev bir ormana hayat veriyoruz.

ecording



Haydi gelin,
karekodu okutun
ormanımızı birlikte
büyütelim.

CORPORATE COMMUNICATIONS

Over the course of the year, award communications, events, project information sessions of the units, and special day activities were shared with employees through all channels.

“Long live the Republic” was proclaimed by Otokoç Otomotiv throughout Turkey

Otokoç Otomotiv, the Headquarters and all its branches throughout Turkey celebrated the 100th anniversary of the Republic with enthusiasm, accompanied by a band performance, anthems, film screenings, and Atatürk’s favorite songs.

Turkey’s leading mobility company, Otokoç Otomotiv, which is 95 years old, celebrated the 100th anniversary of the Republic with great pride alongside its employees throughout Turkey. The events included a moment of silence for Gazi Mustafa Kemal Atatürk, the founder of the Republic of Turkey, and all our martyrs, followed by the singing of the National Anthem. The celebrations continued with enthusiasm, accompanied by a band show, anthems, movie screenings, and Atatürk’s favorite songs. The 100th anniversary of the Republic was also celebrated at Otokoç Metazone, where we also exist in the Metaverse world. This initiative facilitated keeping the enthusiasm for the 100th anniversary of the Republic of Turkey alive across all platforms.



Open Air Movie Night

To enhance employee synergy and motivation, a range of events were organized across all of our organizational locations. During the Summer Party, which was attended by all employees of the campus, the Hatay Academy Symphony Orchestra, with whom we established a heartfelt alliance following the earthquake, performed and contributed to the creation of unforgettable memories. The evening, during which our Company’s music ensemble, Otokoç Band, also took stage, took place inside a festive ambiance. “Open Air Movie Night” was organized as part of another event. The employees selected the movie with their votes and enjoyed refreshments while watching it.





Annually, on the 10th of November, Otokoç Otomotiv visits an important route in Ankara with its volunteer employees to commemorate our Great Leader Mustafa Kemal Atatürk. In 2023, the Company organized a special route for this visit on the 100th anniversary of the Republic of Turkey.

Otokoç Otomotiv 10 November Atatürk Commemoration Visit and Ceremony

Otokoç Otomotiv visits an important route in Ankara with its volunteer employees to commemorate our Great Leader Mustafa Kemal Atatürk, every year on 10 November. The Company expanded its traditional 10 November Atatürk Commemoration visit, which it has been doing for almost 20 years, beyond the scope it organizes every year, on the occasion of the 100th anniversary of our Republic and the 95th anniversary of Otokoç Otomotiv. The volunteer team that came together to represent Otokoç Otomotiv traced the legacy of the Great Leader across a wider geography. Otokoç Otomotiv employees, who set out to demonstrate their devotion and love to Him, made the “Path of Independence” trip on the Samsun-Havza-Ankara route on 6-7-8-9 November. The program started by visiting the Bandırma Ferry, the National Struggle Park Open-Air Museum, the Samsun Gazi Museum, the Statue of Honor, Tütün İskelesi (the Tobacco Pier), and the İlkadım Monument, where Atatürk



stepped in Samsun and paved the way for “Independence”. On the second day of the program, Havza Atatürk House and Taş School were visited. On the third day of the program, as part of the Atatürk Commemoration Visit in Ankara, an official ceremony was held at Anıtkabir, attended by the senior management of Otokoç Otomotiv, and a wreath was laid at the mausoleum. Otokoç Otomotiv Leader İnan Ekici conveyed his feelings in the spiritual presence of Atatürk. Following the ceremony, being filled with profound emotions, the 1st Turkish Grand National Assembly building and the 2nd Turkish Grand National Assembly building were visited. On the last day of the program, after visiting the Anatolian Civilizations Museum and Rahmi M. Koç Museum, the journey back started. In addition, simultaneous ceremonies were held at Otokoç Otomotiv Headquarters and all branches to commemorate the Great Leader Mustafa Kemal Atatürk on the anniversary of his demise. During these ceremonies, which featured the screening of the Koç Holding 10 November film, leaders delivered speeches highlighting the significance of the day and observed a moment of silence.



COMPLIANCE AND ETHICS

Koç Holding A.Ş. upholds a culture of “open communication” and “accountability” to ensure compliance with applicable legislation, international conventions, and the United Nations Global Compact and to promote honest and ethical conduct in all activities while also preventing unethical or illegal actions.

Therefore, both Koç Holding A.Ş. and Otokoç Otomotiv expect that their stakeholders, who have personally or indirectly witnessed illegal conduct or unethical incidents involving their employees and/or business partners, who obtain information about such situations through legal means, or who suspect such situations, express their concerns and encourage their stakeholders to act accordingly.

In this regard, the Koç Group Ethics Line (“Ethics Line”), managed by independent service providers and providing service 24 hours a day, 7 days a week, was established and has been actively used within Otokoç Otomotiv since 2021. Anyone who has knowledge and experience about these transactions or conducts, including those who have been personally victimized by illegal and/or unethical transactions or conducts, can report to the Ethics Line.

Since the inception of the Ethics Line, Otokoç Otomotiv has received a total of 88 notifications, out of which 73 have been successfully resolved. In the year 2023, a total of 57 notifications were submitted, and the necessary action was taken by carrying out the required review, investigation, and audit process for 46 of them. The files were analyzed and closed, and the review process for the remaining notifications is ongoing.

The distribution and quantity of notifications submitted to the Ethics Line in 2023, categorized by their respective subjects, are presented below:

Notification Type	Number of Notifications
Employee Conduct Violating Company Regulations and Ethical Standards	21
Requests and Grievances from Employees Pertaining to Working Conditions (Mobbing, Discrimination, Maltreatment)	17
Customer Inquiries & Grievances	15
Supplier Inquiries & Grievances	4

In the context of Ethics Line proceedings, the confidentiality of the reporter's identity information is maintained, and the review and investigation procedures are conducted in a discreet manner. When considered required, the research, examination, and investigation activities are directed to the appropriate teams, with particular emphasis on internal audit. While it is strictly forbidden to exhibit hostile attitudes or engage in retaliatory actions towards the individual who has made the notification, in the event that a violation is identified during the investigation, the Disciplinary Committee will enforce the sanctions outlined in the disciplinary procedures against the person(s) responsible for the violation.

The Disciplinary Committee adopted the following conclusions based on the findings collected from the research, examination, and investigations conducted in response to the notifications sent to the Ethics Line in 2023:

Action	Quantity
Termination of Employment Contract (Justified / Just Cause)	6
Cautionary Notice (Written/Oral)	14

In addition, incident- and process-based corrective actions were taken by internal audit, human resources or relevant business units, depending on their subject, and revisions were made to policies, procedures and circulars when necessary.

AGENDA OF THE ORDINARY GENERAL ASSEMBLY MEETING

AGENDA OF THE ORDINARY GENERAL ASSEMBLY MEETING OF OTOKOÇ OTOMOTİV TİCARET VE SANAYİ ANONİM ŞİRKETİ CONVENED ON 22 MARCH 2024

- 1- Opening and election of the Chair of the Meeting
- 2- Presentation for discussion and approval of the Company's 2023 Annual Report prepared by the Board of Directors
- 3- Presentation of the Audit Report for the 2023 fiscal year
- 4- Presentation for discussion and approval of the Company's Financial Statements for the 2023 fiscal year
- 5- Decision regarding the Board of Directors' proposal for 2023 profit/loss,
- 6- Individual acquittal of the members of the Board of Directors of their fiduciary responsibilities for the Company's activities in 2023
- 7- Determination of the number and terms of office of Board of Directors members; election of members according to the number of the seats on the Board of Directors determined
- 8- Approval of the benefits provided to the Board of Directors members and senior executives in 2023 and determination and approval of the annual gross remuneration amount for 2024
- 9- Approval of the Independent Audit Firm designated by the Board of Directors pursuant to the Turkish Commercial Code
- 10- Authorizing the Board of Directors members to carry out transactions with the Company on behalf of others or themselves, to execute a transaction of a commercial business nature that falls under the Company's field of operation on their own or other's behalf, or to become a partner with unlimited liability in a company engaged in the same kind of commercial affairs and perform other transactions under Articles 395 and 396 of the Turkish Commercial Code
- 11- Wishes and opinions.

INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT



CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the General Assembly of Otokoç Otomotiv Ticaret ve Sanayi A.Ş.

1. Opinion

We have audited the annual report of Otokoç Otomotiv Ticaret ve Sanayi A.Ş. (the "Company") and its subsidiaries (collectively referred to as the "Group") for the 1 January - 31 December 2023 period.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Group's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set consolidated financial statements and with the information obtained in the course of independent audit.

2. Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report 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") and the ethical requirements regarding independent audit in regulations issued by POA and the regulations of the Capital Markets Board and other relevant legislation that 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. Our Audit Opinion on the Full Set Consolidated Financial Statements

We expressed an unqualified opinion in the auditor's report dated 1 March 2024 on the full set consolidated financial statements for the 1 January- 31 December 2023 period.

4. Board of Director's Responsibility for the Annual Report

Group management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No: 14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") are as follows:

- to prepare the annual report within the first three months following the balance sheet date and present it to the general assembly;
- to prepare the annual report to reflect the Group's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Group may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.

INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT



c) to include the matters below in the annual report:

- events of particular importance that occurred in the Company after the operating year,
- the Group's research and development activities,
- financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and Communiqué provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited consolidated financial statements of the Group and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited[consolidated] financial statements and with the information obtained in the course of audit.

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

Sertu Talı, SMMM
Independent Auditor
Istanbul, 6 March 2024

LEGAL DISCLOSURES

a. Capital

Paid-in/Issued Capital: TL 136,000,000

b. Shareholding Structure

The Company's shareholding structure is presented in the table below.

SHAREHOLDER	CAPITAL AMOUNT TL	SHARE %
Koç Holding A.Ş.	130,999,041.42	96.32
Temel Ticaret ve Yatırım A.Ş.	4,670,045.20	3.43
Zer Merkezi Hizmetler ve Ticaret A.Ş.	330,550.39	0.24
Koç Yapı Malzemeleri Ticaret A.Ş.	362.73	0.00
İnventram Fikri Mülkiyet Hakları Yönetim Tic. ve Yat. A.Ş.	0.26	0.00
TOTAL	136,000,000.00	100

There are no privileged shares. There are no repurchased own shares by the Company.

c. Information on the extraordinary general assembly meetings held during the reporting period

None.

d. Organizational changes during the reporting period

İrem Çalık, the Human Resources Manager, has been designated as the Human Resources Director following the transformation of the Human Resources structure into a directorate. The designation "Leader" has been applied to all positions, particularly senior management, within the context of Agile Transformation. At the end of the year, Australia and New Zealand Project Leader D. Eren Gündüz left our company.

Mert Atılğan has been appointed as the Business Unit Leader for Rental and Mobility.

Barış Kılınç has been appointed as the Business Unit Leader for Fiat, Arj, and Maserati.

e. Non-competition

Members of the management body do not carry out any transactions falling under the scope of the prohibition of competition with the Company on behalf of others or themselves.

f. Number of Employees

The Company had 3,824 employees on its payroll as of 31 December 2023. (31 December 2022: 3,073)

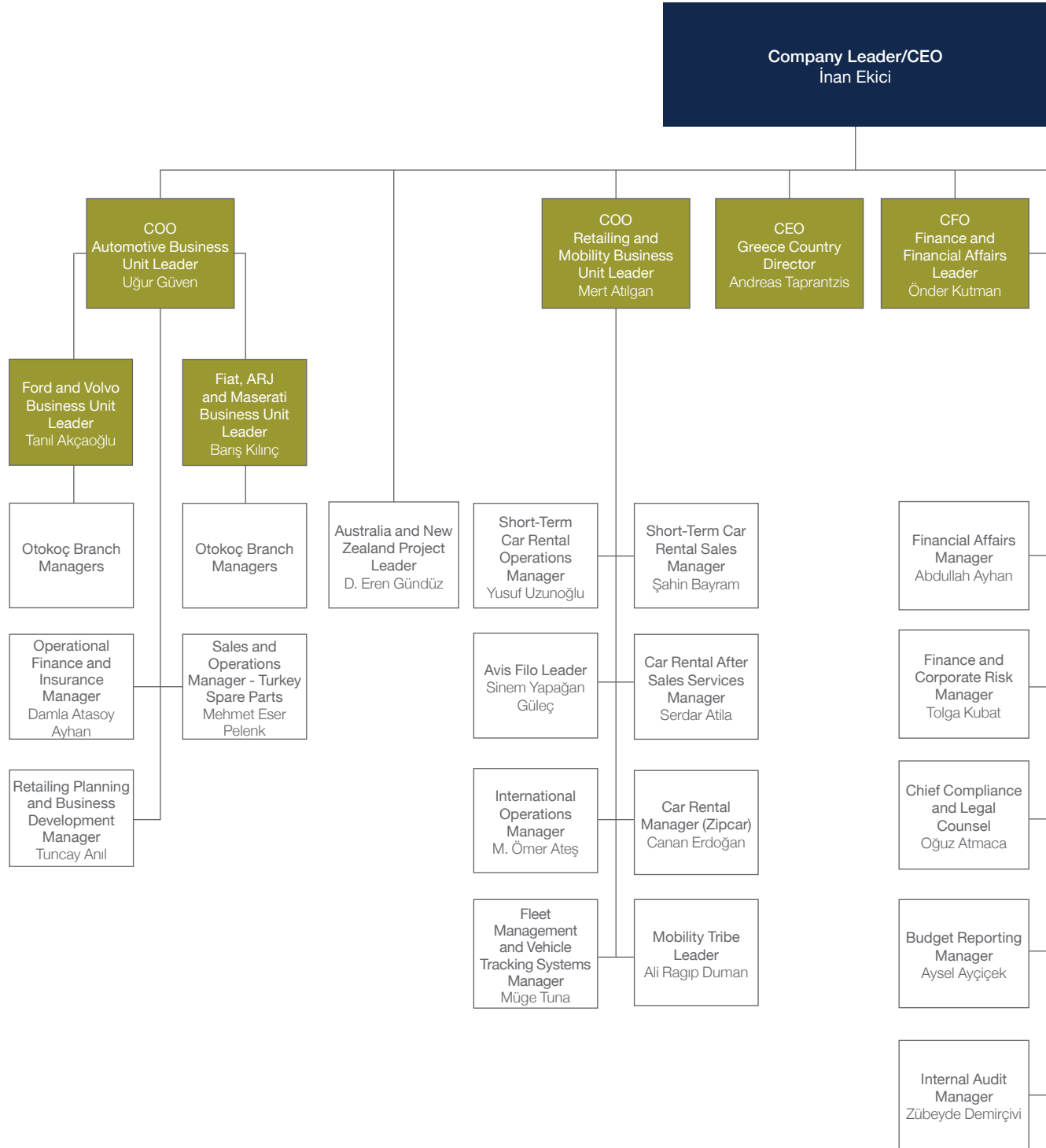
g. Subsidiaries

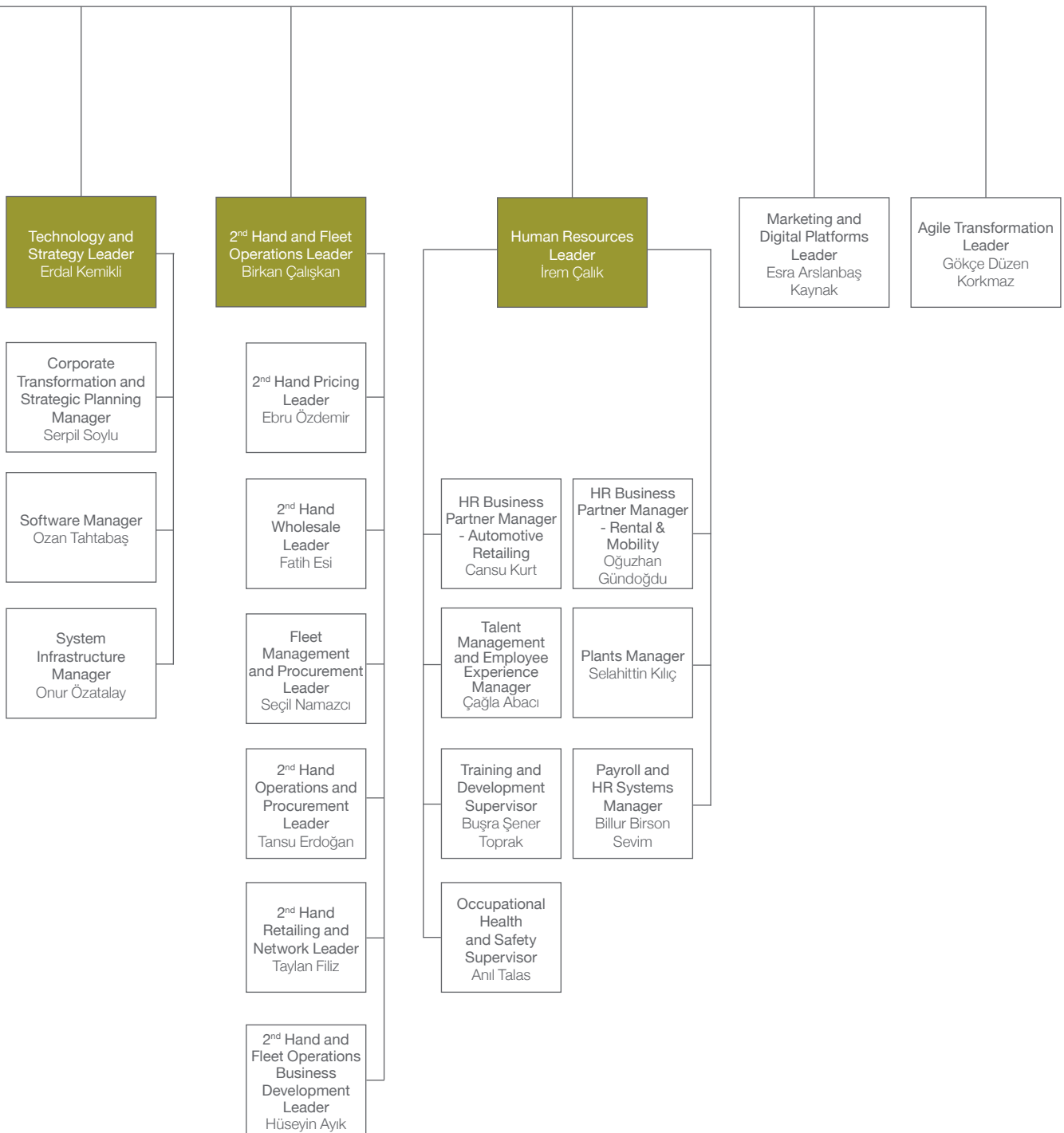
The Company's Subsidiaries and Shareholding Therein: The company names and shareholding ratio in which the Company has equity stakes are presented below.

COMPANY	SHARE (%)
Otokoç Sigorta Aracılık Hizmetleri A.Ş.	50
Otokoç Azerbaycan MMC	100
Otokoç Irak LLC	100
Otokoç Otomotiv Tic. ve San. Kazakhstan LLP	100
Otokoc Hungary Rent a Car and Servicing LLC	100
Otokoc Georgia LLC	100
Otokoç Ukraine LLC	100
Otokoç ABG Holland B.V.	60
Olympic Commercial and Tourist Enterprises S.A.	60
Iugo Teknoloji Anonim Şirketi	20
Wat Mobilite Çözümleri Teknoloji Ve Ticaret A.Ş.	15
Icarus Finance DAC ⁽¹⁾	-
Cronus Finance DAC ⁽¹⁾	-

⁽¹⁾ Although it is not a subsidiary of Otokoç, the special purpose enterprise established to ensure the securitization process has been included in the scope of consolidation.

ORGANIZATION CHART





CVS OF THE BOARD OF DIRECTORS

İsmail Cenk Çimen Chair

Mr. Çimen has an Industrial Engineering degree from Istanbul Technical University. He completed Executive Development Programs at Stanford University (USA) and University of California Los Angeles (USA). He joined the Koç Group in 1991 as a Management Trainee at Nasoto. He assumed Sales Coordinator, Regional Manager, and Import Manager responsibilities at Otosan Pazarlama from 1993 to 1996. He served as Fleet Sales Manager at Ford Otosan from 1996 to 1998 and became the General Manager of Otokoç Ankara in 1998. In 2001, he was appointed as the General Manager of the companies merged under Otokoç. In 2005 his responsibility was extended to include the General Manager role for Birmot A.Ş., also assuming responsibility for the Avis car rental business. He served as Koç Holding Automotive Group President from June 2009 to April 2022. Cenk Çimen, who left his position at Koç Holding on 1 April 2022 due to retirement, continues to serve as the Chair of the Board of Directors at Otokoç Otomotiv.

Levent Çakıroğlu Member

Levent Çakıroğlu graduated from Ankara University Faculty of Political Sciences, Business Administration Department, and received his master's degree from the University of Illinois. He started his career as an Assistant Auditor at the Ministry of Finance in 1988, where he worked as a Senior Auditor between 1991 and 1997. He was appointed as Assistant Manager of the Financial Crimes Investigation Board between 1997 and 1998, meanwhile, he taught as a Part-Time Instructor at Bilkent University. Çakıroğlu joined the Koç Group in 1998 as Koç Holding Financial Group Coordinator. He was the General Manager of Koçtaş between 2002 and 2007 and the CEO of Migros between 2007 and 2008. He was assigned as the CEO of Arçelik in 2008 and also became President of the Durable Goods Group of Koç Holding in April 2010. Çakıroğlu has been appointed as the CEO of Koç Holding in April 2015. He currently serves as the CEO and has also been a Member of the Board of Directors of Koç Holding since April 2016. Levent Çakıroğlu is also Chair of the Board of Directors of Arçelik-LG and TürkTraktör as well as the Vice Chair of Yapı Kredi and a Member of the Board of Directors at various Koç Holding companies.

Haydar Yenigün Member

Haydar Yenigün received his bachelor's degree from Yıldız Technical University, Mechanical Engineering Department in 1987. The same year, he joined Ford Otosan and assumed various roles in production departments until 1990, and continued to work as a Project Engineer between 1992-1996 after his military service. After the equalization of shares between Ford Motor Company and Otosan A.Ş. and the signing of the relevant agreement in 1997, he took on various duties during the establishment of the Kocaeli plant. In 1998, he assumed the task of Project Leader. He served as Ford Otosan Kocaeli Plant Manager and Assistant General Manager between 2007-2012. He was appointed as Ford Otosan General Manager and Member of the Board of Directors on 15 February 2012. As of 1 April 2022, he started to work as Koç Holding Automotive Group President. He is a member of the Turkish Industry and Business Association (TÜSİAD), Vice Chair of the Turkey-USA Business Council (TAK) Executive Board, and a Member of the Istanbul Chamber of Industry (ISO). He also served as Chair of the Board of the Automotive Manufacturers Association (OSD) between March 2018 and March 2022 and as a Board Member at the European Automobile Manufacturers Association (ACEA) between 2020-2022.

Özgür Burak Akkol Member

After receiving his Bachelor's degree in Industrial Engineering from İstanbul Technical University, Akkol completed the Executive MBA program and received a Master's degree from Koç University in 2011. As he continued his professional career, he successfully graduated from Harvard Business School and Columbia University completing the "Executive Development" and "Leadership Education" programs, and Columbia Business School and London Business School Global Executive MBA. Akkol started his career in 2001 in the USA, as a Production and Productivity Specialist at Nautilus Foods. After working abroad, Akkol returned to Turkey and started working for Koç Holding in 2003, as a Human Resources Assistant Specialist. He worked as a Human Resources Specialist between 2004 and 2005 and as an Audit Specialist and Senior Audit Specialist between 2005 and 2009. Akkol then worked as a System Development and Human Resources Manager between 2009 and 2010, as a System Development and Human Resources Coordinator between 2010 and 2014, and as a Human Resources Director between 2014 and 2021. He worked as Koç Holding Human Resources and Industrial Relations President between 2021 and 2022. Özgür Burak Akkol was appointed as the Tourism, Food, and Retailing Group President in 2022. Akkol is the Chair of the Board of the Koç Pension & Assistance Foundation, and a Member of the Board of some other Koç Group companies. At the same time, he is the Member of the Board of the Turkish Confederation of Employer Associations (TİSK), Turkish Employers Association of Metal Industries (MESS), and MESS Education Foundation and a Member of the Board of Turkish Employment Agency (İŞKUR).

İnan Ekici Company Leader

İnan Ekici graduated from Ankara University, Faculty of Political Sciences, Department of Public Administration in 1991. Attending Economics and Human Resources program at the City University of London, Mr. Ekici also participated in various programs in leadership and other topics at Koç, Harvard, Stanford, and INSEAD Universities. Mr. Ekici started his career at London Cyprus Credit Bank in England and stepped into his long career journey at the Koç Group in 1996. After serving as the Regional Manager of Ford Otosan, he joined Otokoç Otomotiv in 2001, serving first as Adana Branch Manager and later as Ankara Branch Manager. He assumed the position of Assistant General Manager responsible for Vehicle Rental in 2006. Responsible for nine countries including Turkey, Greece, Hungary, Ukraine, Azerbaijan, Kazakhstan, Georgia, Northern Cyprus, and Northern Iraq, Ekici was then appointed as the General Manager and member of the Board of Directors of Otokoç Otomotiv, operating in automotive retailing, vehicle rental and car sharing, effective 1 July 2019. In 2023, his title was updated as Otokoç Otomotiv Leader as part of the organization's agile transformation initiative. He has been the Chair of the Board of TOKKDER (Turkish Short- and Long-Term Automotive Rental Association) since March 2018. Mr. Ekici is also Vice Chair and Executive Board Member of Hungary Business Councils of DEİK (Foreign Economic Relations Board of Turkey), Founding Advisory Board Member of Entrepreneurial Organizations Platform, member of the Board of Trustees of the Entrepreneurship Foundation (GIRVAK), member of TOBB (The Union of Chambers and Commodity Exchanges of Turkey) Automotive Assembly, Sales Network Leaders Club and PWN İstanbul Member.

CVS OF THE SENIOR MANAGEMENT

İnan Ekici **Company Leader**

İnan Ekici graduated from Ankara University, Faculty of Political Sciences, Department of Public Administration in 1991. Attending Economics and Human Resources program at the City University of London, Mr. Ekici also participated in various programs in leadership and other topics at Koç, Harvard, Stanford, and INSEAD Universities. Mr. Ekici started his career at London Cyprus Credit Bank in England and stepped into his long career journey at the Koç Group in 1996. After serving as the Regional Manager of Ford Otosan, he joined Otokoç Otomotiv in 2001, serving first as Adana Branch Manager and later as Ankara Branch Manager. He assumed the position of Assistant General Manager responsible for Vehicle Rental in 2006. Responsible for nine countries including Turkey, Greece, Hungary, Ukraine, Azerbaijan, Kazakhstan, Georgia, Northern Cyprus, and Northern Iraq, Ekici was then appointed as the General Manager and member of the Board of Directors of Otokoç Otomotiv, operating in automotive retailing, vehicle rental and car sharing, effective 1 July 2019. In 2023, his title was updated as Otokoç Otomotiv Leader as part of the organization's agile transformation initiative. He has been the Chair of the Board of TOKKDER (Turkish Short- and Long-Term Automotive Rental Association) since March 2018. Mr. Ekici is also Vice Chair and Executive Board Member of Hungary Business Councils of DEİK (Foreign Economic Relations Board of Turkey), Founding Advisory Board Member of Entrepreneurial Organizations Platform, member of the Board of Trustees of the Entrepreneurship Foundation (GIRVAK), member of TOBB (The Union of Chambers and Commodity Exchanges of Turkey) Automotive Assembly, Sales Network Leaders Club and PWN Istanbul Member.

Dr. Mehmet Önder Kutman **Finance and Accounting Leader**

Dr. Mehmet Önder Kutman received his B.A. in Economics from İstanbul University in 1993, his MBA from Koç University in 1995, and his Ph.D. from İstanbul Technical University in 1999. Before joining Otokoç Otomotiv, he held various positions in the Audit and Finance Division of Koç Holding from 1995 until 2009. Since then, he has been serving as the CFO of Otokoç Otomotiv. In tandem, Kutman functions as General Manager of Otokoç Sigorta Aracılık Hizmetleri A.Ş. In 2023, his title was updated as Finance and Accounting Leader as part of the organization's agile transformation initiative. He is a Board Member at Otokoç ABG Holland BV, Olympic Commercial and Tourist Enterprises S.A, Otokoç Hungary Rent a Car and Servicing Limited Liability Company.

Uğur Güven **Automotive Business Unit Leader**

Mr. Uğur Güven received his B.Sc. in Geophysical Engineering from İstanbul University in 1986. He studied Marketing at Boğaziçi University under the Special Student Program between 1986 and 1988. After assuming various positions at Standart Belde A.Ş., Toyota Gökkuşluğu Otomotiv, Ford Bozkurt Motorlu Araçlar A.Ş., Motor Ticaret A.Ş., and Standart Motor A.Ş., he joined Otokoç Otomotiv in 2001 as a Branch Manager. He has been serving as Assistant General Manager of Automotive Retailing since 2004. In 2023, his title was updated as Automotive Business Unit Leader as part of the organization's agile transformation initiative. He is also a member of the Board of Directors of OYDER (Authorized Automotive Dealers Association) since 2017. He is also Vice Chair of the Board of OYDER, member of TOBB (The Union of Chambers and Commodity Exchanges of Turkey) Automotive Assembly, a member of the Ankara Chamber of Commerce Council, and a member of the Chamber of Geophysical Engineers of Turkey.

Mert Atılğan **Car Rental and Mobility Business Unit Leader**

After graduating from Austrian High School, Mr. Atılğan obtained his undergraduate degree from Yıldız Technical University Mechanical Engineering and his graduate degree from Koç University Department of Management. Starting his career at the Koç Group as the Purchasing Engineer at Arçelik-LG Air Conditioning Plant, Mr. Atılğan acted as the Purchasing and Planning Team Leader between 2008-2012 and as the Purchasing Manager between 2008 and 2012. After working at Zer Merkezi Hizmetler ve Ticaret A.Ş. as Business Development and Sales Manager between 2015 and 2018 and as Sales Director between 2018 and 2020, between 2021-2023 he served as Otokoç Otomotiv Retailing Director Responsible for Otokoç (Fiat, Alfa Romeo, Jeep and Maserati). In 2023, he was appointed as the Car Rental and Mobility Business Unit Leader. He is a member of both the DEİK Foreign Investments Business Council and the Istanbul Chamber of Commerce.

Dr. Andreas Taprantzis
CEO
Greece Country Director

Andreas Taprantzis holds a Ph.D. in chemical engineering and has an MBA and AMP from INSEAD. Having 20 years of managerial experience in various sectors, Taprantzis was the CEO of ELTA, the designated postal operator in Greece, between 2005 and 2009. He was elected the Chair of the Postal Operations Council (POC) affiliated with the Universal Postal Union, a diplomatic agency within the United Nations, for the 2008-2012 period during the 24th International Postal Congress held in 2008 in Geneva. Having started to work as the COO and Retail Banking Managing Director at Hellenic Postbank, one of the major banks in Greece, as of January 2010, Taprantzis assumed the position of Deputy CEO at T Bank, an affiliate of Hellenic Postbank in December 2010. He was a Board Member of Hellenic Postbank between 2006-2009 and 2011-2012. Taprantzis is the CEO of Avis Hellas, the leading car rental company in Greece. Prior to that position, he was an Executive Director of the Hellenic Republic Asset Development Fund responsible for real estate assets.

Tanıl Akçaoğlu
Ford and Volvo Business Unit Leader

Tanıl Akçaoğlu received a B.Sc. in Industrial Engineering from Dokuz Eylül University in 1998. Having worked as Regional Sales Executive at Renault Mais A.Ş., he was appointed to Otokoç Otomotiv as Sales Manager in 2004. He assumed the branch manager position in Ankara, İstanbul-European Side, and İstanbul-Asian Side between 2008 and 2017. Mr. Akçaoğlu is serving as the Retailing Director of Otokoç since 2018. In 2023, his title was updated as Ford and Volvo Business Unit Leader as part of the organization's agile transformation initiative. He is a member of the İzmir Chamber of Commerce.

Barış Kılınç
Fiat, Arj and Maserati Business Unit Leader

Barış Kılınç, who graduated from METU Industrial Engineering in 1999, attended the Koç University Executive MBA program as well as participated in various programs offered by institutions such as Boğaziçi, Harvard Business School, and MIT Sloan School of Management. Kılınç, who started his business life in the banking industry, held various roles in Production, Sales and Regional Management at Ford Otosan from 2002 to 2012. He started his career at Otokoç Otomotiv, assuming the role of Branch Manager in November 2012, and progressed to assume the positions of After-Sales Coordination Manager, Sales and After-Sales Coordination Manager, and Volvo Brand Manager. Since April 2023, he has been serving as Fiat, Alfa Romeo, Jeep, and Maserati Business Unit Leader at Otokoç Otomotiv. Furthermore, he contributed to the organization's agile transformation journey by actively participating in the Organization Design team.

Dr. Erdal Kemikli
Technology and Strategy Leader

Dr. Erdal Kemikli received his B.Sc. in Computer Engineering from Boğaziçi University in 1989, his M.Sc. in the same discipline from Ege University in 1991, and his Ph.D. from İstanbul Technical University in 2004. Having held different positions at Koç Sistem A.Ş. between 1996 and 1999, he was appointed as Otokoç Otomotiv Information Technology Manager in 2001. Later, he functioned as Information Technology and Process Manager, and Information Technology and Innovation Manager. He has been serving as Technology and Strategy Director since 2019. In 2023, his title was updated as Technology and Strategy Leader as part of the organization's agile transformation initiative. He is a member of the Quality Association of Turkey.

Birkan Çalışkan
2nd Hand and Fleet Operations Business Unit Leader

After his graduation from İstanbul Technical University, Department of Chemistry in 1995, he completed his MBA at Maltepe University. He attended programs on Leadership and Strategy at Harvard Business School and Oxford University. Çalışkan started his career in 1998 and has held various positions in companies from different sectors. Since 2003, he has worked at Otokoç Otomotiv as Sales Manager, Branch Manager, 2nd Hand and Fleet Operations Manager, respectively. He serves as 2nd Hand and Fleet Operations Director at Otokoç Otomotiv. In 2023, his title was updated as 2nd Hand and Fleet Operations Business Unit Leader as part of the organization's agile transformation initiative. He is also a member of the İstanbul Chamber of Commerce.

İrem Çalık
Human Resources Leader

İrem Çalık graduated with a degree in Industrial Engineering from Yıldız Technical University in 2002 and later pursued her MBA at Yeditepe University. Çalık, with extensive experience in Human Resources across various industries and a track record of managing teams in international markets, joined Otokoç Otomotiv as the Human Resources Manager in December 2019. She fulfills her responsibilities in this department, where she was promoted to be Director in 2023, and designated as the Human Resources Leader as part of the agile transformation initiative in the organization. She is a member of PWN İstanbul.

2023 ASSOCIATED COMPANY REPORT

2023 Associated Company Report prepared by Otokoç Otomotiv Tic. ve San. A.Ş. Board of Directors pursuant to Article 199 of the Turkish Commercial Code

Conclusion

Pursuant to Article 199 of the Turkish Commercial Code No. 6102 that went into force on 1 July 2012, Otokoç Otomotiv Board of Directors is obliged to prepare, within the first three months of the operating year, a report on the Company's relations with its controlling shareholders and their associated companies for the previous operating year, and to include the conclusion section of this report in the annual report.

Otokoç Otomotiv Ticaret ve San. A.Ş. Board of Directors report of 1 March 2023 reads as follows: "In all transactions conducted in 2023 with Otokoç Otomotiv's controlling shareholder and its associated companies, based on the circumstances and conditions known to us at the time the transaction was conducted, measures were taken or avoided; it was concluded that an appropriate counter-action had been taken in each transaction and that no measure was taken or avoided that would injure the Company, and accordingly, that no compensatory transactions or measures needed to be taken."

RISK MANAGEMENT AND INTERNAL AUDIT

The primary mission of the Internal Audit Department is to:

- Proactively provide the necessary expertise for developing the internal control system, risk management, and corporate governance practices across the entire Otokoç business network and contribute to the achievement of the Company's corporate and economic targets,
- Internal audit enhances the capacity of the organization to generate, protect, and maintain value by furnishing senior management with independent, risk-based, and objective assurance, advice, insight, and projections.

The approach of the Internal Audit Department is as follows:

- Work in line with Otokoç's needs and strategies using International Standards on Internal Audit,
- Ensure audit efficiency and productivity through the identification of priority processes and areas with a proactive, risk-focused approach, and plan the audits in this direction,
- Carry out field initiatives for deriving findings that will rectify the system and processes and ensure permanent effectiveness instead of dealing with exceptions and errors,
- Provide value-added economic and practicable suggestions that are aligned with the principles of digitalization and becoming a global player,
- Ensure accurate, objective, clear, concise, and constructive reporting, which is also in line with the corporate culture.

The duties of the Internal Audit Department are defined as conducting audits, examinations and/or offering consultancy to develop recommendations against internal, and/or external risks with the purpose of protecting the Company's rights and interests.

- 1. Process Audit:** Process audit is a type of audit in which all activities with targeted results are evaluated by processes within an input/output flow for the realization of the Company's operations, and where the internal control design within the process, as well as the efficiency and effectiveness of the process steps, are evaluated. This audit type is intended to strengthen process development and internal control, and the audit universe created assesses all process steps across the Otokoç business network.
- 2. Operations Audit:** Operations audit is a type of audit where business lines with field operations, such as Retailing, After-Sales, Rental, and Spares are assessed uniformly within a predetermined audit schedule. This audit type is intended to ensure alignment between the Head Office and the field, deploy standards and internal control steps across the organization, allocate shared working culture, and identify/prevent abuses. Besides policies, procedures, and guidelines that make an important part of the internal control system and are incorporated in workflows, an annual internal audit program that also addresses the Company's operations is implemented, and revised at the end of each year.
- 3. Examination/Investigation:** Examination/investigation is a type of audit where abuses, customer complaints, and/or ethical violations are assessed. The main goal of these activities is to deploy ethical practices across the entire organization and to support corporate culture. Any reports and complaints about the Company's activities that are received by the Company are considered and examined by the internal audit, and finalized by the Discipline Committee or result in disciplinary processes, if necessary.
- 4. Consultancy:** This heading covers activities, whose scope and goals are set by the request owner, and whose outcomes are based on an output.

RISK MANAGEMENT AND INTERNAL AUDIT

When offering the related services, the following duties are fulfilled with the aim of helping the Company grow, develop and achieve its targets:

- a) Verify the compliance of internal control systems in place at all the business units covered within the Company's Head Office, field organization, and all overseas enterprises with internal guidelines and code of ethics, as well as the adequacy and efficiency of risk management practices; prepare audit plans and programs; conduct audits in accordance with the risk-based annual internal audit plan,
- b) Follow up the practices associated with Internal Audit reports, monitor and report whether tasks and transactions are carried out within the frame of the agreements reached, guidelines and instructions provided,
- c) Perform examinations, inquiries, and investigations about specific duties delegated by the Senior Management and report the outcomes,
- d) Supervise the implementation of the Company guidelines and directives and ensure that they remain in effect; suggest revisions as and when needed,
- e) Inform the Senior Management about the adequacy of audit activities and internal control system; follow up related requests and suggestions,
- f) Present recommendations to the Senior Management for added-value generation purposes, such as achievement of the Company's goals, increasing share value, improving internal processes and activities, enhancing service quality and customer satisfaction, and so on.

The mission, approach, and duties described above have been fulfilled also in 2023, and the activities were brought to completion through concise reports and value-added recommendations for corporate governance, internal control and risk management purposes.

We considered the Continuous Audit structure as an important source that increases audit efficiency with the effective use of human resources and the positive impact of technological developments along with control consciousness. In 2023, we continued conducting our remote and on the spot audits.

In 2023, we assessed our significant risks under Audit and Risk Committee structure and completed our domestic and international audits.

In 2024, we will be accomplishing the project of ensuring compliance with International Internal Audit Standards in reporting and findings follow-up, which was initiated under the leadership of Koç Holding in 2023, as well as compliance across all Koç organizations.

OTHER FINANCIAL DISCLOSURES

The Company's Capital Adequacy

The Company's existing shareholders' equity was worth TL 34,663 million as of year-end 2023; the Company's capital is maintained and it is not over-indebted.

Achievement of Company Goals and Implementation of the General Assembly Resolutions

At the General Assembly Meeting convened during 2023, it was resolved not to distribute dividends for the year 2022.

The Company performed in line with the 2023 budget targets presented to the Board of Directors. As stated in the following sections of the report, it will be proposed not to distribute dividends to the General Assembly.

Profit Appropriation Policy

- The following proposition will be presented to the General Assembly:
- Total assets and liabilities on the balance sheet stood at TL 100,886 million in the records prepared in accordance with TFRS, TL 35,286,491,172.61 according to legal records, and TL 40,622,452,787.50 as a result of the inflation adjustment made within the scope of the Tax Procedure Law, according to legal records,
- Net profit for the period was TL 7,102 million in the records prepared in accordance with TFRS, TL 490,670,582.06 according to legal records, and TL 3,089,759,145.16 after the inflation adjustment made within the scope of the Tax Procedure Law, according to legal records,
- Offsetting the TL and not allocating a primary reserve fund, as stipulated in Article 519 of the Turkish Commercial Code, due to the fact that the allocation limit for the primary reserve fund has already been reached, transferring TL 97,203,856.00, which is eligible for exemption from corporate tax in accordance with Article 5/1-j of Corporate Tax Law numbered 5520, from the period profit to the fund account within equity, and the remaining TL 248,832,594.74 to the retained earnings,
- Transferring the net profit for the period attributable to the parent company of TL 6,674 million in the financial reports prepared in accordance with TFRS to extraordinary reserves.

Investments

The Company's investments as of year-end 2023 amounted to TL 35,806 million.

Risks and Assessment by the Management Body

The Risk Management Policy: In weekly review meetings and Company coordination meetings, the Company monitors the market, general economic position, and the factors with a potential impact on the Company's financial structure; analyzes the deviations in actualizations versus the budget targets, and takes steps for taking necessary measures forthwith.

Forward-Looking Risks:

The potential changes in the fiscal and monetary policies take the top spot among the Company's forward-looking risks. Possible increases in Special Consumption Tax, in particular, are of a nature to directly impact the Company's sales.

Due to Central Bank's sensitivity to ensuring and sustaining price stability, it is possible that it may make changes in interest rates. Potential changes in interest rates are deemed as an element affecting demand in automotive.

Other Matters

No material events took place after the end of the fiscal year, which are of a nature to affect the rights of the shareholders, creditors, and other related individuals and establishments.

OTHER FINANCIAL DISCLOSURES

Financial Rights Provided to the Members of the Management Body and Senior Executives

The total amount of benefits provided to the Company's Board of Directors members and the senior management as remuneration, attendance fee, and bonus is TL 121,012 thousand.

Allowances, travel, accommodation and entertainment expenses, means in kind and in cash, insurance and similar guarantees made available to the Company's Board of Directors members and senior management have not been disclosed as they do not add up to a significant amount.

Charitable Donations and Aids

The Company's charitable donations during 2023 totaled TL 230,708 thousand.

Special and Public Audit

As the Company is subject to independent audit pursuant to the Turkish Commercial Code no. 6102 and applicable legislation, it has been independently audited by PWC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. in the context of the Turkish Accounting Standards and Turkish Auditing Standards. A positive opinion has been given in the resulting independent audit report by the partner of the independent audit firm PWC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and thus confirmed that the Company's financial statements conform to the standards published by the Capital Markets Board of Turkey and the Turkish Accounting Standards.

Lawsuits Initiated Against the Company and Possible Outcomes

There is litigation initiated against the Company. The Company did not deem it necessary to set aside provisions.

Acts Contradicting with Regulatory Provisions and Outcomes

No administrative or judicial sanctions were imposed against the Company or the members of its management body on account of acts contradicting regulatory provisions.

Additional Information

No changes occurred in the shareholding ratio in the Company's subsidiaries, namely Otokoç Sigorta Aracılık Hizmetleri A.Ş., Otokoç ABG Holland BV, Otokoç Otomotiv Tic. ve San. Kazakhstan LLP, Otokoç Irak LLC, Otokoc Hungary Rent a Car and Servicing Limited Liability Company, Otokoç Georgia LLC, Otokoç Azerbaijan LLC, and Otokoç Ukraine LLC.

None of Otokoç Sigorta Aracılık Hizmetleri A.Ş., Otokoç Azerbaijan LLC, Otokoç Otomotiv Tic. ve San. Kazakhstan LLP, Otokoç Irak LLC, Otokoc Hungary Rent a Car and Servicing Limited Liability Company, Otokoç Georgia, Otokoç Ukraine LLC and Otokoç ABG Holland BV has a stake in the capital of Otokoç Otomotiv Ticaret ve Sanayi A.Ş. Although Otokoç does not have any subsidiaries, Cronus Finance DAC, the special purpose entity that was incorporated for the execution of the securitization deal, was included in the consolidation as of 31 December 2020. In 2022, the Company acquired a share of 15% in WAT Mobilite Çözümleri Teknoloji ve Ticaret A.Ş., as well as a 10% share in Bluedot Technologies Inc. As of 30 June 2023, Icarus Finance DAC, a special purpose entity established to facilitate securitization transactions, has been included in the consolidation process, despite not being a subsidiary of Otokoç. In 2023, a 20% share of iUGO Teknoloji A.Ş. was also acquired.

STATEMENT OF RESPONSIBILITY

STATEMENT OF RESPONSIBILITY PREPARED IN ACCORDANCE WITH ARTICLE 9 OF THE CMB COMMUNIQUÉ SERIAL II-14.1. ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS

BOARD OF DIRECTORS' RESOLUTION DATE AND NO. REGARDING THE APPROVAL OF FINANCIAL STATEMENTS
RESOLUTION DATE: 1 March 2024
RESOLUTION NUMBER: 2024/10

We hereby present for your information that, in line with the Capital Markets Board of Türkiye (CMB) Regulations, and within the framework of the information available to us in connection with our roles and responsibilities in the Company, the consolidated financial statements, income statement, comprehensive income statement, statement of cash flow, statement of changes in equity and their footnotes for the period 01 January 2023 - 31 December 2023, which have been drawn up by our Company in accordance with the Turkish Financial Reporting Standards (TFRS) and with the formats determined by the CMB pursuant to the CMB Communiqué Serial: II-14-1 on Principles of Financial Reporting in Capital Markets and the CMB Principle Resolution on inflation accounting, and which have been independently audited by the independent auditor PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.;

- have been reviewed by us;
- do not contain any inaccuracies in all material respects and are free of omissions that may be misleading as of the issue date;
- the financial statements prepared pursuant to the Communiqué present a true and fair view of the assets, liabilities, financial position, and profit/loss of the Company as well as of consolidated subsidiaries.

We hereby acknowledge and represent that we are responsible for the statement made.

Sincerely,

İnan Ekici

Otokoç Otomotiv Leader and
the Member of the Board of
Directors Responsible for Financial
Reporting

Mehmet Önder Kutman

Finance and Accounting Leader

Aysel Ayçiçek

Budget Reporting Manager

STATEMENT OF RESPONSIBILITY

STATEMENT OF RESPONSIBILITY PREPARED PURSUANT TO ARTICLE 9 OF THE CMB COMMUNIQUÉ SERIAL II-14.1.
ON THE PRINCIPLES OF FINANCIAL REPORTING IN THE CAPITAL MARKETS

THE BOARD OF DIRECTORS' RESOLUTION DATE AND NO. REGARDING THE APPROVAL OF THE ANNUAL REPORT
RESOLUTION DATE: 6 March 2024
RESOLUTION NUMBER: 2024/11

Our 2023 annual report prepared by the Company in accordance with the Turkish Commercial Code and the Capital Markets Board of Türkiye (CMB) Communiqué Serial: II-14.1 on Principles of Financial Reporting in Capital Markets (the Communiqué) and independently audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. is presented in attachment. We hereby present for your information that, in accordance with the CMB regulations and within the frame of the information available to us in connection with our duties and responsibilities in the Company, the Annual Report prepared by our Company,

- has been reviewed by us,
- does not contain any inaccuracies in all material respects and is free of omissions that might be misleading as of the issue date,
- fairly represents the progress and performance of the business, the financial position of the Company together with that of consolidated subsidiaries, as well as material risks and volatilities faced with,

We hereby acknowledge and represent that we are responsible for the statement made.

Sincerely,

İnan Ekici

Otokoç Otomotiv Leader and
the Member of the Board of
Directors Responsible for Financial
Reporting

Mehmet Önder Kutman

Finance and Accounting Leader

Aysel Ayçiçek

Budget Reporting Manager

OTOKOÇ OTOMOTİV TİCARET VE SANAYİ A.Ş.
CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023 TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH
(Convenience translation into english of consolidated financial statements originally issued in Turkish)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Otokoç Otomotiv Ticaret ve Sanayi A.Ş.

A. Audit of the consolidated financial statements

1. Our opinion

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

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

2. Basis for opinion

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

3. Key audit matters

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

Key Audit Matters	How the key audit matter was addressed in the audit
Residual value calculation (Notes 2, 8, and 10)	
The residual value of assets used in operational lease is the amount expected to be recovered when such assets are sold at the end of the leasing period, including any costs to sell. Group determines the residual value based on the past sales and market prices by taking into consideration the perspectives of sales personnel. Residual value calculation is determined to be a key audit matter since it is material to the financial statements and involves management estimations.	- The estimation regarding the calculation of the residual value of assets used in operational lease and the related processes are inquired with the process owners and the parameters used in such estimations are understood. - Residual values of assets used in operational lease at the end of the lease period were compared to actual sales at the end of the lease period to test whether the estimated residual value is consistent with actual sales. - The residual values of the vehicles selected by sampling are compared with the market prices of the vehicles of similar brands, models and kilometers and appropriateness of the residual values is assessed considering the current economic circumstances.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters	How the key audit matter was addressed in the audit
Application of TAS 29, "Financial Reporting in Hyperinflationary Economies" TAS 29 "Financial reporting in hyperinflationary economies" ("TAS 29") is effective to the consolidated financial statements of the Group as at 31 December 2023. TAS 29 requires financial statements to be restated into the current purchasing power at the end of the reporting period. Therefore, transactions in 2023 and non-monetary balances at the end of the period were restated to reflect a price index that is current at the balance sheet date as of 31 December 2023. The application of TAS 29 has a pervasive and material impact on the consolidated financial statements. Considering the risk of inaccurate or incomplete data used in the application of TAS 29 and the additional audit effort expended, the application of TAS 29 has been identified as a key audit matter by us. Explanations regarding the application of TAS 29 are provided in Note 2.1.1	We performed the following auditing procedures in relation to the application of TAS 29: - Understanding and evaluating the process and controls related to the implementation of IAS 29 designed and implemented by management, - Verifying whether the segregation of monetary and non-monetary items made by the management is in accordance with TAS 29, - Obtaining detailed lists of non-monetary items and testing the original entry dates and amounts on a sample basis, - Evaluating the calculation methods used by management and verifying whether they are consistently used consistently in all periods, - Verifying the general price index rates used in calculations with the coefficients obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute, - Testing the mathematical accuracy of non-monetary items, income statement, and cash flow statement adjusted for inflation effects, - Evaluating the adequacy of disclosures related to the application of TAS 29 in the notes to the consolidated financial statements in accordance with TFRS.

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.

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

B. Other responsibilities arising from regulatory requirements

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

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

Sertu Tali, SMMM
Independent Auditor
Istanbul, 1 March 2024

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OTOKOÇ OTOMOTİV TİCARET VE SANAYİ A.Ş.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)
 (Convenience translation into english of financial statements originally issued in Turkish)

	Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
ASSETS			
Current Assets			
Cash and cash equivalents	4	7,375,790	8,902,010
Trade receivables		9,427,269	7,633,878
- Due from related parties	6	260,263	242,216
- Due from third parties	6	9,167,006	7,391,662
Other receivables		236,945	196,597
- Due from related parties	24	187,374	160,970
- Due from third parties	14	49,571	35,627
Inventories	7	9,636,039	4,907,354
Derivative instruments	26	51,936	108,963
Prepaid expenses	11	951,211	858,647
Current period tax assets	23	5,668	5,684
Other current assets	10	15,136,350	13,277,061
Total current assets		42,821,208	35,890,194
Non - current assets			
Trade receivables		404,403	372,028
- Due from third parties	6	404,403	372,028
Other receivables		42,408	79,125
- Due from related parties	24	10,127	49,201
- Due from third parties		32,281	29,924
Financial investments	26	137,926	66,397
Derivative instruments	26	3,206	13,099
Property, plant and equipment	8	56,998,257	45,499,906
Intangible assets	9	478,787	439,396
Other non-current assets		-	492
Total non - current assets		58,064,987	46,470,443
TOTAL ASSETS		100,886,195	82,360,637

The accompanying notes are an integral part of these consolidated financial statements.

OTOKOÇ OTOMOTİV TİCARET VE SANAYİ A.Ş.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)
 (Convenience translation into english of financial statements originally issued in Turkish)

	Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
LIABILITIES			
Current liabilities			
Short-term financial liabilities	5	4,473,689	4,514,560
Short-term portion of long-term financial liabilities	5	5,830,878	5,724,272
Trade payables	6	14,483,130	13,404,203
- Due to related parties	24	9,138,943	8,696,550
- Due to third parties	6	5,344,187	4,707,653
Employee benefit obligations	12	330,336	249,194
Other payables	14	2,211,596	1,759,631
- Other payables to third parties	14	2,211,596	1,759,631
Deferred income	13	242,994	49,724
Current income tax liabilities	23	34,614	17,445
Short-term provisions		248,104	801,561
- Short-term provisions for employee benefit	16	64,273	197,123
- Other short-term provisions	16	183,831	604,438
Total current liabilities		27,855,341	26,520,590
Non - current liabilities			
Long-term financial liabilities	5	29,304,227	21,248,714
Deferred income	13	861,449	-
Long-term provisions		314,112	380,614
- Long-term provisions for employee benefit	16	314,112	380,614
Deferred tax liability	23	7,887,638	5,840,345
Total non - current liabilities		38,367,426	27,469,673
Total liabilities		66,222,767	53,990,263
Equity			
Paid-in share capital	17	136,000	136,000
Effect of transactions under common control		(1,606)	(1,606)
Inflation adjustment to share capital		1,423,368	1,423,368
Other comprehensive income/(expense) not to be reclassified to profit or loss		(173,170)	(126,436)
- Actuarial gain/(loss)		(173,170)	(126,436)
Other comprehensive income/(expense) to be reclassified to profit or loss		503,582	637,017
- Currency translation differences		2,294,833	1,779,648
- Gains/losses on hedge of net investment in foreign operations		(1,812,183)	(1,201,224)
- Cash flow hedge fund		20,932	58,593
Retained earnings		22,884,629	15,064,754
Net profit for the year		6,673,683	8,385,165
Equity holders of the parent		31,446,486	25,518,262
Non-controlling interest		3,216,942	2,852,112
Total equity		34,663,428	28,370,374
TOTAL LIABILITIES AND EQUITY		100,886,195	82,360,637

The accompanying notes are an integral part of these consolidated financial statements.

OTOKOÇ OTOMOTİV TİCARET VE SANAYİ A.Ş.
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)
 (Convenience translation into english of financial statements originally issued in Turkish)

	Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
Revenue	18	111,259,631	79,444,834
Cost of sales (-)	19	(99,677,421)	(67,356,124)
Gross profit		11,582,210	12,088,710
Marketing expenses (-)	19	(3,772,165)	(2,903,869)
General and administrative expenses (-)	19	(3,223,596)	(2,285,158)
Other operating income	20	566,993	119,591
Other operating expense (-)	20	(207,906)	(609,391)
Operating profit		4,945,536	6,409,883
Income from investment activities	21	62,681	17,596
Other expenses from investment activities (-)		(272)	(1,165)
Operating income before financial income/(expense)		5,007,945	6,426,314
Financial income	22	2,677,866	1,042,932
Financial expenses (-)	22	(7,405,259)	(3,701,933)
Net monetary position gain/(loss)		9,058,856	6,713,898
Profit from continuing operations before tax		9,339,408	10,481,211
Tax expense from continuing operations		(2,237,869)	(1,706,063)
- Current tax expense (-)	23	(32,671)	36,276
- Deferred tax expense	23	(2,205,198)	(1,742,339)
Net profit for the period		7,101,539	8,775,148
Net profit for the period attributable to			
Non-controlling interest		427,856	389,983
Equity holders of the parent		6,673,683	8,385,165

OTOKOÇ OTOMOTİV TİCARET VE SANAYİ A.Ş.
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)
 (Convenience translation into english of financial statements originally issued in Turkish)

	Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
Net profit for the period		7,101,539	8,775,148
Other comprehensive income:			
Items not to be reclassified to profit or loss			
- Actuarial gain/(loss) arising from employee benefits		(58,903)	(152,710)
Items not to be reclassified to profit or loss taxes relating to other comprehensive income			
- Deferred tax effect of actuarial gain arising from employee benefits		12,169	26,274
Items to be reclassified to profit or loss			
- Currency translation differences		(111,881)	(1,264,867)
- Losses on hedge of net investment in foreign operations		(767,359)	(423,349)
- Gains on cash flow hedge fund		(37,661)	58,593
Items to be reclassified to profit or loss taxes relating to other comprehensive income			
- Gains/losses on hedge of net investment in foreign operations, tax effect		156,400	75,537
Other comprehensive income		(807,235)	(1,680,522)
Total comprehensive income		6,294,304	7,094,626
Attributable to			
Non-controlling interest		366,080	(78,721)
Equity holders of the parent		5,928,224	7,173,347

The accompanying notes are an integral part of these consolidated financial statements.

OTOKOÇ OTOMOTİV TİCARET VE SANAYİ A.Ş.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS 1 JANUARY- 31 DECEMBER 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)
 (Convenience translation into english of financial statements originally issued in Turkish)

	Paid-in share capital	Inflation adjustment to share capital	Impact of business combination under common control	Comprehensive income/(expense) not to be reclassified to profit or loss Actuarial gain/(loss)
1 January 2022	136,000	1,423,368	(1,606)	-
Transfers	-	-	-	-
Total comprehensive income	-	-	-	(126,436)
31 December 2022	136,000	1,423,368	(1,606)	(126,436)
1 January 2023	136,000	1,423,368	(1,606)	(126,436)
Transfers	-	-	-	-
Dividends	-	-	-	-
Total comprehensive income	-	-	-	(46,734)
31 December 2023	136,000	1,423,368	(1,606)	(173,170)

Other comprehensive income/(expense) to be reclassified to profit or loss		Retained earnings		Equity holders of the parent	Non controlling interest	Total equity
Hedging losses	Currency translation differences	Retained earnings	Net profit for the period			
(853,412)	2,079,638	9,070,289	6,490,638	18,344,915	2,930,833	21,275,748
-	-	6,490,638	(6,490,638)	-	-	-
(289,219)	(299,990)	(496,173)	8,385,165	7,173,347	(78,721)	7,094,626
(1,142,631)	1,779,648	15,064,754	8,385,165	25,518,262	2,852,112	28,370,374
(1,142,631)	1,779,648	15,064,754	8,385,165	25,518,262	2,852,112	28,370,374
-	-	8,385,165	(8,385,165)	-	-	-
-	-	-	-	-	(1,250)	(1,250)
(648,620)	515,185	(565,290)	6,673,683	5,928,224	366,080	6,294,304
(1,791,251)	2,294,833	22,884,629	6,673,683	31,446,486	3,216,942	34,663,428

OTOKOÇ OTOMOTİV TİCARET VE SANAYİ A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2023 AND 2022

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)
(Convenience translation into english of financial statements originally issued in Turkish)

	Notes	Audited 1 January - 31 December 2023	Audited 1 January - 31 December 2022
A. Cash flows from operating activities		(10,763,226)	(3,570,081)
Net profit for the period		7,101,539	8,775,148
Adjustments related to net profit reconciliation		8,164,520	2,496,122
Adjustments for depreciation and amortisation expense	8,9	8,685,975	4,368,575
Adjustments for impairment			
- Adjustment for impairment of trade receivable	6	120,348	151,749
- Adjustment for employment termination benefits		1,188,539	877,575
- Adjustment for other provisions	16	(420,607)	333,527
- Adjustment for impairment of inventories	7	296,171	105,638
Adjustments for interest expense	22	7,218,890	3,457,529
Adjustments for monetary gain		(7,682,763)	(7,422,396)
Adjustments for interest income	22	(2,672,479)	(932,234)
Adjustments related to unrealized foreign currency translation differences		(755,044)	(140,033)
Adjustments for losses (gains) on sales of property plant and equipment, net	21	(52,379)	(9,870)
Adjustments related to tax expenses	23	2,237,869	1,706,062
Changes in working capital		(5,349,901)	810,669
Adjustments for decrease (increase) in trade receivables			
- (Increase)/decrease in due from related parties		(18,047)	69,205
- (Increase)/decrease in third parties		(1,888,835)	(1,065,409)
Adjustments for decrease/(increase) in other receivables related to operations			
- Decrease/(increase) in other receivables related to operations from related parties		12,670	295,477
- Decrease / (increase) in other operating-related receivables from third parties	(16,301)	(3,307)	
Adjustments for decrease/(increase) in derivative assets		66,920	(122,062)
Adjustments for decrease/(increase) in inventories		(5,024,856)	(1,247,661)
Adjustments for decrease/(increase) in prepaid expenses		(92,564)	(132,263)
Adjustments for increase/(decrease) in trade payables			
- Increase/(decrease) in due to related parties		442,393	2,745,031
- Increase/(decrease) in third parties		636,534	1,397,533
Increase/(decrease) in payables related to employee benefits		81,142	59,193
Adjustments related to increase (decrease) in other payables related to operations			
- Increase/(decrease) in third parties		451,965	325,109
Changes in deferred income		1,054,719	(9,979)
Adjustments for decrease/(increase) in other assets related to operations		(899,242)	(877,141)
Adjustments for decrease/(increase) in other liabilities related to operations		(156,399)	(623,057)
Cash flows from operations		9,916,158	12,081,939
- Changes in payables to employee benefits		(1,248,968)	(694,327)
- Tax payments		(12,574)	(77,280)
Other cash inflows	8	14,439,187	8,989,508
Other cash outflows	8	(33,857,029)	(23,869,921)
B. Cash flows from investing activities		(1,403,738)	(997,310)
Purchase of property, plant and equipment and intangible assets	8	544,860	384,066
Proceeds from sales of property, plant and equipment and intangible assets	8,9	(1,948,598)	(1,381,376)
C. Cash flows from financing activities		13,450,361	10,372,999
Proceeds from borrowings	5	32,692,163	23,496,771
Repayments of borrowings	5	(15,551,610)	(11,018,281)
Interest paid		(6,101,987)	(2,855,470)
Interest income		2,672,479	932,234
Dividend paid		(1,250)	-
Cash outflows related to debt payments arising from lease agreements	5	(259,434)	(182,255)
Net increase in cash and cash equivalents before effects of foreign currency conversion adjustments		1,283,397	5,805,608
D. Inflation impact on cash and cash equivalents		(2,826,777)	(2,264,613)
E. Effects of foreign currency conversion adjustments on cash and cash equivalents		40,635	1,107,202
Net increase/(decrease) in cash and cash equivalents (A+B+C+D+E)		(1,502,745)	4,648,197
F. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	8,723,255	4,075,058
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E+F)	4	7,220,510	8,723,255

The accompanying notes are an integral part of these consolidated financial statements.

OTOKOÇ OTOMOTİV TİCARET VE SANAYİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)
(Convenience translation into English of financial statements originally issued in Turkish)

NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS

Otokoç Otomotiv Ticaret ve Sanayi A.Ş. ("Otokoç" or "Company") was established in Turkey on 22 June 2001. The Company's business activities are to provide the brokerage service to sale of all kinds of motor vehicles and its spare parts and to lease all kinds of road and transport vehicles. Commercial operations of motor vehicle and services of car rental are performed by Otokoç-Ford, Otokoç-Fiat and Avis, Avis Filo, Avis Karavan, Avis Maestro, Budget, Zipcar, Lastick and Payless brands, used cars activities Otokoç İkinci El brand, spare parts sales Otokoç Parça and insurance services are also provided under the Otokoç Sigorta brand.

The Company has 83 branches in Turkey and 239 offices (94 Avis, 55 Budget and 90 Zipcar points) and 83 rental offices worldwide.

Registered address of Otokoç is Aydınevler Mah. Saygı Cad. No: 60 Küçükyalı, Maltepe, İstanbul.

The consolidated subsidiaries of the Company as of 31 December 2023 and 2022 are as follows:

Company name	Field of activity	Final rate	
		31 December 2023	31 December 2022
Otokoç ABG Holland B.V. ("Otokoç Hollanda")	Investment	60%	60%
Olympic Commercial and Tourist Enterprises S.A. ("Olympic")	Car rental and trade	60%	60%
Otokoç Sigorta Aracılık Hizmetleri A.Ş. ("Otokoç Sigorta")	Insurance intermediary	50%	50%
Otokoç Azerbaijan MMC	Lease	100%	100%
Otokoç Hungary KFT	Lease	100%	100%
Otokoç Kazakhstan LLP	Lease	100%	100%
Cronus Finance DAC ⁽¹⁾	Special purpose business	-	-
Icarus Finance DAC ⁽¹⁾	Special purpose business	-	-

⁽¹⁾ Although it is not a subsidiary of Otokoç, the special purpose enterprise established to ensure the securitization process has been included in the scope of consolidation.

Otokoç and its consolidated subsidiaries will be referred to as the "Group" in the condensed consolidated financial statements.

The Company's main shareholder is Koç Holding A.Ş. Additionally; the ultimate parent of the Company is Koç family.

The number of employees of the Group as of 31 December 2023 is 3,824 (31 December 2022: 3,073).

The consolidated financial statements of the Group as of and for the year ended 31 December 2023 has been approved for issue by the top management of the Group on behalf of Board of Directors on 1 March 2024. The General Assembly and various regulatory bodies have the right to amend the financial statements.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The main accounting policies applied in the preparation of the consolidated financial statements are as follows:

2.1 Basis of presentation

2.1.1 Accounting policies

The consolidated financial statements of the Group have been prepared in accordance with the Turkish Financial Reporting Standards, ("TFRS") and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA") in line with the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board of Turkey ("CMB") on June 13, 2013 which is published on Official Gazette numbered 28676. TFRS are updated in harmony with the changes and updates in International Financial and Accounting Standards ("IFRS") by the communiqués announced by the POA.

The consolidated financial statements are presented in accordance with "Announcement regarding with TAS Taxonomy" which was published on October 4, 2022 by POA and the format and mandatory information recommended by CMB.

OTOKOÇ OTOMOTİV TİCARET VE SANAYİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)
(Convenience translation into English of financial statements originally issued in Turkish)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

Financial reporting in hyperinflationary economy

With the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on November 23, 2023, entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after December 31, 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy. According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of December 31, 2022, on the purchasing power basis as of December 31, 2023.

Pursuant to the decision of the Capital Markets Board (CMB) dated December 28, 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of IAS 29 starting from their annual financial reports for the periods ending on December 31, 2023.

The adjustments made in accordance with IAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index (CPI) of Turkey published by the Turkish Statistical Institute (TÜİK).

As of December 31, 2023, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

Year End	Index	Conversion Factor	Three-year Inflation Rate
31 December 2023	1.859.38	1.000	268%
31 December 2022	1.128.45	1.647	156%
31 December 2021	686.95	2.706	74%

The main elements of the Group's adjustment process for financial reporting in hyperinflationary economies are as follows:

- Current period consolidated financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of IAS 36 and IAS 2 are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.
- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.
- The impact of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary gain/(loss) account in the consolidated income statement.

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in TRY, which is the functional currency of the company and the presentation currency of the Group.

In order to prepare the accompanying consolidated financial statements and disclosures, monetary balance sheet accounts of the foreign subsidiaries in financial statements were converted to Turkish Lira using year end exchange rate as required by TAS 21 while non-monetary balance sheet, profit and loss and cash flow items were translated to Turkish Lira using the yearly average rate.

OTOKOÇ OTOMOTİV TİCARET VE SANAYİ A.Ş. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)
(Convenience translation into English of financial statements originally issued in Turkish)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

Financial statements of Otokoç Azerbaijan MMC prepared in Manat, which is the functional currency, has been converted to TRY, which is the presentation currency of consolidated financial statements, as follows;

- As of 31 December 2023 asset and liability accounts has been converted to TRY as 1 Manat (AZN) = TRY17.36 which is buying rate of T.C. Central Bank on 31 December 2023. (31 December 2022: 1 Manat (AZN) = TRY11.00).
- The income statement accounts has been converted to TRY using the average rate of years.

Financial statements of Otokoç Hungary KFT prepared in Hungarian Forint, which is the functional currency, has been converted to TRY, which is the presentation currency of consolidated financial statements, as follows;

- As of 31 December 2023 asset and liability accounts has been converted to TRY as 1 Hungarian Forint (HUF) = TRY0.08 which is buying rate of T.C. Central Bank on 31 December 2023. (31 December 2022: 1 Hungarian Forint = TRY0.50).
- The income statement accounts has been converted to TRY using the average rate of years.

Financial statements of Otokoç Hollanda and Olympic prepared in Euro, which is the functional currency, has been converted to TRY, which is the presentation currency of consolidated financial statements, as follows;

- As of 31 December 2023 asset and liability accounts has been converted to TRY as 1 Euro (EUR) = TRY32.5739 which is buying rate of T.C. Central Bank on 31 December 2023 (31 December 2022: 1 Euro = TRY19.9349).
- The income statement accounts has been converted to TRY using the average rate of years.

Financial statements of Otokoç Kazakhstan LLP prepared in Tenge, which is the functional currency, has been converted to TRY, which is the presentation currency of consolidated financial statements, as follows;

- As of 31 December 2023 asset and liability accounts has been converted to TRY as 1 Tenge (KZT) = TRY0.07 which is buying rate of T.C. Central Bank on 31 December 2023 (31 December 2022: 1 Tenge = TRY0.40).
- The income statement accounts has been converted to TRY using the average rate of years.

Exchange differences arising from the translation of the opening net assets and differences between the average and balance sheet date rates are included in the "currency translation difference" under the shareholders' equity.

The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2023. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

(a) Standards, amendments, and interpretations applicable as of 31 December 2023:

- **Narrow scope amendments to IAS 1, Practice Statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **Amendment to IAS 12 - International tax reform ;** The temporary exception is effective for December 2023 year ends and the disclosure requirements are effective for accounting periods beginning on or after 1 January 2023, with early application permitted. These amendments give companies temporary relief from accounting for deferred taxes arising from the Minimum Tax Implementation Handbook international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.
- **IFRS 17, 'Insurance Contracts';** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts.

These changes have no effect on the financial status and performance of the Group.

OTOKOÇ OTOMOTİV TİCARET VE SANAYİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)
(Convenience translation into English of financial statements originally issued in Turkish)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

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

- **Amendment to IFRS 16 - Leases on sale and leaseback**; effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Amendment to IAS 1 - Non-current liabilities with covenants**; effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements**; effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
- **Amendments to IAS 21 - Lack of Exchangeability**; effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information'**; effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- **IFRS S2, 'Climate-related disclosures'**; effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities

These changes have no effect on the financial status and performance of the Group.

2.2 Change in accounting policies

Any change in the accounting policies resulted from the first-time adoption of a new standard is made either retrospectively or prospectively in accordance with the transition requirements. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements. If changes in accounting estimates are related to only one period, they are recognised 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.

The consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in the financial position and performance. The Group has prepared comparative consolidated financial statements as of 31 December 2023, in comparison with the consolidated financial statements prepared as of 31 December, 2022. Additionally, the statement of profit or loss and other comprehensive income, the statement of cash flows, and the statement of changes in equity for the year ended 31 December 2023, have been prepared in comparison with the relevant consolidated financial statements for the year ended 31 December 2022. Comparative information for the previous reporting period has been expressed in terms of the purchasing power as of December 31, 2023.

OTOKOÇ OTOMOTİV TİCARET VE SANAYİ A.Ş. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)
(Convenience translation into English of financial statements originally issued in Turkish)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Accounting policies, changes in accounting estimates and assumptions

Judgments that have a significant effect to the consolidated financial statements and assumptions that are made by taking into consideration of events which are existential as of the reporting date or possible to occur in foreseeable future are as follows:

- The Group management has important assumptions about the experience of the technical team in determining the second-hand vehicle sales values at the end of the lease period of the vehicles in the tangible fixed assets that are leased by the operational leasing. The difference between the cost values of these vehicles and the second-hand sales values is amortized over the lease contracts. Accordingly, the management periodically reviews the value estimates to ensure that the estimated amounts are appropriate. The vehicle value estimated at the end of the rental period is residual value. The residual value at the end of the lease term may be different from the market value and is considered to be a market risk. Residual value is influenced by external factors. The effect of exchange rate changes on vehicles used and shaped, consumer preferences, instruments traded in foreign currencies, and general economic conditions affect market prices and are managed to a point. In determining the residual value, the Group uses the prices generated in the market database and the values realized in its own vehicle sales. Residual value is estimated by monitoring and analyzing sales profits to manage value risk of residual value (Note 8).
- The retirement pay liability is determined using actuarial assumptions (discount rates, future salary increases and employee turnover rates) (Note 16).
- Group management makes provision for litigation in accordance with assessment of Group's lawyers to for the probability of losing cases for legal cases issues which have been brought against the Group and still going on (Note 16).
- The Group has significant assumptions about the experience of the past year and the experience of the technical team for the estimated repair price and the selling price of damaged vehicles. The Group accounts provision for the difference between the net book value of the impaired vehicles and the loss exposures and estimated sales figures of the Group's damaged vehicles based on past experience (Note 16).
- Provision for doubtful receivables represents the amounts that the management believes will compensate future losses on receivables that are present but have a risk of not being collected within the current economic conditions as of the balance sheet date. Provision for doubtful receivables is allocated for each customer and not for the whole portfolio (Note 6).

2.4 Summary of significant accounting policies

The significant accounting policies applied are consistent with the prior period in the preparation of the consolidated financial statements are summarized below:

2.4.1 Basis of consolidation

Consolidated financial statements, which are prepared in accordance to accounting principles that are stated below, include the accounts of the Company, Otokoç, and its subsidiary, Otokoç Sigorta, Otokoç Azerbaijan MMC, Otokoç Hungary KFT, Olympic, Otokoç Kazakhstan LLP, Cronus Finance DAC, Icarus Finance DAC and Otokoç Netherlands (named "Group") as of 31 December 2023. During the preparation of the entities' financial statements with in the scope of consolidation, necessary adjustments and reclassifications were made in accordance with Financial Reporting Standards issued by POA and accounting policies and presentation formats applied by the Group.

OTOKOÇ OTOMOTİV TİCARET VE SANAYİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON 31 DECEMBER 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY at 31 December 2023 unless otherwise indicated.)
(Convenience translation into english of financial statements originally issued in Turkish)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4. Summary of significant accounting policies (Continued)

Subsidiaries are companies over which the Otokoç controls the financial and operating policies for the benefit of the Otokoç, either through the power to exercise more than 50% of the voting rights relating to shares in the Companies owned directly and indirectly by itself; or although not having the power to exercise more than 50% of the voting rights, otherwise having the power to exercise control over the financial and operating policies.

The non-controlling shareholders' share in the net assets and results of Subsidiaries for the period are separately classified as non-controlling interest in the consolidated balance sheets and statements of income. Minority rights from consolidated participations in the net assets of the consolidated subsidiary are listed as a separate item in the equity of the Company. The noncontrolling interests consist of shares from the initial business combinations and the non-controlling shares from the changes in equity after the business combinations date.

As of 31 December 2023 and 2022, direct and indirect voting rights and proportion of effective interest (%) owned by the Group are indicated below:

Subsidiaries	31 December 2023		31 December 2022	
	Direct and indirect shares (%)	Percentage of effective interest (%)	Direct and indirect shares (%)	Percentage of effective interest (%)
Otokoç Hollanda	60	60	60	60
Olympic	60	60	60	60
Otokoç Sigorta ⁽¹⁾	50	50	50	50
Otokoç Azerbaycan MMC.	100	100	100	100
Otokoç Hungary Kft.	100	100	100	100
Otokoç Kazakistan LLP	100	100	100	100
Otokoç Iraq LLC ⁽²⁾	100	100	100	100
Otokoç Georgia LLC ⁽²⁾	100	100	100	100
Otokoç Ukraine LLC ⁽²⁾	100	100	100	100
Cronus Finance DAC ⁽³⁾	-	-	-	-
Icarus Finance DAC ⁽³⁾	-	-	-	-

⁽¹⁾ Otokoç has the authorization and power of controlling the financial and management policies in favor of its own benefits through using its actual control effect on the financial and management policies of Otokoç Sigorta although it does not have the authority to use more than 50% of voting rights. Therefore, it is subject to full consolidation.

⁽²⁾ Otokoç - Iraq LLC, Otokoç - Georgia LLC and Otokoç - Ukraine LLC have not been included in the scope of consolidation and are classified as financial investments since they are not material to consolidated financial statements (Note 25).

⁽³⁾ Although it is not a subsidiary of Otokoç, a special purpose enterprise established for securitization is included in the scope of consolidation.

2.4.2 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and bank deposits, credit card receivables, and short-term, highly liquid investments that are readily convertible to definite amounts of cash with maturities equal or less than 3 months (Note 4). Cash and cash equivalents in cash flow statement comprise of cash and cash equivalents with maturities less than 3 months except for accrued interest income.

2.4.3 Trade receivables and provision for impairment

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortized cost. Receivables with short-term maturities which have no predefined interest rate are measured at the original invoice amount unless the effect of imputed interest is significant (Note 6).

A doubtful receivable provision for trade receivables is accounted if there is objective evidence that the Group will not be able to collect all amounts due. The receivables in process of lawsuit or enforcement or in a prior stage, the customer having material financial difficulties, the receivable turning default or the possibility of material and unforeseeable delay in the future collection are included under objective evidences. The amount of provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the collection amount is decreased from the doubtful receivable provisions and recorded as other income from operating activities.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4. Summary of significant accounting policies (Continued)

The Group measures the allowance for trade receivables at an amount equal to the "expected life-time credit losses" (except for realized impairment losses) where the trade receivables are not impaired for some reason. Expected credit losses are a weighted estimate of the likelihood of credit losses over the expected life of a financial instrument. In the calculation of expected credit losses, the Group takes into account future credit loss experience as well as forecasts for the future.

The Group uses a provisioning matrix to measure the expected credit losses on trade receivables. Depending on the number of days the maturities of trade receivables are exceeded, certain maturity ratios are calculated and these ratios are reviewed at each reporting period and revised where necessary. Expected credit losses are accounted for under "other income / expense from operating activities" in the income statement.

2.4.4 Inventories

Inventories consist of second-hand vehicles, brand new vehicles and spare parts. Inventories are valued at the lower of cost or net realizable value. The cost of inventories is based on moving weighted average cost and borrowing costs are not included. Vehicles subject to operational lease contracts whose contract period has been completed are transferred to the inventory account from assets used in operational lease with net book values by the end of contract termination date. The related vehicles classified under inventories are shown as second-hand vehicles in Note 7. Net realizable value is the estimated selling price in the ordinary course of business, reducing the cost of completion and the sales costs required to realize the sale.

The Group has accounted the vehicles subject to operational leases whose lease terms have expired in the inventory account group with the plan to sell the relevant vehicles in the second-hand vehicle market without entering into a new lease agreement (Note 7).

2.4.5 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation. Land is not depreciated as it is deemed to have an indefinite useful life. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The depreciation periods for property and equipment, which approximate the economic useful lives of assets concerned, are as follows:

Buildings	50 years
Machinery and equipment	2 -15 years
Furniture and fixtures	2-20 years
Vehicles	5 years
Leasehold improvements	2-25 years

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of the property, plant and equipment is the higher of future net cash flows from the utilization of this property, plant and equipment or fair value less cost to sell.

Gains or losses on disposals of property, plant and equipment are included in income/expense from investment activities.

Subsequent costs, such as repairs and maintenance or part replacement of tangible assets, are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits with the item will flow to the Group. All other costs are charged to the statements of profit or loss during the financial year in which they are incurred.

2.4.6 Assets subject to operational lease

Assets subject to operational lease include motor vehicles of the Group, utilized in rent a car services. The Group classifies its assets used in operational lease as long-term for those which have lease contracts longer than one year and as short-term which have lease contracts shorter than one year. The difference between the cost and the estimated second-hand sales price of the related assets is depreciated on a straight-line basis over the length of the lease contracts. Vehicles whose lease periods are completed are transferred to inventory accounts on net book values under the name of second-hand vehicles.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of significant accounting policies (Continued)

2.4.7 Intangible assets

Intangible assets include acquired use rights, information systems and other identifiable rights. As of 31 December 2023 Intangible assets are recorded at their acquisition cost, indexed according to the purchasing power of the Turkish Lira and they are amortized on a straight-line basis over their estimated useful lives between 5 and 15 years.

2.4.8 Impairment of assets

The Group reviews the carrying values of assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the income statement. The recoverable amount is the greater of net selling price and value in use. The value in use is the present value of estimated future cash flows from the continuing use of an asset or its disposal at the end of its useful life, the net sale price is the amount obtainable from the sale of an asset less the costs of disposal. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash generating unit, reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or has decreased. Reversal of impairment losses recognized in statement of profit or loss.

A loss on impairment of an asset is reversed if the subsequent increase in the recoverable amount of the asset can be attributed to an event that arises in subsequent periods after the impairment was recognized in the records.

2.4.9 Financial liabilities and borrowing costs

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective yield method; any difference between proceeds, net of transaction costs, and the redemption value is recognized in the statement of profit or loss over the period. Borrowing costs are charged to the statement of profit or loss when they are incurred. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset which requires substantial period of time to get ready for its intended use or sale shall be capitalized over the cost of the asset. Other borrowing costs shall be recognized as an expense in the period it incurs.

Government grants

Government grants are not recognized in the financial statements until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants which are financial assets, should be recognized as deferred revenue in the consolidated statement of financial position rather than recognised in the statement of profit or loss to clarify the expenditure item that is financed and transferred to profit or loss on a systematic and rational basis over the useful lives of the related asset.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates (Note 13).

2.4.10 Trade payables

Trade payables are comprised of payments required related to provide the goods and services from the supplier in the ordinary activities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of significant accounting policies (Continued)

2.4.11 Recognition and derecognition of financial assets and liabilities

The Group recognizes a financial asset or financial liability in its consolidated statement of financial position when and only when it becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial asset or a portion of financial asset when and only when it loses control of the contractual rights that comprise the financial asset or portion of financial asset and when risk and benefit related to property. The Group derecognizes a financial liability when a liability is extinguished that is when the obligation specified in the contract is discharged, cancelled and expired.

All the normal sales or purchase transactions of financial assets are recorded at the transaction date that the Group guaranteed to purchase or sell the financial asset. These transactions generally require the transfer of financial asset in the period specified by the general conditions and the procedures in the market.

Classification and measurement

The Group classified its financial assets in three categories; financial assets carried at amortized cost, financial assets carried at fair value through other comprehensive income, financial assets carried at fair value through profit or loss. Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Management performs the classification of financial assets at the acquisition date.

(a) Financial assets carried at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, whose payments are fixed or predetermined, which are not actively traded and which are not derivative instruments are measured at amortized cost. They are included in current assets, except for maturities more than 12 months after the balance sheet date. Those with maturities more than 12 months are classified as non-current assets. The Group's financial assets carried at amortized cost comprise "trade receivables" and "cash and cash equivalents" in the statement of financial position.

(b) Financial assets carried at fair value

i) Financial assets carried at fair value through profit or loss

Financial assets carried at fair value through profit or loss comprise of "derivative instruments" in the statement of financial position. Derivative instruments are recognized as asset when the fair value of the instrument is positive, as liability when the fair value of the instrument is negative.

ii) Financial assets carried at fair value through other comprehensive income

Financial assets carried at fair value through other comprehensive income comprise of "financial assets" in the statement of financial position. Group 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.

The Group designates its foreign currency borrowings as hedging instrument in fair value hedge of the exposures to changes in foreign exchange rates of its unrecognized firm commitments. Unrecognized firm commitment to lease the fleet in return for leasing revenues and sell the specific second-hand vehicles to the specific buyers at specific dates for vehicle sales revenue are designated as hedged items in this fair value hedge. In the fair value hedge, the gain or loss from remeasuring the hedging instrument at fair value for the foreign currency component of its carrying amount measured is recognized in the income statement and the change in the fair value of the hedged item is accounted under "fair value of unrecognized firm commitment" in consolidated statement of financial position and in consolidated statements of profit or loss.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items as well as its risk management objective and strategy for undertaking, various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values of hedged items.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of significant accounting policies (Continued)

2.4.12 Foreign currency hedge of net investments in foreign operations

Gains or losses on the hedging instrument relating to the effective portion of the foreign currency hedge of net investments in Otokoç Netherlands are recognized in equity. The gain or loss on the hedging instruments that has been recognized directly in equity is transferred statements of profit or loss on the disposal of the foreign operation.

2.4.13 Employee benefits

Defined benefit plans

The Group is obliged to pay termination indemnity to a certain number of employees who have completed at least one year of working period and who have left work due to retirement or who are terminated due to reasons other than resignation or misconduct.

The Group has adopted the "Projection Method", which requires the retirement pay liability to be recorded at the reduced net amount, based on estimated inflation rates and employee disqualification or termination, based on information raised by the Group's own experience and using the government bond interest rates valid at the balance sheet date and reflect the financial statements. All actuarial gains and losses calculated are reflected in the other comprehensive income statement.

Defined contribution plans

The Group pays contributions to the Social Security Institution on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as an employee benefit expense when they are due.

Vacation pay liability

Vacation pay liability in the financial statements is the sum of unused vacation employee entitlement and probable liabilities in the future as of the reporting date.

2.4.14 Tax

Tax expense (income) is the aggregate amount included in the determination of the statement of comprehensive income for the period in respect of current and deferred tax.

Current tax

Current tax liabilities (assets) are calculated in accordance with the applicable tax law and if not related with other comprehensive income or equity, expense (income) is recorded for the related period. In current tax calculations, tax laws and rates that are applicable or that will become applicable are used.

Deferred tax

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Deferred tax is recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized. The carrying amount of deferred tax is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at consolidated statement of financial position date

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of significant accounting policies (Continued)

2.4.15 Revenue recognition

The company accounts the revenue in its consolidated financial statements under the five-stage model:

- Identification of customer contracts,
- Identification of performance obligations,
- Determination of transaction price in the contract,
- Allocation of price to performance obligations,
- Recognition of revenue when the performance obligations are fulfilled.

Sales of goods and services

Income includes invoiced values of sales of goods and services. Revenue arising from sale of goods and services is recognized when the risks and rewards of ownership is transferred, the amount of revenue can be reliably measured and the economic benefits associated with the transaction will flow to the Group are highly probable. Significant risks and rewards in domestic vehicle and spare part sales are transferred to the buyer when invoice is issued.

Net sales are the sales of invoiced goods, excluding sales receipts. When there is an important financing element in the sales, the fair value is determined by deducting the future collections with the hidden interest rate included in the financing element. The difference between the nominal value and the fair value of the sales price is recorded in the relevant periods as the financing income on an accrual basis.

Revenues from operational leases

Income from operational leasing transactions is recorded as income in the related period on an accrual basis. According to management's opinion, when income becomes doubtful, it is temporarily waited.

Sales income of assets held for rent

Cash obtained from the sale of held-for-sale assets is recognized as income after the legal process is completed and significant risks and rewards of the assets are transferred to the buyer.

Interest income is recognized on a time proportion basis and the income accrued is determined taking into account the effective interest rate and the effective interest rate over the remaining period of time.

2.4.16 Foreign currency transactions

Transactions in foreign currencies during the period have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TRY at the exchange rates prevailing at the balance sheet dates. Exchange gain or losses arising from the settlement and translation of foreign currency items have been included under financial income/expenses in the consolidated statements of profit or loss.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of significant accounting policies (Continued)

2.4.17 Related parties

- a) A person or a close member of that person's family is related to a reporting entity if that person:
- (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or,
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
- (i) The entity and the reporting entity are members of the same group
 - (ii) One entity is an associate or joint venture of the other entity
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a), (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)

Related party transactions are transactions in which resources, services and liabilities are transferred between related parties, regardless of whether they are a cost consideration.

2.4.18 Provisions, contingent assets and liabilities

Provisions

Provisions are recognized when an entity has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When in the course of time the value loss of the money gains significance, the reserves are reflected in terms of the reduced value of the expenses likely to occur on the date of consolidated statement of financial position. When reduced value is used, increases to occur in the reserves as time goes by are recorded as interest expenses.

Damage provisions

In the event that the Group incurs an accident within the lease period for the vehicles subject to operational lease, the Group compares the net sales value of those vehicles with the past years' experience and the sales prices based on the experience of the technical crew. If the net book value is higher than the wholesale price, provision is made in the consolidated financial statements for the related amounts. It also allocates provision for past years' experience and technical crew experience for vehicles which have undergone an accident and whose damage repair controls have not yet been finalized (Note 16).

Contingent assets and liabilities

Provision is made in the financial statements if there is an existing obligation arising from past events, it is probable that the obligation will be met, and the amount of the obligation can be reliably estimated. Adjustment of the liability as of the balance sheet date, taking into account the amount set aside as a contingency and the risks and uncertainties regarding the liability, the most reliable estimate of the expenditure to be made. If the provision is measured using the estimated cash flows required to meet the present obligation, the carrying amount of the provision is equal to the present value of the related cash flows. If some or all of the economic benefit required to settle the obligation is expected to be met by a third party, the amount to be recovered is recognized as an asset if the collection of the obligation is virtually certain and reliably measured.

2.4.19 Dividends

Dividends payable are recognized as an appropriation of profit in the period in which they are declared in the consolidated financial statements.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of significant accounting policies (Continued)

2.4.20 Subsequent events

Post period-end events that provide additional information about the Group's position at the consolidated statement of financial position date (adjusting events), are reflected in the financial statements. Post period-end events that are not adjusting events are disclosed in the notes when material.

2.4.21 Offsetting

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to set off recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously/

2.4.22 Leases

Group as a lessee

At inception of a contract, the Company shall assess whether the 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 for a period of time, the Company shall assess whether, throughout the period of use, the customer has both of the following:

- The contract includes an identified asset (identification of an asset in a clear or implicitly specified form in the contract),
- A capacity portion of an asset is an identified asset if it is physically distinct and represents substantially all of the capacity of the asset (the asset is not an identified asset if the vendor has a fundamental right to substitute the asset for the duration of its use and obtain an economic benefit from it),
- The Company has the right to obtain almost all of the economic benefits that will be derived from the use of the identified asset,
- The right to direct the use of the identified asset. The Company has the right to direct the use of an identified asset throughout the period of use only if either:
 - a) The Company has the right to direct how and for what purpose the asset is used throughout the period of use,
 - b) The relevant decisions about how and for what purpose the asset is used are predetermined and.

The Company recognizes right of use asset and lease liability at the start date of lease after evaluation of aforementioned criterias.

Right of use asset

At the commencement date, the Company shall measure the right-of-use asset at cost. The cost of the right-of-use asset shall comprise:

- a) The 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 Company
- d) An estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

To apply a cost model, the Company shall measure the right-of-use asset at cost:

- a) Less any accumulated depreciation and any accumulated impairment losses and
- b) Adjusted for any remeasurement of the lease liability.

The Company shall apply the depreciation requirements in TAS 16 Property, Plant and Equipment in depreciating the right-of-use asset.

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

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of significant accounting policies (Continued)

Lease Liability

At the date when the lease actually begins, the Company measures its lease obligation at the present value of the lease payments not realized at that date. Lease payments, if the implicit interest rate in the lease can be determined easily, by using this rate; if the implied interest rate cannot be determined easily, the tenant is discounted using the alternative borrowing interest rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- a) Fixed payments, less any lease incentives receivable;
- b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- c) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company shall measure the lease liability by:

- a) Increasing the carrying amount to reflect interest on the 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.

Extension and early termination options

The lease liability is determined by considering the extension and early termination options in the contracts. Most of the extension and early termination options included in the contracts are composed of the options that are jointly applicable by the Company and the lessor. The Company determines the lease term by the extension of the lease, if such extension and early termination options are at the Company's discretion and the use of the options is reasonably certain. If there is a significant change in the circumstances, the evaluation is reviewed by the Company.

Variable lease payments

Lease payments arising from some of the Company's lease agreements consist of variable rent payments. These variable lease payments, which are not included in TFRS 16, are recorded as rent expense in the related period in the income statement.

Practical expedient

The group has applied a single discount rate to a rental portfolio with similar characteristics. While measuring the existence right of use at the first application date, initial direct costs were not included. If the contract includes options to extend and terminate the contract, the rental period is determined and management evaluations are used.

Group - as Lessor

All leases of the Group as lessor are operating leases. In operating leases, leased assets are classified under tangible fixed assets or other current assets in the consolidated balance sheet, and the rental income obtained is accounted in the consolidated income statement in equal amounts during the lease period. Rental income is accounted as consolidated income on a straight-line basis throughout the lease term.

2.4.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the steering committee that makes strategic decisions. Board of Directors has been identified as the sole authority to decide on the operations (Note 3).

2.4.24 Statements of cash flows

The Group prepares statements of cash flows as an integral part of its of financial statements to enable financial statement analysis about the change in its net assets, financial structure and the ability to direct cash flow amounts and timing according to evolving conditions. Cash flows include those from operating activities, working capital, investing activities and financing activities.

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NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Summary of significant accounting policies (Continued)

Cash flows from operating activities represent the cash flows generated from the Group's activities. The Group shows the cash inflows and outflows of its assets subject to operational lease during the period in the cash flows obtained from activities. Cash flows related to investing activities represent the cash flows that are used in or provided from the investing activities of the Group (fixed investments and financial investments).

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

2.5 Comparative information and classification of prior period financial statements

The consolidated financial statements of the Group have been prepared comparatively with the previous period in order to enable the determination of the financial situation and performance trends. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when deemed necessary.

In the event of changes in accounting policies and accounting estimates and errors, significant changes and significant accounting errors are applied retrospectively and prior period financial statements are restated. If the changes in accounting estimates are for only one period, they are applied in the period in which the change is made and if they are for future periods, they are applied both in the period in which the change is made and prospectively. The Group has not made any adjustments in its consolidated financial statements as of 31 December 2022, except for the adjustments made due to the application of TAS 29 standard explained in Note 2.1.1.

NOTE 3 - SEGMENT REPORTING

Segment reporting is organized in a manner to ensure consistency with the reporting to the authority responsible for making decisions regarding the Company's operations. The authority responsible for making decisions regarding the Company's operations is accountable for allocating resources to the segments and evaluating the performance of the segments. The Board of Directors has been designated as the authority responsible for making decisions regarding the Company's operations.

For an operating segment to be identified as a reportable segment, it is required that its reported revenue constitutes 10% or more of the total revenue of both internal and external operating segments, including sales to external customers and intersegment sales or transfers. Additionally, its reported profit or loss should be 10% or more of the total profit or loss, or its assets should represent 10% or more of the total assets of all operating segments. If management believes that information about the segment would be useful for financial statement users, operating segments that do not meet any of the aforementioned quantitative thresholds may also be considered reportable segments, and information related to them can be disclosed separately.

Reportable segments for the group are geographical segments. The requirement for a geographical segment to be identified as a reportable segment includes the majority of the segment's revenue being derived from sales to customers outside the group, the segment result constituting more than 10% of the operating profit, the segment's assets representing at least 10% of the total assets of all segments, and the segment activities having different risks and returns compared to other segments. For this purpose, the authority responsible for decision-making regarding the group's activities monitors the performance of segment activities through net sales, gross profit, and investment expenditures.

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NOTE 3 - SEGMENT REPORTING (Continued)

The group management has organized Otokoç Otomotiv's reportable segments as domestic companies and international Companies, which fall within the scope of consolidation.

Information about the operational segments is as follows. Gross profitability is evaluated regarding the performance of the operational segments.

a) Operational segments which have been prepared in accordance with the reportable segments for the year ended 31 December 2023 are as follows:

	Domestic	International	Total
Net sales	99,566,364	11,693,267	111,259,631
Gross profit	7,557,643	4,024,567	11,582,210
Investment expenditures	22,422,667	13,382,583	35,805,250

b) Operational segments which have been prepared in accordance with the reportable segments for the year ended 31 December 2022 are as follows:

	Domestic	International	Total
Net sales	70,107,532	9,337,302	79,444,834
Gross profit	8,679,670	3,409,040	12,088,710
Investment expenditures	15,833,158	9,418,718	25,251,876

NOTE 4 - CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
Cash on hand	901	1,328
Bank	6,780,987	8,157,761
- Time deposits in banks	3,150,330	6,850,225
- Demand deposits in banks	3,630,657	1,307,536
Credit card and direct debiting system receivables	593,902	742,921
	7,375,790	8,902,010

As of 31 December 2023, the time deposits of the Group is denominated in TRY with a maturity of 3 to 94 days (31 December 2022: 3 to 67 days) The interest rate of TRY time deposits is between 30.00% - 47.00% (31 December 2022: 15.00% - 28.00%).

As of 31 December 2023, the Group has blocked deposits of TRY155,280 (31 December 2022: TRY178,755).

Cash and cash equivalents shown in the consolidated cash flow statements as of 31 December 2023 and 2022 are shown below:

	31 December 2023	31 December 2022
Cash and cash equivalents	7,375,790	8,902,010
Blocked deposits (-)	(155,280)	(178,755)
	7,220,510	8,723,255

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NOTE 5 - FINANCIAL LIABILITIES

a) Short-term financial liabilities

	31 December 2023			31 December 2022		
	Original currency	TRY equivalent	Interest rate p.a.(%)	Original currency	TRY equivalent	Interest rate p.a. (%)
Borrowings in TRY	1,120,524	1,120,524	17.04 - 48.62	1,882,013	1,882,013	15.75 - 34.00
Borrowings in EUR	45,530	1,483,076	4.00 - 9.75	36,731	1,206,500	3.10 - 3.70
Borrowings in USD	25,277	744,108	4.35 - 12.65	-	-	-
Interest-free borrowings in TRY	114,324	114,324	-	23,653	23,653	-
		3,462,032			3,112,166	

b) Short-term bond payables

	31 December 2023			31 December 2022		
	Original currency	TRY equivalent	Interest rate p.a.(%)	Original currency	TRY equivalent	Interest rate p.a. (%)
Bond payables in TRY ^(*)	810,418	810,418	30.00	1,221,493	1,221,493	24.90 - 33.00
		810,418			1,221,493	

^(*) The TRY bonds issued by the Group are payable with one coupon every 6 months, and the principal of the bonds will be paid at the end of the maturity.

c) Short-term lease liabilities

	31 December 2023			31 December 2022		
	Original currency	TRY equivalent	Interest rate p.a.(%)	Original currency	TRY equivalent	Interest rate p.a. (%)
Lease liabilities in EUR	4,585	149,351	5.75 - 7.00	4,958	162,857	3.50 - 5.75
Lease liabilities in TRY	51,888	51,888	14.00 - 25.00	18,044	18,044	10.00 - 29.00
		201,239			180,901	

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NOTE 5 - FINANCIAL LIABILITIES (Continued)

d) Short-term portions of long-term liabilities

	31 December 2023			31 December 2022		
	Original currency	TRY equivalent	Interest rate p.a.(%)	Original currency	TRY equivalent	Interest rate p.a. (%)
Lease liabilities in TRY	4,323,738	4,323,738	9.95 - 46.75	4,381,851	4,381,851	9.50 - 30.00
Lease liabilities in EUR	46,268	1,507,140	4.00 - 5.50	40,869	1,342,421	2.90
		5,830,878			5,724,272	

e) Long-term liabilities

	31 December 2023			31 December 2022		
	Original currency	TRY equivalent	Interest rate p.a.(%)	Original currency	TRY equivalent	Interest rate p.a. (%)
Lease liabilities in EUR	444,672	14,484,688	3.75 - 9.75	304,825	10,012,682	3.75 - 4.00
Lease liabilities in TRY	5,932,473	5,932,473	13.48 - 48.62	4,659,881	4,659,881	9.95 - 30.00
Lease liabilities in USD	21,968	646,695	4.50 - 12.65	-	-	-
		21,063,856			14,672,563	

f) Long-term private sector bond payables

	31 December 2023			31 December 2022		
	Original currency	TRY equivalent	Interest rate p.a. (%)	Original currency	TRY equivalent	Interest rate p.a. (%)
Bond payables in EUR	206,895	6,739,377	1.29 - 1.85	188,568	6,193,952	1.40 - 1.85
Bond payables in TRY	1,000,000	1,000,000	39.50	-	-	-
		7,739,377			6,193,952	

g) Long-term lease liabilities

	31 December 2023			31 December 2022		
	Original currency	TRY equivalent	Interest rate p.a.(%)	Original currency	TRY equivalent	Interest rate p.a. (%)
Lease liabilities in EUR	8,703	283,491	5.75 - 7.00	9,333	306,563	3.50 - 5.75
Lease liabilities in TRY	217,503	217,503	14.00 - 25.00	75,636	75,636	10.00 - 29.00
		500,994			382,199	

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NOTE 5 - FINANCIAL LIABILITIES (Continued)

The payment schedule for long-term loans as of 31 December 2023 and 2022 is as follows:

	31 December 2023	31 December 2022
Between 1 - 2 years	14,526,241	11,535,014
Between 2 -3 years	5,909,710	8,536,722
Between 3 -4 years	4,822,878	427,348
4 years and over	4,045,398	749,630
	29,304,227	21,248,714

Movements of financial liabilities are as of 31 December 2023 and 31 December 2022 as follows:

	2023	2022
Beginning of period - 1 January	31,487,545	28,904,638
Additions - financial liabilities	32,692,163	23,496,771
Payment of borrowings	(15,551,610)	(11,018,281)
Cash outflows from payments of lease liabilities	(259,434)	(182,255)
Changes in exchange rates	8,378,537	3,942,434
Change in interest accrual	1,116,903	602,059
Currency translation differences	(9,227,778)	(6,311,411)
Inflation effect	(9,027,532)	(7,946,410)
End of period - 31 December	39,608,794	31,487,545

The fair values of long-term financial liabilities were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk. The carrying amounts and fair values of the Group's long-term borrowings as of 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023		31 December 2022	
	Carrying value	Fair value	Carrying value	Fair value
EUR	21,507,556	21,615,094	16,513,197	16,595,764
TRY	7,149,976	7,185,726	4,735,516	4,759,193
USD	646,695	649,928	-	-
	29,304,227	29,450,748	21,248,713	21,354,957

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NOTE 6 - TRADE RECEIVABLES AND PAYABLES

a) Trade receivables

	31 December 2023	31 December 2022
Trade receivables	10,473,440	8,825,631
Due from related parties	260,263	242,216
	10,733,703	9,067,847
Less: Expected credit loss	(1,306,434)	(1,433,969)
Total short-term trade receivables	9,427,269	7,633,878
Long-term trade receivables	404,403	372,028
Total trade receivables	9,831,672	8,005,906

As of 31 December 2023 average maturity days of trade receivables is 28 days (31 December 2022: 30 days).

The movements of expected credit loss are as follows:

	2023	2022
1 January	1,433,969	1,699,046
Additions	120,348	151,749
Currency translation differences	645,977	407,132
Inflation effect	(685,196)	(738,092)
Collection (-)	(10,876)	(9,288)
Deleted from records (-)	(197,788)	(76,578)
31 December	1,306,434	1,433,969

b) Trade payables

	31 December 2023	31 December 2022
Trade payables	5,344,187	4,707,653
Due to related parties	9,138,943	8,696,550
	14,483,130	13,404,203

As of 31 December 2023 average maturity days of trade payables is 48 days (31 December 2022: 49 days).

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NOTE 7 - INVENTORIES

	31 December 2023	31 December 2022
Spare parts	4,495,821	1,297,702
Second-hand cars	3,222,433	1,957,023
Brand new cars	2,213,956	1,758,267
Allowance for impairment on inventory(-)	(296,171)	(105,638)
	9,636,039	4,907,354

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT

Movement in the property, plant and equipment and the related accumulated depreciation comprised the following as of 31 December 2023

	Land improvements and buildings	Buildings	Machine and equipment	Motor vehicles	Furniture and fixtures	Constructions in progress	Leasehold improvements	Total
1 January 2023								
Cost	137,828	1,302,830	46,705	52,257,277	1,581,174	77,364	1,377,230	56,780,408
Accumulated depreciation	(7,128)	(673,623)	(32,403)	(8,565,141)	(919,548)	-	(1,082,659)	(11,280,502)
Net book value	130,700	629,207	14,302	43,692,136	661,626	77,364	294,571	45,499,906
Additions	-	483,495	245,088	24,131,162	333,272	94,719	125,127	25,412,863
Transfers	-	-	-	(6,589,806)	-	-	-	(6,589,806)
Foreign currency translation differences	(1,089)	(5,492)	(821)	(93,298)	(4,315)	-	(4,459)	(109,474)
Disposals	-	-	(3)	(765,756)	(7,277)	-	(27,139)	(800,175)
Depreciation	-	(272,417)	(6,342)	(5,859,380)	(211,423)	-	(65,495)	(6,415,057)
Net book value at the end of the period	129,611	834,793	252,224	54,515,058	771,883	172,083	322,605	56,998,257
31 December 2023								
Cost	136,680	1,780,833	290,969	68,939,579	1,902,854	172,083	1,470,759	74,693,757
Accumulated depreciation	(7,069)	(946,040)	(38,745)	(14,424,521)	(1,130,971)	-	(1,148,154)	(17,695,500)
31 December 2023 net book value	129,611	834,793	252,224	54,515,058	771,883	172,083	322,605	56,998,257

As of 31 December 2023, there are no pledges or collaterals on property, plant and equipment.

⁽¹⁾ Net book value of the right-of-use assets motor vehicle classified under property, plant and equipment is TRY159,840 thousand as of 31 December 2023. For the period ended 31 December 2023, additions to the right-of-use assets amounted to TRY87,591 thousand and depreciation expenses amounted to TRY101,071 thousand.

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NOTE 8 - PROPERTY, PLANT AND EQUIPMENT(Continued)

Movement in the property, plant and equipment and the related accumulated depreciation comprised the following as of 31 December 2022:

	Land improvements and buildings	Buildings	Machine and equipment	Motor vehicles	Furniture and fixtures	Constructions in progress	Leasehold improvements	Total
1 January 2022								
Cost	166,753	1,103,099	53,167	44,974,335	1,279,692	8,715	1,380,502	48,966,263
Accumulated depreciation	(8,624)	(520,205)	(35,388)	(7,796,438)	(802,650)	-	(1,050,220)	(10,213,525)
Net book value	158,129	582,894	17,779	37,177,897	477,042	8,715	330,282	38,752,738
Additions	-	286,107	2,824	17,153,548	357,579	68,649	87,842	17,956,549
Transfers	-	(919)	-	(3,811,845)	-	-	-	(3,812,764)
Foreign currency translation differences	(27,429)	(56,012)	(3,348)	(3,024,125)	(6,275)	-	(12,185)	(3,129,374)
Disposals	-	-	(722)	(645,814)	(7,454)	-	(28,995)	(682,985)
Depreciation	-	(182,863)	(2,231)	(3,157,525)	(159,266)	-	(82,373)	(3,584,258)
Net book value at the end of the period	130,700	629,207	14,302	43,692,136	661,626	77,364	294,571	45,499,906
31 December 2022								
Cost	137,828	1,302,830	46,705	52,257,277	1,581,174	77,364	1,377,230	56,780,408
Accumulated depreciation	(7,128)	(673,623)	(32,403)	(8,565,141)	(919,548)	-	(1,082,659)	(11,280,502)
31 December 2022 net book value	130,700	629,207	14,302	43,692,136	661,626	77,364	294,571	45,499,906

As of 31 December 2022, there are no pledges or collaterals on property, plant and equipment.

⁽¹⁾ Net book value of the right-of-use assets motor vehicles classified under property, plant and equipment is TRY182,664 thousand as of 31 December 2022. For the period ended. 31 December 2022, additions to the right-of-use assets amounted to TRY75,253 thousand and depreciation expenses amounted to TRY65,056 thousand.

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NOTE 8 - PROPERTY, PLANT AND EQUIPMENT (Continued)

As of 31 December 2023, vehicles which are subject to short-term operational leasing amount to TRY66,663,192 (31 December 2022: TRY55,162,951) and vehicles subject to long-term operational leasing amount to TRY13,859,787 (31 December 2022: TRY12,764,017) adding to a total amount of TRY53,776,305 (31 December 2022: TRY42,398,934) are classified under current assets and tangible assets respectively.

The movements of vehicles leased to third parties under operational lease by the Group are as follows

	2023	2022
Net book value at the beginning of the period	55,162,948	46,744,777
Additions	33,857,029	24,459,002
Disposals	(423,348)	(361,075)
Transfers	(14,015,839)	(8,628,433)
Foreign currency translation differences	(93,882)	(3,304,861)
Current year depreciation	(7,823,716)	(3,746,462)
Net book value at the end of the period	66,663,192	55,162,948

As of 31 December 2023, the vehicles under operational leases insured amounts of TRY4,483,073 and TRY3,189,081, respectively.

NOTE 9 - INTANGIBLE ASSETS

The movement of intangible assets for the years ended on 31 December 2023 and 2022 are as follows:

	2023	2022
1 January		
Cost	913,437	944,762
Accumulated amortization	(474,041)	(463,160)
Net book value	439,396	481,602
Opening net book value	439,396	481,602
Additions	118,724	99,511
Foreign currency translation differences	(10,200)	(78,210)
Current period amortization	(69,133)	(63,507)
Net book value at the end of the period	478,787	439,396
31 December		
Cost	1,026,406	913,437
Accumulated amortization	(547,619)	(474,041)
Net book value	478,787	439,396

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NOTE 10 - OTHER CURRENT ASSETS

Other current assets	31 December 2023	31 December 2022
Assets used in operational lease	13,859,787	12,764,017
Deferred VAT	1,128,358	405,247
SCT receivables	32,276	2,519
Other	115,929	105,278
	15,136,350	13,277,061

Movement table of assets subject to operational leasing is as follows:

	2023	2022
Beginning of the year - 1 January	12,764,017	10,510,619
Additions	10,842,039	8,149,487
Transfer	(7,541,690)	(4,883,497)
Foreign currency conversion differences	(2,794)	(351,393)
Current year depreciation	(2,201,785)	(661,199)
End of the year- 31 December	13,859,787	12,764,017

NOTE 11 - PREPAID EXPENSES

Short-term prepaid expenses	31 December 2023	31 December 2022
Prepaid expenses ^(*)	951,211	858,647
	951,211	858,647

^(*) The balance consists of prepaid traffic insurance expenses, prepaid motor vehicle expenses and one year of prepaid rent expense for which the Group pays in advance.

NOTE 12 - EMPLOYEE BENEFITS OBLIGATIONS

Employee benefits obligations	31 December 2023	31 December 2022
Withholding taxes and duties	162,843	129,935
Social security premiums payable	167,493	119,259
	330,336	249,194

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NOTE 13 - DEFERRED INCOME

	31 December 2023	31 December 2022
Short-term deferred income		
Deferred revenue ⁽¹⁾	242,994	49,724
	242,994	49,724
Long-term deferred income		
Deferred revenue ⁽¹⁾	861,449	-
	861,449	-

⁽¹⁾ Consists of the interest income of the interest rate difference arising from the use of the loan with a lower interest rate compared to the market interest rate in relation to the "RRF" loan within the scope of the green loan agreement (Recovery and Resilience Facility) signed between Olympic Commercial and Tourist Enterprises S.A.Piraeus Bank and the Greek State in order to finance the purchase of the electric and plug-in hybrid fleet, which started to be used by Olympic Commercial and Tourist Enterprises S.A in September 2022 and the repayment will end in September 2034. (2023 Short-term; TRY147,332; 2023 Long-term; TRY861,449)

NOTE 14 - OTHER RECEIVABLES AND OTHER PAYABLES

	31 December 2023	31 December 2022
a) Other receivables		
Other receivables from related parties (Note 24)	187,374	160,970
Other	49,571	35,627
	236,945	196,597

As of 31 December 2023, other long-term receivables from related parties amounting to TRY10,127 (31 December 2022: TRY49,201).

	31 December 2023	31 December 2022
b) Other payables		
Deposits and guarantees received	1,086,520	991,101
VAT payable	1,086,434	751,587
Special consumption tax payable	10,605	1,237
Other	28,037	15,706
	2,211,596	1,759,631

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NOTE 15 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

a) Guarantees given	31 December 2023	31 December 2022
Bails	2,768,805	2,581,497
Letters of guarantee	1,056,570	832,626
	3,825,375	3,414,123

b) Guarantees received	31 December 2023	31 December 2022
Direct debiting system guarantees	2,933,572	2,063,118
Letters of guarantee	517,834	593,614
Bails	6,351	82,711
Notes of guarantees	1,753	2,938
Other	56,676	38,345
	3,516,186	2,780,726

Collaterals, pledges, mortgages ("CPM") given by the Group as at 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	31 December 2022
a. CPMs given for companies in the name of its own legal personality	1,056,570	832,626
b. CPMs given on behalf of the fully consolidated companies ⁽¹⁾	2,768,805	2,581,497
c. CPMs given for continuation of its economic activities on behalf of third parties	-	-
d. Total amount of other CPMs		
i. Total amount of CPMs given on behalf of the majority shareholder	-	-
ii. Total amount of CPMs given to on behalf of other Group companies which are not in scope of B and C	-	-
iii. Total amount of CPMs given on behalf of Third parties which are not in scope of C	-	-
	3,825,375	3,414,123

⁽¹⁾ The Group's subsidiaries "A. As of 31 December 2023, the total commission amount accrued during the year for other CPMs other than those given on behalf of their own legal entity is TRY11,693 (31 December 2022: TRY12,282)

The details of CPMs in terms of currencies are as follows:

	31 December 2023		31 December 2022	
	Original currency	TRY equivalent	Original currency	TRY equivalent
TRY	1,862,113	1,862,113	1,791,996	1,791,996
USD	37,571	1,106,035	39,029	1,202,465
EUR	26,316	857,227	12,776	419,662
		3,825,375		3,414,123

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NOTE 16 - SHORT- AND LONG-TERM PROVISIONS

	31 December 2023	31 December 2022
a) Short-term provisions for employee benefits		
Personnel bonus accruals	64,273	197,123
	64,273	197,123

The movements of provision for personnel bonus accruals for the years ended 31 December 2023 and 2022 are as follows:

	2023	2022
Beginning of the year - 1 January	197,123	169,980
Charge for the period	1,029,235	774,950
Payments during the period	(1,100,018)	(664,069)
Inflation effect	(62,067)	(83,738)
End of the year - 31 December	64,273	197,123

	31 December 2023	31 December 2022
b) Other short-term provisions		
Other cost and expense provisions	137,904	128,915
Penalty provision ⁽¹⁾	36,256	473,063
Provision for modification cost	9,671	2,460
	183,831	604,438

As of 31 December 2023, total legal cases filed against the Group amount to TRY42,615 . In accordance with the legal counselor's opinion, the Group has not provided for in its consolidated financial statements for which the cash outflow is highly probable (31 December 2022: TRY55,448).

⁽¹⁾ The special consumption tax ("SCT") and value added tax ("VAT") inspection initiated by the Tax Office for the 2020 period has been completed, and the provision amount accounted in 2023 is TRY36,256 (2022: TRY346,725) based on the notifications served to the Group. As of the end of 31 December 2023, the Group management is in the process of arrangement within 2023 regarding the notified penalty.

	31 December 2023	31 December 2022
c) Long-term liabilities		
Provision for employment termination benefits	239,541	321,792
Provision for unused vacation	74,571	58,822
	314,112	380,614

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NOTE 16 - SHORT- AND LONG-TERM PROVISIONS (Continued)

Provision for employment termination benefits

There are no pension plan agreements other than the legal requirement as explained below.

Under the Labor Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of TRY23,489.83 as of 31 December 2023 (31 December 2022: TRY15,371.40) for each period of service. The provision for employee termination benefits is not funded, as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of employees.

TAS 19 ("Employee Benefits") requires actuarial valuation methods to be developed to estimate the entity's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	2023	2022
Discount rate (%)	2.90	0.55
Turnover rate to estimate the probability of retirement (%)	94	95

The principal assumption is that maximum liability of employment termination benefits 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. As the maximum liability is revised semi-annually, the maximum amount of TRY35,058.58 which is effective as at 1 January 2024, has been taken into consideration in calculating the provision for employment termination benefits of the Group (1 January 2023 : TRY19,982.83).

The movements of provision for employment termination benefits for the years ended 31 December 2023 and 2022 are as follows:

	2023	2022
Beginning of the year - 1 January	321,792	223,269
Interest expense	61,210	31,816
Service cost	25,834	28,064
Payments during the period (-)	(126,391)	(24,566)
Actuarial gain / (loss)	58,903	152,710
Foreign currency translation differences	33,684	29,219
Inflation effect	(135,491)	(118,720)
End of the year- 31 December	239,541	321,792

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NOTE 16 - SHORT- AND LONG-TERM PROVISIONS (Continued)

The movements of provision for unused vacation liability for the years ended 31 December 2023 and 2022 are as follows:

	2023	2022
Beginning of the year - 1 January	58,822	45,219
Charge for the period	72,260	42,745
Payments and usage during the period	(22,559)	(5,691)
Inflation effect	(33,952)	(23,451)
End of the year- 31 December	74,571	58,822

The movements of other cost provisions for the years ended 31 December 2023 and 2022 are as follows:

	2023	2022
Beginning of the year - 1 January	6,260	-
Additional	33,993	70,015
Payments	(4,857)	(62,604)
Inflation effect	(8,809)	(1,151)
End of the year - 31 December	26,587	6,260

The movements of provision for modification cost for the years ended 31 December 2023 and 2022 are as follows:

	2023	2022
Beginning of the year - 1 January	2,460	7,443
Additional	947,991	803,652
Payments	(937,535)	(806,104)
Inflation effect	(3,245)	(2,531)
End of the year - 31 December	9,671	2,460

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NOTE 17 - EQUITY

The Company's shareholders and their shareholding percentages are as follows:

Shareholders	31 December 2023		31 December 2022	
	Amount	Share (%)	Amount	Share (%)
Koç Holding A.Ş.	130,999	96.32	130,999	96.32
Temel Ticaret ve Yatırım A.Ş.	4,670	3.43	4,670	3.43
Zer Merkezi Hizmetleri ve Tic. A.Ş.	331	0.24	331	0.24
Koç Yapı Malzemeleri Tic. A.Ş.	-	0.01	-	0.01
Inventram Fikri Mülkiyet Hakları Yön Tic. ve A.Ş.	-	0.01	-	0.01
Total paid-in capital	136,000	100	136,000	100
Capital adjustment differences	1,423,368	-	1,423,368	-
Total capital	1,559,368	100	1,559,368	100

Adjustment to share capital represents the inflation adjusted amount of the cash and cash equivalents of paid-in capital and the difference before the inflation adjustment.

As at 31 December 2023, the paid-in capital of the Group comprises of 13,600,000,000 shares issued (31 December 2022: 13,600,000,000 shares) of Kr 1 each.

No deductions from dividends paid to non-resident corporations that earn income through a business office or permanent representative in Turkey and dividends paid to resident corporations in Turkey. Dividend payments made to persons and institutions other than these are subject to 15% stoppage. Adding profit to the capital does not count as profit distribution.

Restricted reserves

The first legal reserve is appropriated out of statutory profits at the rate of 5% per annum until the total reserve reaches 20% of the Company's paid-in share capital. The legal reserves can only be used to offset loss, maintain existing of the Company under negative circumstances, avoid unemployment and are not available for any other usage unless the reserve exceeds 50% of paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions will be made to shareholders after first legal reserve at the rate of 5% deducted. In addition, 75% of these earnings should be kept in a fund account in liability and should be not withdrawn for 5 years to benefit income from sales of real estate and participation share exemption. As of the end of the year 31 December 2023, the amount of restricted reserves allocated from profit is TRY72,660,278 (31 December 2022: 52,770,973).

Retained earnings

Accumulated profits other than net profit for the period are reported in this account. Extraordinary reserves which are not restricted and accordingly considered as accumulated profit is accounted in this account.

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NOTE 17 - EQUITY (Continued)

Dividend distribution

Partnerships shall distribute their profits as part of the profit distribution policies to be determined by their general assemblies and in accordance with the related regulation provisions. A minimum distribution rate has not been determined in these regulations. The partnerships pay dividends as determined in their articles of incorporation or profit distribution policies. Furthermore, dividends may be paid in installments with same or different amounts and profit share advances may be distributed over the profit in the interim financial statements

NOTE 18 - REVENUE

	1 January- 31 December 2023	1 January - 31 December 2022
Brand new car sales	56,981,876	39,262,241
Second-hand car sales	28,282,113	19,451,988
Lease sales	17,232,503	14,151,286
Other sales	9,267,830	6,817,726
Gross sales	111,764,322	79,683,241
Sales returns (-)	(282,031)	(185,543)
Sales discounts (-)	(222,660)	(52,864)
Net sales	111,259,631	79,444,834

NOTE 19 - EXPENSES BY NATURE

Expenses by nature consist of cost of sales, marketing selling and distribution expenses, and general administrative expenses.

	1 January- 31 December 2023	1 January- 31 December 2022
Cost of trade goods sold	(86,106,056)	(59,219,039)
Depreciation and amortization charges	(8,685,975)	(4,368,575)
Personnel expenses	(4,081,101)	(2,748,824)
Maintenance and repair expenses	(2,094,563)	(1,754,746)
Taxes, duties and charges	(759,537)	(486,902)
Insurance expenses	(751,456)	(567,509)
Advertisement and promotion expenses	(670,054)	(556,796)
Royalties	(469,273)	(384,745)
Grants and donations	(230,708)	(45,690)
Energy and utility expenses	(221,477)	(254,114)
Travel expenses	(169,601)	(131,888)
Information systems and communication expenses	(161,377)	(150,630)
Rent expenses	(141,243)	(154,613)
Other	(2,130,761)	(1,721,080)
	(106,673,182)	(72,545,151)

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NOTE 19 - EXPENSES BY NATURE (Continued)

The Group's explanation regarding the fees for the services received from the independent audit firms, calculated based on purchasing power parity as of December 31, 2023, which is based on the letter of POA dated August 19, 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on March 30, 2021, are as follows:

	1 January - 31 December 2023	1 January 31 December 2022
Independent audit fee for the reporting period		
Independent audit fee for the reporting period	7,018	4,610
Fees related to tax consultancy services	1,187	763
Other assurance service fees	1,110	156
	9,315	5,529
	1 January - 31 December 2023	1 January - 31 December 2022
Functional breakdown of expenses by nature		
Cost of sales	(99,677,421)	(67,356,124)
Marketing, selling and distribution expenses	(3,772,165)	(2,903,869)
General administrative expenses	(3,223,596)	(2,285,158)
	(106,673,182)	(72,545,151)
	1 January - 31 December 2023	1 January - 31 December 2022
Functional breakdown of personnel expenses		
Marketing, selling and distribution expenses	(1,717,847)	(1,093,636)
General administrative expenses	(1,443,655)	(1,040,178)
Cost of sales	(919,599)	(615,010)
	(4,081,101)	(2,748,824)
Functional breakdown of depreciation and amortization charges		
Cost of sales	(7,991,522)	(3,831,447)
General administrative expenses	(410,337)	(357,206)
Marketing, selling and distribution expenses	(284,119)	(179,922)
	(8,685,978)	(4,368,575)

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NOTE 20 - OTHER OPERATING INCOME/EXPENSES

	1 January- 31 December 2023	1 January- 31 December 2022
a) Other operating income		
Provisions no longer required	357,198	56,293
Foreign exchange gains on operations ⁽¹⁾	85,011	1,384
Commission income	20,258	12,206
Due date charge on receivables	133	4,253
Other	104,393	45,455
	566,993	119,591
b) Other operating expense		
Provision expenses	(133,188)	(504,711)
Foreign exchange gains on operations ⁽¹⁾	(28,253)	(4,447)
Other	(46,465)	(100,233)
	(207,906)	(609,391)

⁽¹⁾ Foreign exchange gain / loss classified under other operating income and expenses result from the Group's commercial transactions.

NOTE 21 - INCOME FROM INVESTMENT ACTIVITIES

	1 January- 31 December 2023	1 January- 31 December 2022
Income from investment activities		
Income from sales of property, plant and equipment	52,379	8,687
Rent income	10,302	8,909
	62,681	17,596

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NOTE 22 - FINANCIAL INCOME AND EXPENSE

	1 January- 31 December 2023	1 January- 31 December 2022
Interest income	2,672,479	932,234
Foreign exchange gains from borrowings	5,249	110,449
Foreign exchange gain from derivative instruments	138	249
Total financial income	2,677,866	1,042,932
Interest expense on borrowings	(7,218,890)	(3,541,434)
Rediscount expense	(12,762)	(86,212)
Foreign exchange loss from derivative instruments	(13,507)	-
Other	(160,100)	(74,287)
Total financial expense	(7,405,259)	(3,701,933)

NOTE 23 - TAX ASSETS AND LIABILITIES

a) Corporation tax

The Group is subject to the tax legislation and practices in force in Turkey.

Within the scope of the "Law on Amendments to Certain Tax Laws and Some Other Laws" numbered 7316, which was published in the Official Gazette dated 22 April 2021, the corporate tax rate has been determined as 23% for the calendar year 2022 and 25% for the calendar year 2023. Within the scope of the said law, deferred in the consolidated financial statements of December 31, 2023, tax assets and liabilities are calculated with a 25% tax rate for the part of the temporary differences that will have a tax effect in 2024, 25% for the part of the temporary differences that will have a tax effect in 2024, and 25% for the part that will have a tax effect in the following periods.).

As of 31 December 2023, the corporate tax rate is 22% in Greece, where the Company operates as a subsidiary of Olympic. As of 31 December 2023, the corporate tax rate is 25.8% in Holland, where the Company operates as a subsidiary of Otokoç Holland. The tax legislation in Turkey does not permit a parent company and its subsidiaries consolidated tax return to fill out. Therefore, the tax liability reflected in the financial statements is calculated on a company basis.

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period not exceeding 5 years. Declarations and related accounting records can be examined within five years of the tax year, and tax accounts can be revised.

	31 December 2023	31 December 2022
Current year tax charge	32,671	(36,276)
Less: prepaid corporation taxes	(12,574)	(18,501)
Foreign currency translation differences	8,849	66,538
Current year tax liability/asset (net)	28,946	11,761

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NOTE 23 - TAX ASSETS AND LIABILITIES (Continued)

Income tax expense for the years ended 31 December 2023 and 2022 are summarized as follows:

	1 January- 31 December 2023	1 January- 31 December 2022
Deferred tax expense	2,205,198	1,742,339
Current period tax expense ⁽¹⁾	32,671	(36,276)
	2,237,869	1,706,063

⁽¹⁾ The tax expense in the income statement is paid by Olympic Commercial and Tourist Enterprises S.A., a subsidiary of the Company. The difference of the tax provision for 2022 with respect to the realized tax provision.

Tax reconciliation calculated on profit before tax in consolidated financial statements is as follows:

	1 January- 31 December 2023	1 January- 31 December 2022
Profit before taxation	9,339,408	10,481,211
Tax expense calculated using 25% - 23% local tax rate	(2,322,864)	(2,422,127)
Effect of tax rate change	(1,251,929)	427,438
Nondeductible expense	(92,688)	(18,294)
Deductions and exemptions	124,596	300,768
The effect of the revaluation of tangible fixed assets in accordance with the provision of the local tax	1,332,879	24,736
Other	(27,863)	(18,584)
Taxation on expense	(2,237,869)	(1,706,063)

b) Deferred tax assets and liabilities

As at 31 December 2023 and 31 December 2022, the breakdown of deferred tax liabilities calculated using the effective tax rates as of the balance sheet date and the temporary differences related to deferred tax are summarized as follows:

	Cumulative temporary differences		Deferred tax asset/(liability)	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Tangible and intangible assets	33,902,570	28,600,896	8,291,369	5,775,342
Provision for doubtful receivables	1,283,588	1,433,969	(303,991)	(286,794)
Employment termination benefits provision	239,541	321,792	(58,233)	(65,711)
Adjustments related to inventories	160,351	61,795	(35,992)	10,231
Provision for unused vacation liability	74,571	58,822	(18,643)	(11,765)
Other	101,120	1,665,261	13,128	419,042
Deferred tax asset / (liability), net			7,887,638	5,840,345

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NOTE 23 - TAX ASSETS AND LIABILITIES (Continued)

The movement of deferred tax liabilities is as follows:

	2023	2022
1 January	5,840,345	4,357,099
Recognized under consolidated statement of profit or loss	2,205,198	1,742,339
Foreign currency translation differences	22,456	(108,744)
Recognized under consolidated other comprehensive income	(168,569)	(101,812)
Other	(11,792)	(48,537)
31 December	7,887,638	5,840,345

NOTE 24 - RELATED PARTY TRANSACTIONS

Cash and cash equivalents from related parties	31 December 2023	31 December 2022
Yapı ve Kredi Bankası A.Ş.	1,602,661	1,148,288
Yapı Kredi Bank Azerbaycan QSC	21,496	25,768
	1,624,157	1,174,056

Trade receivables from related parties	31 December 2023	31 December 2022
Akpa Dayanıklı Tüketim	51,433	2,393
Aygaz A.Ş.	49,520	3,623
Yapı ve Kredi Bankası A.Ş.	33,898	18,550
Sendeo Dağıtım Hizmetleri A.Ş.	17,955	15,171
Arçelik A.Ş.	13,394	8,194
Düzey Tüketim Mal. Paz. A.Ş.	12,939	7,117
Setur Servis Turistik A.Ş.	12,569	20,850
Türkiye Petrol Rafinerileri A.Ş.	8,588	8,318
Koçtaş Yapı Marketleri Ticaret A.Ş.	8,546	11,251
Otokar Otomotiv ve Savunma San.A.Ş.	8,523	6,706
Türk Traktör ve Ziraat Makineleri A.Ş.	7,143	6,217
Arçelik Pazarlama A.Ş.	4,019	10,488
Yapı Kredi Finansal Kiralama A.O.	3,383	15,581
Koç Fiat Kredi Finansman A.Ş.	3,117	40,409
Ark İnşaat San. ve Tic. A.Ş.	-	50,885
Other	25,236	16,463
	260,263	242,216

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NOTE 24 - RELATED PARTY TRANSACTIONS (Continued)

Other receivables from related parties	31 December 2023	31 December 2022
Otokoç Ukraine LLC	164,778	164,893
Otokoç Georgia LLC	32,723	45,278
	197,501	210,171
Financial liabilities to related parties	31 December 2023	31 December 2022
Yapı ve Kredi Bankası A.Ş.	2,965,520	1,427,103
Yapı Kredi Finansal Kiralama A.O.	526,335	341,860
	3,491,855	1,768,963
Trade and other payables to related parties	31 December 2023	31 December 2022
Ford Otomotiv Sanayi A.Ş.	4,401,672	3,903,561
Tofaş Türk Otomobil Fabrikası A.Ş.	4,266,407	4,432,171
Other	470,864	360,818
	9,138,943	8,696,550
Goods purchases from related parties	1 January- 31 December 2023	1 January- 31 December 2022
Tofaş Türk Otomobil Fabrikası A.Ş.	34,281,737	23,368,501
Ford Otomotiv Sanayi A.Ş.	31,025,194	20,001,186
Other	1,597,425	1,166,402
	66,904,356	44,536,089

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NOTE 24 - RELATED PARTY TRANSACTIONS (Continued)

	1 January- 31 December 2023	1 January- 31 December 2022
Sales of goods and services to related parties		
Ford Otomotiv Sanayi A.Ş.	3,649,739	1,722,353
Tofaş Türk Otomobil Fabrikası A.Ş.	2,259,980	1,223,712
Yapı Kredi Finansal Kiralama A.O	845,058	415,549
Yapı ve Kredi Bankası A.Ş.	276,791	215,221
Arçelik A.Ş.	139,674	80,727
Türkiye Petrol Rafinerileri A.Ş.	107,970	66,926
Opet Petrolcülük A.Ş.	100,598	66,682
Sendeo Dağıtım Hizmetleri A.Ş.	61,939	103,609
Other	864,352	512,150
	8,306,101	4,406,929
Interest income from related parties		
Yapı ve Kredi Bankası A.Ş.	220,183	120,761
	220,183	120,761

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NOTE 24 - RELATED PARTY TRANSACTIONS (Continued)

	1 January- 31 December 2023	1 January- 31 December 2022
Interest expense from related parties		
Yapı ve Kredi Bankası A.Ş.	1,179,154	388,748
	1,179,154	388,748
Service purchases from related parties		
Shareholders	402,883	241,322
	402,883	241,322

Benefits provided to senior management:

Total compensation provided to members of the Board of Directors, General Manager and Assistant General Managers by the Company during the year ended 31 December 2023 amounts to TRY117,911 (31 December 2022: TRY115,007). Compensation includes only short-term benefits.

NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS

Risk management objectives and principles

The Group's most important financial instruments are cash and cash equivalents and financial liabilities. The most important purpose of these financial instruments is to provide a source of financing for Group operations. The Group also has a variety of financial instruments, such as trade payables and trade receivables. The Group's most important risks arising from its financial instruments are interest rate risk, liquidity risk, exchange risk and credit risk. Group management reviews each of the risks outlined below and develops the following policies.

Credit risk

Credit risk is the risk of financial collapse of the other party that fails to meet its obligations with respect to a financial intermediary. The Group tries to manage the credit risk by limiting transactions with certain parties and by constantly evaluating the reliability of the parties to which it relates. All customers who want to work with credits according to group procedures are passed through loan review stages and necessary guarantees are taken. In addition, the receivables are constantly reviewed and the suspicious loan / receivable risk of the Group is minimized. Trade receivables are assessed by considering their past experience and current economic condition in the Group's management and are shown net on the balance sheet after the provision for doubtful receivables is appropriated (Note 6).

The values carried on the balance reflect the Group's maximum credit risk.

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NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS (Continued)

Types of credit exposed by types of financial instruments;

31 December 2023	Trade receivables		Other receivables		Deposits at the bank		Other
	Related parties	Third parties	Related parties	Third parties	Related parties	Third parties	
Maximum exposed credit risk as of reporting date (A+B+C+D+E) ⁽¹⁾	260,263	9,571,409	197,501	81,852	1,588,963	5,192,024	-
- Secured portion of the maximum credit risk by guarantees, etc. ⁽²⁾	-	1,992,155	-	-	-	-	-
A. Net book value of financial asset either are not due or not impaired	260,263	8,396,970	197,501	81,852	1,588,963	5,192,024	-
B. Net carrying value of financial assets that are restructured, otherwise which will be regarded as overdue or impaired	-	-	-	-	-	-	-
C. Net carrying value of financial assets which are overdue but not impaired	-	1,174,439	-	-	-	-	-
- Secured portion by guarantees, etc.	-	1,174,439	-	-	-	-	-
D. Net book value of the impaired assets	-	-	-	-	-	-	-
- Undue (gross book value)	-	1,306,434	-	-	-	-	-
- Impairment (-)	-	(1,306,434)	-	-	-	-	-
- Secured portion of the net value by guarantees, etc.	-	-	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Secured portion of the net value by guarantees, etc.	-	-	-	-	-	-	-
E. Off balance sheet items with credit risk	-	-	-	-	-	-	-

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NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2022	Trade receivables		Other receivables		Deposits at the bank		Other
	Related parties	Third parties	Related parties	Third parties	Related parties	Third parties	
Maximum exposed credit risk as of reporting date (A+B+C+D+E) ⁽¹⁾	242,216	7,763,690	210,171	65,551	879,302	7,278,458	-
- Secured portion of the maximum credit risk by guarantees, etc ⁽²⁾	-	1,650,975	-	-	-	-	-
A. Net book value of financial asset either are not due or not impaired	242,216	7,311,683	210,171	65,551	879,302	7,278,458	-
B. Net carrying value of financial assets that are restructured, otherwise which will be regarded as overdue or impaired	-	-	-	-	-	-	-
C. Net carrying value of financial assets which are overdue but not impaired	-	452,007	-	-	-	-	-
- Secured portion by guarantees, etc.	-	452,007	-	-	-	-	-
D. Net book value of the impaired assets	-	-	-	-	-	-	-
- Undue (gross book value)	-	1,433,969	-	-	-	-	-
- Impairment (-)	-	(1,433,969)	-	-	-	-	-
- Secured portion of the net value by guarantees, etc.	-	-	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Secured portion of the net value by guarantees, etc.	-	-	-	-	-	-	-
E. Off balance sheet items with credit risk	-	-	-	-	-	-	-

⁽¹⁾ Amounts showing the maximum credit risk exposed as of reporting date by excluding guarantees in hand and other factors that increase the credit quality.

⁽²⁾ Major part of guarantees is composed of mortgages and trade receivable insurances.

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NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS (Continued)

As of 31 December 2023, secured portion by guarantees of the trade receivables either not due or not impaired amount to TRY1,992,155 (31 December 2022: TRY1,650,975).

As of 31 December 2023, secured portion by guarantees of the trade receivables either overdue or not impaired amount to TRY1,473,008 (31 December 2022: TRY1,081,764)

As of 31 December 2023 secured portion by guarantees of the trade receivables that are impaired are not secured by guarantee. (31 December 2022: None).

a) Aging table of receivables that are past due but not impaired

	31 December 2023	31 December 2022
0 - 1 month	867,543	373,315
1 - 3 month	252,176	45,237
3 - 12 month	54,720	33,455
	1,174,439	452,007

Assets and liabilities denominated in foreign currencies together with the purchase and sale commitments cause the Group to be exposed to currency risk. The Group's policy is to compare possible future purchases and sales for each currency type.

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NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2023	Foreign exchange position table TRY equivalent (functional currency)	USD	EUR
1. Trade receivables	-	-	-
2. Monetary financial assets (including cash, bank accounts)	387,977	6,114	6,385
3. Other	-	-	-
4. Current assets (1+2+3)	387,977	6,114	6,385
5. Trade payables	-	-	-
6. Financial liabilities	1,891,063	6,605	52,086
7. Other short-term liabilities	-	-	-
8. Short-term liabilities (5+6+7)	1,891,063	6,605	52,086
9. Trade payables	-	-	-
10. Financial liabilities	728,380	7,792	15,319
11. Long-term liabilities (9+10)	728,380	7,792	15,319
12. Total liabilities (8+11)	2,619,443	14,397	67,405
13. Net foreign currency asset liability position (4-12)	(2,231,466)	(8,283)	(61,020)
14. Monetary items net foreign currency asset / liability position (4-12)	(2,231,466)	(8,283)	(61,020)
15. The net position of derivative instruments	652,710	13,001	8,289
16. Foreign currency net position (14+15)	(1,578,756)	4,718	(52,731)
17. Loans defined as hedging instruments ⁽¹⁾	1,757,036	-	53,940
18. Net foreign currency position after hedging instruments (16+17)	178,280	4,718	1,209

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NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2022	Foreign exchange position table TRY equivalent (functional currency)	USD	EUR
1. Trade receivables	-	-	-
2. Monetary financial assets (including cash, bank accounts)	279,430	3,474	5,248
3. Other	-	-	-
4. Current assets (1+2+3)	279,430	3,474	5,248
5. Trade payables	-	-	-
6. Financial liabilities	966,120	4,320	25,360
7. Other short-term liabilities	-	-	-
8. Short-term liabilities (5+6+7)	966,120	4,320	25,360
9. Trade payables	-	-	-
10. Financial liabilities	1,193,491	5,358	31,309
11. Long-term liabilities (9+10)	1,193,491	5,358	31,309
12. Total liabilities (8+11)	2,159,611	9,678	56,669
13. Net foreign currency asset liability position (4-12)	(1,880,181)	(6,204)	(51,421)
14. Monetary items net foreign currency asset / liability position (4-12)	(1,880,181)	(6,204)	(51,421)
15. The net position of derivative instruments	425,014	9,567	3,966
16. Foreign currency net position (14+15)	(1,455,167)	3,363	(47,455)
17. Loans defined as hedging instruments ⁽¹⁾	1,615,760	-	49,190
18. Net foreign currency position after hedging instruments (16+17)	160,593	3,363	1,735

⁽¹⁾ The balance includes the loan amounting to EUR53,940 used for the Olympic company purchased under business combinations (31 December 2022: EUR49,190). Exchange gains / losses related to the loans are accounted in earnings/losses on hedge of investment in a foreign operation under shareholders equity to be offset from foreign exchange differences arising from translation of net assets into Turkish Lira.

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NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS (Continued)

A sensitivity analysis of 20% and 10% change in the US Dollar, Euro and other foreign currency liabilities (excluding foreign currency denominated inventory and tangible asset advances) is as follows when the other variables of the Company's pre-tax profit are fixed as of 31 December 2023 and 31 December 2022:

	Exchange rate sensitivity analysis table			
	31 December 2023		31 December 2022	
	Appreciation of foreign currency	Gain/(loss) Depreciation of foreign currency	Appreciation of foreign currency	Gain/(loss) Depreciation of foreign currency
<i>In case 10% appreciation of US Dollar against TRY: (31 December 2022 20%)</i>				
1- USD net asset liabilities	(24,384)	24,384	(38,229)	38,229
2- Amount hedged for US Dollar risk (-)	-	-	-	-
3- USD net effect (1+2)	(24,384)	24,384	(38,229)	38,229
<i>In case 10% appreciation of EUR against TRY: (31 December 2022 20%)</i>				
4- EUR net asset liabilities	(198,766)	198,766	(337,808)	337,808
5- Amount hedged for EUR risk (-)	175,704	(175,704)	323,151	(323,151)
6- EUR net effect (4+5)	(23,062)	23,062	(14,657)	14,657
Total (3+6)	(47,446)	47,446	(52,886)	52,886

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NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS (Continued)

As of 31 December 2023, the future minimum TRY equivalent of the undiscounted US Dollar, Euro, Manat, Tenge, Forint and TRY operational lease receivables are TRY493,836, TRY270,069, TRY613,069, TRY341,827, TRY138,854 and TRY6,304,732 respectively. (31 December 2022 TRY336,821, TRY130,540, TRY472,587, TRY299,607, TRY149,067 and TRY5,273,562)

Otokoç Holland, a subsidiary of the Group, defined its loans amounting to EUR53,940 as hedging instrument in order to hedge its foreign currency risk arising from the translation of its net investments in subsidiaries operating in Europe into Turkish Lira. Exchange gains/losses of aforementioned loans are recognized in gains/losses on hedge of net investment in foreign operations in equity to be offset against foreign exchange differences amounting to TRY625,598 resulting from the translation of net assets into foreign currency.

Interest rate risk

As of 31 December 2023, the Group has no financial liabilities with variable interest rate.

At 31 December 2023, if interest rates of EUR denominated borrowings with variable interest rates have strengthened/weakened by 100 base points with all other variables held constant, income before taxes would not change.

Interest rate position table is as follows:

Financial instruments with fixed interest rate	31 December 2023	31 December 2022
Financial assets	-	-
Cash and cash equivalents	3,150,330	6,850,225
Financial liabilities		
Borrowings	39,608,794	31,487,545
Other borrowings	-	-
Financial instruments with floating interest rate		
Financial liabilities		
Borrowings	-	-

Liquidity risk

Liquidity risk is the risk that a company cannot meet its funding needs. Liquidity risk is reduced by balancing cash inflows and outflows with the support of credits given by reliable Lenders.

The breakdown of the financial assets and liabilities according to their maturities is indicated taking into account the period from the balance sheet date to the maturity date. Financial assets and liabilities that do not have a specific hyperinflation are classified as one year to long-term.

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NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2023

Maturities under contract	Book value	Cash outflows under contract total (=I+II+III+IV)	Up to 3 months (I)	3 months-1 year(II)	1 - 5 years (III)	5 years and over (IV)
Financial liabilities						
Financial payables	39,608,794	45,659,578	7,911,020	8,224,830	29,523,728	-
Trade payables	5,344,187	5,344,187	5,344,187	-	-	-
Trade payables to related parties	9,138,943	9,138,943	9,138,943	-	-	-
	54,091,924	60,142,708	22,394,150	8,224,830	29,523,728	-

31 December 2022

Maturities under contract	Book value	Cash outflows under contract total (=I+II+III+IV)	Up to 3 months (I)	3 months-1 year(II)	1 - 5 years (III)	5 years and over (IV)
Financial liabilities						
Financial payables	31,487,545	34,675,897	7,432,738	7,556,984	19,686,175	-
Trade payables	4,707,653	4,707,653	4,707,653	-	-	-
Trade payables to related parties	8,696,550	8,696,550	8,696,550	-	-	-
	44,891,748	48,080,100	20,836,941	7,556,984	19,686,175	-

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NOTE 25 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS (Continued)

Capital management policy

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the net financial debt/total equity ratio.

As of 31 December 2023 and 2022 the consolidated net financial debt/total equity ratios are as follows:

	31 December 2023	31 December 2022
Total financial liabilities	39,608,794	31,487,545
Cash and cash equivalent(-)	(7,220,510)	(8,723,255)
Net financial liabilities	32,388,284	22,764,290
Total equity	34,663,428	28,370,374
Liabilities/equity ratio	93%	80%

OTOKOÇ OTOMOTİV TİCARET VE SANAYİ A.Ş. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 DECEMBER 2023

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NOTE 26 - FINANCIAL INSTRUMENTS (FAIR VALUE FINANCIAL AND RISK MANAGEMENT DISCLOSURES)

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.

The estimated fair values of financial instruments have been determined by the Group, using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realize in a current market exchange.

Following methods and assumptions were used to estimate the fair value of the financial instruments for which is practicable to estimate fair value:

Financial asset

The carrying values of financial assets including cash and cash equivalents which are accounted with their costs are estimated to be their fair values since they are short-term. The carrying values of trade receivables along with the related allowances for uncollectibility are estimated to be their fair values. Foreign currency denominated assets are translated into Turkish Lira at the exchange rates prevailing at the end of the period.

Financial liabilities

The fair values of short-term financial liabilities and other financial liabilities are estimated to be their fair values since they are short-term. The fair values of long-term financial liabilities and other financial liabilities are estimated to be their fair values since they keep denominated in foreign currencies.

Foreign currency denominated liabilities are translated into Turkish Lira at the exchange rates prevailing at the end of the period.

Derivative financial instruments

The Group is hedged from currency risk sourcing from foreign currency operational leasing receivables firm commitment through making financial borrowing in the same foreign currency. In this framework, the Group implements hedge accounting.

The total amount of foreign currency differences of operational leasing receivables since beginning hedge accounting is TRY697,719 (31 December 2022: TRY993,207), and the amortization amount resulting from the periodic renewal of hedge accounting is TRY690,553 (31 December 2022: TRY968,197). Calculated net income is TRY7,166 (31 December 2022: TRY21,277). The total amount of exchange differences of financial borrowings defined as hedging instruments since the beginning of hedge accounting is TRY583,302 (expense) (31 December 2022: TRY970,387 (expense)). The Group periodically updates its items subject to hedge accounting and its hedging instruments portfolio and measures hedging effectiveness with respect to the related periods.

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NOTE 26 - FINANCIAL INSTRUMENTS (FAIR VALUE FINANCIAL AND RISK MANAGEMENT DISCLOSURES) (Continued)

a) Derivative financial assets held for cash flow hedges

	31 December 2023	31 December 2022
Short-term hedging derivative instruments	51,936	108,963
Long-term hedging derivative instruments	3,206	13,099
	55,142	122,062

b) Financial investments

	Share rate (%)	31 December 2023	31 December 2022
Otokoç Ukraine LLC	100	16,507	16,507
Otokoç Georgia LLC	100	1,936	1,936
Otokoç Iraq LLC	100	16	16
Wat Mobilité	15	58,328	22,450
YKB Girişim Sermayesi Yatırım Fonu	-	30,593	22,222
Bluedot Technologies Inc.	-	3,266	3,266
IUGO Teknoloji A.Ş.	20	27,280	-
		137,926	66,397

As of 31 December 2023, the Group's financial assets not included within the scope of consolidation due to the fact that their financial statements are not material for consolidation purposes they are Otokoç - Ukraine LLC, Otokoç - Iraq LLC, Otokoç - Georgia LLC. Since their fair value cannot be determined reliably and not traded in an organized market, they are valued by decreasing the impairment loss from the acquisition cost.

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NOTE 27 - SHARES IN OTHER OPERATIONS

Financial information of Olympic which is a subsidiary not wholly-owned but controlled by the Group and having significant non-controlling interest for the Group's consolidated financial statements, is presented below in accordance with TFRS 12.

Olympic	31 December 2023	31 December 2022
Current assets	8,149,674	6,474,165
Non-current assets	26,725,467	20,239,183
Current liabilities	3,634,731	3,530,647
Non-current liabilities	23,441,743	16,292,805
Total equity	7,798,667	6,889,895
	1 January - 31 December 2023	1 January - 31 December 2022
Revenue	7,840,350	6,672,029
Cost of sales	(5,131,093)	(4,171,979)
Gross profit/(loss)	2,709,258	2,500,050
Profit/(loss) before tax	955,830	1,007,634
Total comprehensive income	827,678	838,856

NOTE 28 - SUBSEQUENT EVENTS

None.

CONTACT INFORMATION

The head office of the Company is at Aydınevler Mah. Saygı Cad. No: 60 Maltepe / İstanbul.

The Company is registered at the İstanbul Trade Registry Office (Nr. 459231).

The contact information of the head office of the Company and its branches are as follows:

ADDRESS		TELEPHONE
Head Office	Aydınevler Mah. Saygı Cad. No: 60 34854 Maltepe/İstanbul	(+90 216) 5879800

Otokoç (Ford, Ford Trucks, Volvo)	BRANCH	ADDRESS	TELEPHONE
	Adana	Sarıhamzalı Mah. Turhan Cemal Beriker Bulv. Mersin Yolu 9. Km No: 531/A Seyhan/Adana	(+90 322) 4411717
	Ankara Kamu DMO	Erler Mah. Eskişehir Yolu 12. Km Dumlupınar Bulv. No: 350 Ümitköy, Etimesgut/Ankara	(+90 312) 2074700 (+90 222) 5913673
	Ankara Söğütözü	Söğütözü Mah. Söğütözü Cad. Koç Kuleleri C Blok No: 2 D: 8-9 Çankaya/Ankara	(+90 312) 2205500
	Ankara Ümitköy	Erler Mah. Eskişehir Yolu 12. Km Dumlupınar Bulv. No: 350 Ümitköy, Etimesgut/Ankara	(+90 312) 2074700
	Antalya	Altınova Sinan Mah. Serik Cad. No: 253 Kepez/Antalya	(+90 242) 3402685
	Antalya Alanya	Tosmur Mah. İbrahim Bilgen Cad. No: 1 Alanya/Antalya	(+90 242) 3402200
	Ataşehir	Küçükbakkalköy Mah. Kayışdağı Cad. Flora Plaza No: 3 Ataşehir/İstanbul	(+90 216) 2509500
	Ataşehir Golf Club	Ataşehir Golf Kulübü, Atatürk mah., Atapark Caddesi, Ataşehir/İstanbul	(+90 216) 2509543
	Bursa	29 Ekim Mah. İzmir Yolu 10. Km No: 380/A Nilüfer/Bursa	(+90 224) 2703900
	Eskişehir	Şirintepe Mah. İsmet İnönü-2 Cad. No: 64 Tepebaşı/Eskişehir	(+90 222) 3351010
	Eskişehir İnönü	Yenice Mahallesi Otokoç Küme Evler No: 1 İnönü/Eskişehir	(+90 222) 5913673
	İstinye	İstinye Mah. Sarıyer Cad. No: 70/C Sarıyer/İstanbul	(+90 212) 2299555
	İzmir	Kazım Dirik Mah. 296 Sok. No: 1 Bornova/İzmir	(+90 232) 4989000
	Konya	İstanbul Yolu Üzeri Sancak Mah. Büyükmak Sok. No: 1 Selçuklu/Konya	(+90 332) 2554233
	Samsun	Kutlukent Mah. Samsun Çarşamba Karayolu 10. Km No: 302 Tekkeköy/Samsun	(+90 362) 2666112
	Sultanbeyli	Akşemsettin Mah. Atatürk Cad. No: 328 Sultanbeyli/İstanbul	(+90 216) 4875327
	Taşdelen	Taşdelen Mah. Sırri Çelik Bulv. No: 9/A Çekmeköy/İstanbul	(+90 216) 4301200

Otokoç (Fiat, ARJ, Maserati)	BRANCH	ADDRESS	TELEPHONE
	Adana	Sarıhamzalı Mah. Turhan Cemal Beriker Bulv. Mersin Yolu 6. Km No: 521/A Seyhan/Adana	(+90 322) 4411111
	Antalya	Altınova Sinan Mah. Serik Cad. No: 301 Kepez/Antalya	(+90 242) 3402200
	Ataşehir	Vedat Günyol Cad. Dereyolu Sok. No: 3 Küçükbakkalköy/İstanbul	(+90 216) 5752930
	Beylikdüzü	Barış Mah. E-5 Yanyol Karadeniz Cad. No: 1 Beylikdüzü/İstanbul	(+90 212) 8662400
	Eskişehir	Şirintepe Mah. İsmet İnönü-2 Cad. No: 68 Tepebaşı/Eskişehir	(+90 222) 3352430
	İstinye	İstinye Mah. Sarıyer Cad. No: 70/A Sarıyer/İstanbul	(+90 212) 2292700
	İzmir	Çınarlı Mah. Ankara Asfaltı Cad. No: 30 Konak/İzmir	(+90 232) 4989100
	Küçükyalı	Aydınevler Mah. Siteler Yolu Sok. No: 12 Maltepe/İstanbul	(+90 216) 5879870
	Kütahya	İnköy Mah. Kütahya Eskişehir Yolu 3. Km No: 29 Merkez/Kütahya	(+90 274) 2251099
	Nilüfer	29 Ekim Mah. İzmir Yolu 10. Km No: 378/A Nilüfer/Bursa	(+90 224) 4139400
	Osmangazi	Alaşarköy Mah. Yeni Yalova Yolu Cad. No: 628/C Osmangazi/Bursa	(+90 224) 2703939
	Samsun	Kutlukent Mah. Samsun Çarşamba Karayolu 10. Km No: 210 Tekkeköy/Samsun	(+90 362) 2668110
	Söğütözü	Söğütözü Mah. Söğütözü Cad. Koç Kuleleri C Blok No: 2 D: 8-9 Çankaya/Ankara	(+90 312) 2205500
	Söğütözü	Söğütözü Mah. Söğütözü Cad. Koç Kuleleri C Blok No: 2 D: 8-9 Çankaya/Ankara	(+90 312) 2205502
	Suadiye	Bostancı Mah. Bağdat Cad. Türel Apt. No: 444/A Suadiye/İstanbul	(+90 216) 4165100
	Yenimahalle	Macun Mah. Bağdat Cad. Aselsan Kavşağı No: 97 Yenimahalle/Ankara	(+90 312) 5918600
	Yenimahalle	Macun Mah. Bağdat Cad. Aselsan Kavşağı No: 97 Yenimahalle/Ankara	(+90 312) 5918621
	Zincirlikuyu	Esentepe Mah. Büyükdere Cad. No: 145 Zincirlikuyu, Şişli/İstanbul	(+90 212) 3703333

AVIS	BRANCH	ADDRESS	TELEPHONE
	Adana Airport Domestic Lines	Adana Havalimanı İç Hatlar Terminali Şakirpaşa/Adana	(+90 322) 4350476
	Ankara	Macun Mah. Bağdat Cad. No: 97 Yenimahalle/Ankara	(+90 312) 5918600
	Ankara Avis Filo	Söğütözü Mah. Söğütözü Cad. C Blok No: 2C/1 Ankara	(+90 312) 4672313
	Ankara Batıkent	Ankara ili Yenimahalle ilçesi, Kardelen Mah. Başkent Bulv. No: 224/H16 / Ankara	(+90 312) 9094966
	Ankara Esenboğa Airport	Esenboğa Havalimanı İç Hatlar Gelen Yolcu Salonu Çubuk/Ankara	(+90 312) 3980315
	Ankara Kavaklıdere	Söğütözü Mah. Söğütözü Cad. No: 2 Koç Kuleleri C Blok 8-9 Çankaya/Ankara	(+90 312) 4672313
	Antalya Airport International Lines	Antalya Havalimanı Dış Hatlar Terminali Gelen Yolcu Salonu Antalya	(+90 242) 3303008
	Antalya Airport Domestic Lines	Antalya Havalimanı İç Hatlar Terminali Gelen Yolcu Salonu Antalya	(+90 242) 3303073
	Antalya Konyaaltı	Gürsu Mah. Atatürk Bulv. No: 179/A – İç Kapı No: 1 Konyaaltı / Antalya	(+90 242) 2252829
	Ataşehir	Barbaros Mah. Morsümbül Sok. No: 8-N Watergarden AVM Ataşehir/İSTANBUL	(+90 216) 2273101
	Beylikdüzü	Barış Mah. Karadeniz Cad. No: 1 34900 Beylikdüzü/İstanbul	(+90 212) 8530893
	Küçükalyalı	Aydınevler Mah. Saygı Cad. No: 60 Küçükalyalı/İstanbul	(+90 216) 2286870
	Bodrum Airport Domestic Lines	Ekinanbarı Mah. Havaalanı Sok. D.H.M.İ Apt No: 3 Milas/Muğla	(+90 252) 5230201
	Bursa	Odunluk Mah. Mihraplı Cad. No: 12/1 Nilüfer/Bursa	(+90 332) 3261924
	Çeşme	Çakabey Mah. 2234. Sok. No: 72 PK: 35930 Çeşme İzmir	(+90 549) 7748498
	Dalaman Airport International Lines	Dalaman Havalimanı İç Hatlar Gelen Yolcu Salonu Dalaman/Muğla	(+90 252) 7925118
	Eskişehir	Yeniabağlar Mah. Eti Cad. No: 39/B Tepebaşı/Eskişehir	(+90 222) 3303060
	İstanbul Airport	Tayakadın Mah. Terminal Cad. No: 255 Arnavutköy/İstanbul	(+90 549) 8271110
	İstinye	Sarıyer Cad. No: 70/A İstinye-Sarıyer/İstanbul	(+90 212) 2138165
	İzmir	Adnan Menderes Havalimanı İç Hatlar Geliş Terminali Gaziemir/İzmir	(+90 232) 2741790
	İzmir	İsmet Kaptan Mah. Gazi Osman Paşa Bulv. Hilton Oteli Apt. No: 7/B02 Konak/İzmir	(+90 232) 4414417
	İzmir Bornova	Ankara Asfaltı No: 30 Otokoç İzmir Temsilciliği, 35530 Bayraklı/İzmir	(+90 549) 7748494
	Kadıköy	Bağdat Cad. Hacer Apt. No: 145/1 - A 34724 Feneryolu-Kadıköy/İstanbul	(+90 216) 3553665
	Konya Airport	Büyük Kayacık Mah. Vali Ahmet Kayhan Cad. No: 15 Gelen yolcu salonu Selçuklu/Konya	(+90 332) 3261924
	Konya City	Ferit Paşa Mah. Rıdvan Sok. No: 1 Selçuklu/Konya	(+90 332) 3262526
	Koşuyolu	Acıbadem Mah. Fatih Sok. Tepe Nautilus Apt. No: 1/35 Kadıköy/İstanbul	(+90 216) 3504878
	Kuşadası	Türkmen Mh. Atatürk Blv. No: 101 A-T - Setur Yat Marina 09400 Kuşadası - AYDIN	(+90 256) 6141475
	Manisa Laleli	Ali Rıza Efendi Cd. No: 2A, 45030 Yunusemre/Manisa	(+90 236) 2282279
	Ordu Giresun Airport	Ordu Giresun Havalimanı Hoşköy Mah., Ordu Cad. No: 28-52/5 Gülyalı /Ordu	(+90 452) 2131536
	Rize Artvin Airport	İkiztepe Mah. İkiztepe Cd. Rize-Artvin Havalimanı Terminal Binası No: 2 / Z171 Pazar / Rize	(+90 464) 2192931
	Sabiha Gökçen Airport Domestic Lines	Sabiha Gökçen Uluslararası Havalimanı İç Hatlar Geliş Terminali Kurtköy-Pendik/İstanbul	(+90 216) 5885196
	Samsun Airport	Çınarlık Mah. Hava Alanı Kümesi (Küme Evler) Havaalanı Terminal İşyerleri Apt. No: 7/1 Çarşamba/Samsun	(+90 362) 8448657
	Samsun City	Samsun ili Denizevleri Mah. Atatürk Bulv. 36/D Atakum / Samsun	(+90 362) 4301224
	Sancaktepe	Eyüp Sultan Mah. Yedigöller Sok. A Blok No: 30-38 A/272 Sancaktepe/İstanbul	(+90 216) 5879481
	Taksim	Harbiye Mah. Cumhuriyet Cad. No: 50/A Şişli/İstanbul	(+90 212) 2449350
	Trabzon Airport Domestic Lines	Trabzon Havalimanı İç Hatlar Geliş Terminali No: 8 Trabzon	(+90 462) 3255582
	Yenibosna	Fevzi Çakmak Mah. Yıldırım Beyazıt Cad. Koçtaş 34197 Bahçelievler/İstanbul	(+90 212) 9423360
	Zincirlikuyu	Büyükdere Cad. No: 145 34394 Zincirlikuyu/İstanbul	(+90 212) 2138165

CONTACT INFORMATION

BUDGET	BRANCH	ADDRESS	TELEPHONE
	Adana	Emek Mah. Barış Bulv. Havaalanı Sit. No: 12 Seyhan/Adana	(+90 322) 2372346
	Adana Airport	Şakirpaşa Havalimanı İç Hatlar Gelen Yolcu Terminali Şakirpaşa/Adana	(+90 549) 7475711
	Adnan Menderes Airport International Lines	9 Eylül Mah. Akçay Cad. Kapı No: 289 Gaziemir-İzmir Adnan Menderes Havalimanı İç Hatlar Gaziemir-İzmir	(+90 232) 2741111
	Ankara	Koç İkiz Kuleleri No: 2 A Blok Soğutozu Cad. Çankaya/Ankara	(+90 312) 4660336
	Ankara Batıkent	Ankara ili Yenimahalle ilçesi, Kardelen Mah. Başkent Bulv. No: 224/H11/Ankara	(+90 312) 9094967
	Antalya Airport Domestic Lines	Serik Cad. Yeşilköy Mah. Muratpaşa İlçesi Antalya Havalimanı İç Hatlar Terminali Gelen Yolcu Salonu 07230 Antalya	(+90 242) 3303395
	Ataşehir	Barbaros Mah. Kızılbegonya Sok. No: 10/1 Batı Ataşehir Watergarden Mağaza No: BB: B-72 B Blok Ataşehir/İstanbul	(+90 216) 2273102
	Beylikdüzü	Barış Mah. Sakarya Cad. Sit. Apt. No: 2 B/2 Beylikdüzü/İstanbul	(+90 212) 9422669
	Bodrum	Eskiçeşme Mah. Caferpaşa Cad. No: 9 Bodrum/Muğla	(+90 252) 5230271
	Bodrum Airport Domestic Lines	Ekinanbarı Mah. Havaalanı Sok. D.H.M.İ AptNo: 3 Milas/Muğla	(+90 252) 5230271
	Bursa	Odunluk Mah. Mıhranlı Cad. No: 12/1 Nilüfer Bursa	(+90 224) 2245565
	Dalaman Airport Domestic Lines	Ege Mah. Dalaman Havalimanı Başmüdürlüğü No: 25/148 İç Hatlar Gelen Yolcu Kısım Dalaman/Muğla	(+90 252) 7925150
	Esenboğa Airport Domestic Lines	Turgut Özal Bulv. Esenboğa Havalimanı İç Hatlar Gelen Yolcu Salonu 06100 Çubuk/Ankara	(+90 312) 3982034
	Eskişehir	Hoşnudiye Mah. 738. Sokak No: 10 B Tepebaşı/Eskişehir	(+90 222) 2351219
	İstanbul Airport	Tayakadın Mah. Terminal Cad. No: 255 Arnavutköy/İstanbul	(+90 332) 3261924
	Karşıyaka	Nergiz Mah. Girne Bulv. 131/A Karşıyaka/İzmir	(+90 232) 2420894
	Konya	Ferit Paşa Mah. Rıdvan Sok. No: 1 Selçuklu/Konya	(+90 332) 2343146
	Konya Airport	Büyükkayacık Mah. Vali Ahmet Kayhan Cad. No: 15 Selçuklu/Konya	(+90 332) 2392063
	Koşuyolu	Acıbadem Mah. Fatih Sok. Tepe Nautilus Apt. No: 1/35 Kadıköy/İstanbul	(+90 216) 2275124
	Levent	Esentepe Mah. Büyükdere Cad. No: 187 Park Dedeman Hotel Giriş Katı Şişli/İstanbul	(+90 212) 9422245
	Manisa	Laleli Mah., Ali Rıza Efendi Cad., No: 2/A Yunusemre/Manisa	(+90 236) 2282324
	Sabiha Gökçen Airport Domestic Lines	Sanayi Mah. S.Gökçen İç Yolu Sabiha Gökçen Uluslararası Hvl. Kurtköy Pendik/İstanbul	(+90 216) 5885198
	Taksim	Harbiye Mah. Cumhuriyet Cad. Hiltonoteli Apt. No: 50/H Şişli/İstanbul	(+90 212) 2449354
	Trabzon Airport	Trabzon Havalimanı İç Hatlar Gelen Yolcu Terminali	(+90 462) 4322890
	Yenibosna	KOÇTAŞ AVM, Fevzi Çakmak Mah. Yıldırım Beyazıt Cad. No: 1, 34197, Yenibosna/İstanbul	(+90 212) 9423361

