

Tümosan Motor ve Traktör Sanayi A.Ş.
and its Subsidiaries

Summary of Consolidated Financial Information
for the Three-Month Interim Period
Ended 31 March 2024

Tümosan Motor ve Traktör Sanayi A.Ş.
and its Subsidiaries

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Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries**Condensed Consolidated Interim Statement of Financial Position****As at 31 March 2024***(The amounts are expressed in terms of purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise specified)*

	<i>Note</i>	Audited	Audited
ASSETS		31 March 2024	31 December 2023
Current Assets			
Cash and cash equivalents	4	331.356.270	341.309.269
Financial investments	5	674.003.431	587.352.001
Trade receivables			
-Trade receivables from related parties	3	378.322.263	646.243.952
-Trade receivables from non-related parties	7	833.489.606	1.230.965.108
Other receivables			
- Other receivables from related parties	3	--	220.010
- Other receivables from non-related parties	8	35.329.369	4.932.936
Inventories	9	2.825.117.456	2.444.902.932
Prepaid expenses	10	247.639.145	223.621.562
Other current assets	17	231.399.442	243.652.743
Total Current Assets		5.556.656.982	5.723.200.513
Non-Current Assets			
Other receivables			
-Other receivables from non-related parties	8	170.082	195.703
Property, plant and equipment	12	3.777.925.518	3.812.834.889
Intangible assets	13	119.013.471	100.344.277
Investment property	11	86.040.134	86.040.134
Right of use assets	14	38.042.826	50.871.484
Total Non-Current Assets		4.021.192.031	4.050.286.487
Total Assets		9.577.849.013	9.773.487.000

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

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries**Condensed Consolidated Interim Statement of Financial Position****As at 31 March 2024 (continued)***(The amounts are expressed in terms of purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise specified)*

	<i>Note</i>	Audited	Audited
LIABILITIES		31 March 2024	31 December 2023
Short Term Liabilities			
Short term borrowings	6	1.717.931.924	1.510.763.037
Short term portion of long-term borrowings	6	28.952.455	35.252.246
Trade payables			
- Trade payables to related parties	3	19.680.109	24.677.250
- Trade payables to non-related parties	7	845.498.087	1.376.146.245
Payables related to employee benefis	16	55.793.367	45.402.541
Other payables			
Oyher Payables to Related Parties	8	39.650.307	25.411.298
- Other payables to non-related parties	10	167.880.853	195.417.229
Deferred income	23	83.863.536	95.092.428
Current period tax liability			
Short term provisions	16	17.975.000	13.805.481
- Short term provisions for employee benefits	15	51.200.350	59.761.104
- Other short term provisions	14	1.361.407	2.026.819
Total Short Term Liabilities		3.029.787.395	3.383.755.678
Long term borrowings	6	63.017.751	82.485.935
Long term provisions			
- Long term provisions for employee benefits	16	30.126.515	25.742.133
Liabilities from leasing transactions	14	12.858.731	14.795.722
Deferred tax liability	23	767.191.439	691.788.918
Total Long Term Liabilities		873.194.436	814.812.708
Total Liabilities		3.902.981.831	4.198.568.386
Equity Attributable to the Owners of the Company			
Paid-in share capital	18	115.000.000	115.000.000
Capital adjustment differences		1.221.485.263	1.221.485.263
Share premium		133.669.706	133.669.706
Accumulated other comprehensive income			
- Items will not to be reclassified in profit or loss		(23.179.418)	(17.703.661)
Restricted reserves		141.051.908	141.051.908
Retained earnings		3.981.415.398	3.221.965.830
Net profit for the period		105.424.325	759.449.568
Total Equity		5.674.867.182	5.574.918.614
Total Equity and Liabilities		9.577.849.013	9.773.487.000

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

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries**Condensed Consolidated Interim Statement of Profit or Loss****For the Three-Month Period Ended 31 March 2024**

(The amounts are expressed in terms of purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise specified)

	Note	Audited	Audited
		1 January- 31 March 2024	1 January- 31 March 2023
Revenue	19	1.330.017.766	1.862.280.550
Cost of sales (-)	19	(982.177.929)	(1.412.511.096)
Gross profit		347.839.837	449.769.454
General administrative expenses (-)	20	(40.480.282)	(16.206.845)
Marketing expenses (-)	20	(122.623.893)	(161.147.534)
Research and development expenses (-)	20	(20.069.479)	(31.998.805)
Other operating income		23.526.183	70.421.766
Other operating expenses (-)		(37.584.689)	(84.119.764)
Operating profit		150.607.677	226.718.272
Incomes from investment activities	22	200.448.093	--
Expenses from investment activities		--	(67.827.588)
Operating profit before financial expenses, net		351.055.770	158.890.684
Financial income	21	27.094.989	20.655.128
Financial expenses (-)	21	(259.230.759)	(38.618.354)
Net monetary position gain /(loss)		88.903.546	110.555.916
Profit before tax		207.823.546	251.483.374
Taxbexpense	23	(102.399.221)	(108.712.229)
- Current tax expense for the period		(25.171.448)	(44.360.892)
- Deferred tax income		(77.227.773)	(64.351.337)
Profit for the period		105.424.325	142.771.145
Distribution of net profit for the period			
Equity holders of the Company		105.424.325	142.771.145
Non-controlling interest		--	--
Number of shares	24	115.000.000	115.000.000
Earnings per share	24	0,92	1,24

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

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries**Condensed Consolidated Interim Statement of Other Comprehensive Income****For the Three-Month Period Ended 31 March 2024**

(The amounts are expressed in terms of purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise specified)

	<i>Note</i>	Audited	Audited
		1 January- 31 March 2024	1 January- 31 March 2023
Profit for the period		105.424.325	142.771.145
Other comprehensive income			
<u>Not to be reclassified to profit or loss</u>			
- Actuarial differences	16	(7.301.009)	(20.785.802)
- Deferred tax income / (expense)	23	1.825.252	4.157.160
Total other comprehensive income		(5.475.757)	(16.628.642)
Total comprehensive income		99.948.568	126.142.503

Distribution of net profit for the period

Equity holders of the Company

Non-controlling interest

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

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries
Condensed Consolidated Interim Statement of Change in Equity
For the Three-Month Period Ended 31 March 2024

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)

				<i>Accumulated Other Comprehensive Income and Expenses Not to be Reclassified to Profit or Loss</i>				
	<i>Paid-In Share Capital</i>	<i>Differences in Capital Adjustment</i>	<i>Share Premiums</i>	<i>Accumulated Remeasurement Gains/Losses on Defined Benefit Plans</i>	<i>Restricted Reserves Appropriated from Profit</i>	<i>Retained Earnings</i>	<i>Net Profit for the Period</i>	<i>Total Equity</i>
Balance at 1 January 2023	115.000.000	1.221.485.263	133.669.706	(9.599.469)	141.051.908	2.776.431.757	445.534.073	4.823.573.238
Transfers	--	--	--	--	--	445.534.073	(445.534.073)	--
Profit for the period	--	--	--	--	--	--	142.771.145	142.771.145
Other comprehensive income	--	--	--	(16.628.644)	--	--	--	(16.628.644)
<i>Actuarial differences</i>	--	--	--	(16.628.644)	--	--	--	(16.628.644)
Balance at 31 March 2023	115.000.000	1.221.485.263	133.669.706	(26.228.113)	141.051.908	3.221.965.830	142.771.145	4.949.715.739
Balance at 1 January 2024	115.000.000	1.221.485.263	133.669.706	(17.703.661)	141.051.908	3.221.965.830	759.449.568	5.574.918.614
Transfers	--	--	--	--	--	759.449.568	(759.449.568)	--
Profit for the period	--	--	--	--	--	--	105.424.325	105.424.325
Other comprehensive income	--	--	--	(5.475.757)	--	--	--	(5.475.757)
<i>Actuarial differences</i>	--	--	--	(5.475.757)	--	--	--	(5.475.757)
Balance at 31 March 2024	115.000.000	1.221.485.263	133.669.706	(23.179.418)	141.051.908	3.981.415.398	105.424.325	5.674.867.182

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

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries

Condensed Consolidated Interim Statement of Cash Flow

For the Three-Month Period Ended 31 March 2024

(The amounts are expressed in terms of purchasing power of Turkish Lira ("TL") as of 31 March 2024, unless otherwise specified)

	Note	Audited 1 January- 31 March 2024	Audited 1 January- 31 March 2023
Net profit for the period		105.424.325	142.771.145
Reconciliation of net cash provided by operating activities to net profit:			
Depreciation and amortization	12,13,14	83.878.542	71.013.819
Provision for employee benefits	16	3.502.208	2.919.461
Fair value changes of financial investments			
-Adjustments for fair value losses (gains) on financial assets	24	(200.448.093)	67.827.588
Tax (income)/ losses	25	102.399.221	108.712.229
Interest income	23,24	(27.094.989)	(20.655.128)
Provision of litigation and guarantee	15	764.114	18.235.672
Provisions for unused vacation	16	6.195.980	1.947.028
Provision of impairment/ (cancellation) of inventory	9	--	(1.753.100)
Interest expenses from leases	14	460.994	465.383
Interest expense	23	258.769.765	38.152.971
Monetary gains and losses		(51.984.504)	199.726.344
Operating cash flow before change in assets and liabilities			
Changes in assets and liabilities			
Change in trade receivables and other receivables		623.258.249	22.221.181
Change in inventories		(380.214.524)	(525.283.316)
Change in prepaid expenses and other current assets and liabilities		(11.764.282)	(60.256.445)
Change in trade payables and other payables		(521.406.290)	124.356.915
Change in payables related employee benefits		10.390.826	21.491.726
Change in deferred income		(27.536.376)	(162.777.271)
Employee severance indemnity paid	16	(3.032.166)	(17.887.077)
Payments related to leasing agreements	14	(875.730)	(794.939)
Taxes received / (paid)	25	55.329.347	54.284.010
Net cash generated / (used) from operations		26.016.617	84.718.196
Investing activities			
Changes in financial investments		--	(71.418)
Cash inflows from the sale of shares or debt instruments of other enterprises or funds		113.796.663	(243.795.622)
Purchases of tangible and intangible assets	12,13	(54.809.707)	(27.552.156)
Sales of tangible assets		--	77.981
Net cash generated / (used) in investing activities		58.986.956	(271.341.215)
Financing activities			
Financial borrowings, net		181.400.912	122.111.654
Interest received		27.094.989	20.655.128
Interest paid		(258.769.765)	(38.152.971)
Net cash provided from financing activities		(50.273.864)	104.613.811
Net increase/(decrease) in cash and cash equivalents		34.729.709	(82.009.208)
Inflation effect on cash and cash equivalents		(44.682.708)	(301.811.756)
Cash and cash equivalents at the beginning of the period	4	341.309.269	742.442.622
Cash and cash equivalents at the end of the period	4	331.356.270	358.621.658

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

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

As at and for the Three-Month Period Ended 31 March 2024

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)

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Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

As at and for the Three-Month Period Ended 31 March 2024

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)

1 Organization and Nature of Operation

Tümosan Motor ve Traktör Sanayi A.Ş. (formerly known as Alçelik Çelik Yapı İnşaat Sanayi ve Ticaret Anonim Şirketi) ("Tümosan" or "the Company"), was established in 1975 to produce engine parts, transfer organs and similar equipment, but then concentrated its activities on diesel engine and tractor production. Tümosan, which is the first diesel engine producer of Turkey, along with providing diesel engines to tractors produced under the same brand, produced diesel engines for many years for other companies producing diesel vehicles.

The Company was taken into the scope and program of privatization on 18 August 1998 and the shares belonging to Mechanics and Chemistry Institution Corporation were transferred to Directorate of Privatization Administration and it was decided that privatization procedures shall be completed within a year.

Four companies participated in the privatization tender of the Company held on 24 April 2000 and at the end of the tender, Anadolu Joint Venture Group took the first place when Konya Selçuklu Joint Venture Group took the second place. At the end of the tender, since the sale contracts forwarded respectively to the ventures could not be signed within the specified time frame, their indemnities were recorded as revenue and the tender could not be concluded positively.

Tümosan, which continued its activities in a more limited frame after the tender, was adhered to Sümer Holding on 7 February 2003. For privatization purposes, the second tender was held in 2004 and Tümosan was acquired by Alçelik Çelik Yapı İnşaat Sanayi ve Ticaret A.Ş. through asset sale and the takeover was completed on 1 July 2004.

26% of the Company's shares were offered to public at Istanbul Stock Exchange on 5 December 2012. Since 5 December 2012, the shares of the Company are listed at Istanbul Stock Exchange.

The headquarters and factory of the Company is at the following addresses:

Headquarters:

Maltepe Mahallesi Londra Asfaltı Caddesi No:28/1 Topkapı, 34010, Zeytinburnu/İstanbul/Turkey

Factory:

Büyükkayacık Mahallesi Aksaray Çevre Yolu Caddesi No:7/1 Selçuklu/Konya/Turkey

Information regarding the Company's shareholding interests and their shares is as follows:

	31 March 2024	31 December 2023
Name/ Title	Shareholding Rates %	Shareholding Rates %
Ereğli Tekstil Turizm Sanayi ve Ticaret A.Ş.	60,87	60,87
Muzaffer Albayrak	1,74	1,74
Ahmet Albayrak	1,74	1,74
Bayram Albayrak	1,74	1,74
Nuri Albayrak	1,74	1,74
Kazım Albayrak	1,74	1,74
Mustafa Albayrak	1,74	1,74
Halka açık kısım	28,69	28,69
Total	100,00	100,00

The main shareholder of the Company is Ereğli Tekstil Turizm Sanayi ve Ticaret A.Ş. ("Ereğli Tekstil") which is controlled by Albayrak Family.

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

As at and for the Three-Month Period Ended 31 March 2024

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)

1 Organization and Nature of Operation (continued)

As of 30 March 2024, The Company has 755 personnel (31 December 2023: 755)

Subsidiaries Included in the Consolidation

Tümosan Döküm A.Ş.: The company engages in all kinds of casting and machining operations and trading.

TTM Tümosan Teknoloji Mühendislik Sanayi ve Ticaret A.Ş.: The company engages to develop new products in defense and weapons, have R&D activities, contribute the production of existing products, and operate arms and related industry product purchases and sales. Company not actively operate as of the reporting date. (Former Title: Tümosan Savunma A.Ş.).

Tümosan Teknoloji Mühendislik Sanayi Ticaret A.Ş.: the company was established through partial demerger with the expert report dated 11 december 2021 and the registration in the trade registry by Tümosan Motor ve Traktör Sanayi A.Ş. on 5 april 2022.

Since 100% of the company's capital is owned by Tümosan Motor ve Traktör Sanayi A.Ş., the partial demerger did not have any impact on the consolidated financial statements dated March 31, 2024.

The company's activities include conducting R&D activities in technology and engineering, developing new products, creating prototypes, providing technical consultancy, and developing software. Additionally, the company engages in other activities based on its articles of association to participate in all kinds of domestic and international tenders for the Ministry of National Defense and other public institutions.

The condensed consolidated interim financial statements as of 31 March 2024 prepared by fully consolidating the subsidiaries stated below to the Company.

Company	Rate of Control	
	31 March 2024	31 December 2023
Tümosan Döküm A.Ş.	%100	%100
TTM Tümosan Teknoloji Mühendislik San. ve Tic. A.Ş.	%100	%100
Tümosan Teknoloji Mühendislik San. Tic. A.Ş.	%100	%100

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

As at and for the Three-Month Period Ended 31 March 2024

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)

2 Basis of Presentation of Financial Statements

2.1 Basis of Presentation

(a) Basis of presentation of financial statements

The condensed consolidated interim financial statements and disclosures have been prepared in accordance with the communique numbered II-14, 1 “Communique” on the Principles of Financial Reporting in Capital Markets” (the Communique) announced by the Capital Markets Board” (“CMB”) on 13 June 2013 which is published on official Gazette numbered 28676. In accordance with Communique, the listed companies should apply Turkish Accounting Standards / Turkish Financial Reporting Standards (“TAS/IFRS”) and interpretations regarding these standards as adopted by the Public Oversight Accounting and Auditing Standards Authority (“POA”).

The consolidated financial statements have been presented in accordance with the formats specified in the IFRS Taxonomies published by the POA and the Financial Statement Examples and Usage Guide published by the CMB.

(b) Basis of measurement

The consolidated financial statements have been prepared based on historical costs, excluding financial assets measured at fair value, investment properties, and tangible assets.

(c) Correction of financial statements of hyperinflation periods

The financial statements and related amounts for prior periods have been restated for general changes in the purchasing power of the functional currency and consequently expressed in the measurement unit current at the end of the reporting period in accordance with TAS 29 'Financial Reporting in Hyperinflationary Economies'.

TAS 29 applies to the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy, including consolidated financial statements. In the presence of high inflation in an economy, TAS 29 requires the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy to be expressed in the measurement unit current at the end of the reporting period.

According to the announcement issued by the Public Oversight, Accounting and Auditing Standards Authority (POA) on 23 November 2023 regarding the adjustment of financial statements of companies subject to independent audit for inflation, enterprises applying Turkish Financial Reporting Standards are required to present their financial statements for annual reporting periods ending on or after 31 December 2023 adjusted for inflation in accordance with TAS 29.

Under this standard, financial statements prepared using the currency of a hyperinflationary economy are stated in terms of the purchasing power of that currency at the balance sheet date, with comparative information for prior periods also presented in the current measurement unit at the end of the reporting period. Therefore, the company has presented its financial statements as of 31 March 2023 based on the purchasing power at 31 March 2024.

The Group has therefore restated the financial statements as of 31 March 2024 of group companies whose functional currency is solely Turkish Lira in accordance with the accounting principles specified in TAS 29.

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

As at and for the Three-Month Period Ended 31 March 2024

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)

2 Basis of Presentation of Financial Statements (continued)

2.1 Basis of Presentation (continued)

(c) Correction of financial statements of hyperinflation periods (continued)

Below is the table showing inflation rates calculated based on the Consumer Price Index (CPI) published by the Turkish Statistical Institute ("TÜİK") for the respective years:

Date	Index	Correction Coefficient	Cumulative Inflation Rates Over Three Years
31.03.2024	2.139,47	1,00000	309%
31.12.2023	1.859,38	1,15063	268%
31.03.2023	1.269,75	1,68495	182%

The main outlines of indexing operations under TAS 29 are as follows:

- All items, excluding those expressed in current purchasing power at the reporting date, are indexed using the relevant correction factors. Amounts from previous years are similarly indexed.
- Monetary assets and liabilities are not indexed as they are expressed in current purchasing power at the balance sheet date. Monetary items are cash and items to be received or paid in cash.
- Non-current assets, investments, and similar assets are indexed based on their historical costs, provided they do not exceed market values. Depreciation is adjusted accordingly. Amounts within equity are adjusted by applying general price indices to the periods in which these amounts were included in or generated by the company.
- Except for items in the income statement affected by the indexing of non-monetary items in the statement of financial position, all items in the income statement are indexed using factors calculated based on the periods when income and expense accounts were first reflected in the financial statements.
- Gains or losses arising from general inflation on net monetary positions, non-monetary assets, equity items, and adjustments made to income statement items are included in profit or loss.

The impact of applying TAS 29 "Financial Reporting in Hyperinflationary Economies" can be summarized as follows:

Reclassification of the Statement of Financial Position:

Amounts in the statement of financial position that are not expressed in the measurement unit current at the end of the reporting period are reclassified. Therefore, monetary items are not reclassified because they are expressed in the currency current at the reporting date. However, non-monetary items must be reclassified unless they are stated at their current amounts at the end of the reporting period.

Inclusion of gains or losses from reclassification of non-monetary items gains or losses arising from the reclassification of non-monetary items are included in profit or loss and are separately presented in the statement of profit or loss and other comprehensive income.

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

As at and for the Three-Month Period Ended 31 March 2024

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)

2 Basis of Presentation of Financial Statements (continued)

2.1 Basis of Presentation (continued)

(c) Correction of financial statements of hyperinflation periods (continued)

Reclassification of the Income Statement

All items in the income statement are expressed in the measurement unit current at the end of the reporting period. Therefore, all amounts have been reclassified using changes in the monthly general price index. Depreciation and amortization expenses for tangible and intangible assets have been adjusted using the reclassified balances.

Reclassification of the Cash Flow Statement

All items in the cash flow statement are expressed in the measurement unit current at the end of the reporting period.

Consolidated Financial Statements

The financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy are reclassified using the general price index before being included in the consolidated financial statements prepared by the parent entity. If such a subsidiary is a foreign subsidiary, the reclassified financial statements are translated at the closing rate. When consolidating financial statements with different reporting period ends, all monetary and non-monetary items are reclassified according to the measurement unit current at the date of the consolidated financial statements.

(d) Reporting and functional currency

The condensed consolidated interim financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements, the functional and presentation currency of the Company is TL.

(e) Comparative information

The attached consolidated financial statements are prepared on a comparative basis with the previous period to enable assessment of the Group's financial position, performance, and cash flow trends. Comparative information is reclassified and relevant differences are disclosed in the corresponding notes for the purpose of ensuring consistency in the presentation of current period financial statements.

(f) Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Group at the exchange rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at reporting date are translated to the functional currency at the exchange rate ruling at the date. Foreign currency differences arising on translation of foreign currency transactions are recognized in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Nonmonetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

As at and for the Three-Month Period Ended 31 March 2024

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)

2 Basis of Presentation of Financial Statements (continued)

2.1 Basis of Presentation (continued)

(g) Basis of Consolidation

As of March 31, 2024, and December 31, 2023, the consolidated financial statements include the accounts of the Company and its subsidiaries.

(i) Subsidiaries

Subsidiaries are those entities on which the Group has the power to control. The Group controls the companies when it is incurred changeable returns due to relations of any companies or has a right to own these returns and has a power to affect these returns. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group to the date on which control is transferred out from the Group.

The table below demonstrates the rates of the effective ownership and the voting power held in terms of percentages (%) as of 31 March 2024 and 31 December 2023 for all subsidiaries directly controlled by the Group and included in the scope of consolidation:

Company	Rate of Control	
	31 March 2024	31 December 2023
Tümosan Döküm A.Ş.	%100	%100
TTM Tümosan Teknoloji Mühendislik San. ve Tic. A.Ş.	%100	%100
Tümosan Teknoloji Mühendislik San. Tic. A.Ş.	%100	%100

(ii) Non- controlling interest

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

(iii) Loss of Control

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus of deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

(iv) Consolidation adjustments

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. Carrying value of shares owned by the Group and dividends arising from these shares has been eliminated in equity and profit or loss statements.

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries

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(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)

2 Basis of Presentation of Financial Statements (continued)

2.2 Compliance of TFRS

The accompanying condensed consolidated interim financial statements have been prepared in accordance with TFRS, with the classification and corrections made based on the legal records of the Company and its subsidiaries, in line with the principle that the financial statements reflect the truth.

The company and its subsidiaries keep their accounting records in accordance with the Uniform Chart of Accounts, Turkish Commercial Code and Turkish Tax Laws and prepare their legal financial statements in TL accordingly.

The interim condensed consolidated financial statements have been approved by the Company's Board of Directors on 21 June 2024. The Company's General Assembly and certain regulatory bodies have the right to make amendments after the publication of the financial statements.

2.3 Changes in Accounting Policies

Accounting policy changes resulting from the initial application of a new Turkish Financial Reporting Standard (TFRS) are applied retrospectively or prospectively as required by the transitional provisions of that TFRS. Significant accounting errors identified are applied retrospectively, and previous period financial statements are restated accordingly. Changes in accounting estimates are applied prospectively if they relate to a single period, and if they affect future periods, they are applied both in the current period of the change and prospectively.

New and Revised Standards and Interpretations

The accounting policies used in the preparation of the consolidated financial statements for the year ended March 31, 2024 are consistent with those applied in the previous year, except for new and amended Turkish Financial Reporting Standards (TFRS) and TFRS interpretations effective as of January 1, 2024, as summarized below. The effects of these standards and interpretations on the Group's financial position and performance are disclosed in the relevant paragraphs.

(a) New standards, amendments and interpretations effective from 31 March 2024

- TAS 1 (Amendments) – Classification of Liabilities as Current or Non-current
- TAS 16 (Amendments) – Lease Liability from Sale and Leaseback Transactions
- TAS 1 (Amendments) – Long-term Liabilities Including Credit Agreement Terms
- TAS 7 and TFRS 7 (Amendments) – Supplier Financing Arrangements
- TSRS 1 General Requirements for Disclosure of Financial Information Related to Sustainability
- TSRS 2 – Climate-related Disclosures

TFRS 16 (Amendments) Lease Liability from Sale and Leaseback Transactions

The amendments in TFRS 16 explain how a seller-lessee subsequently measures sale and leaseback transactions that qualify for recognition as a sale under TFRS 15. These changes in TFRS 16 will be applicable for annual reporting periods beginning on or after January 1, 2024, with early adoption permitted

TAS 1 (Amendments) Long-term Liabilities Including Credit Agreement Terms

The amendments in TAS 1 explain how changes affect the classification of a liability as a current or non-current based on conditions that an entity must fulfill within twelve months after the end of the reporting period. These changes in TAS 1 will be applicable for annual reporting periods beginning on or after January 1, 2024, with early adoption permitted.

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

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(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)

2 Basis of Presentation of Financial Statements (continued)

2.3 Changes in Accounting Policies (continued)

New and Revised Standards and Interpretations (continued)

(a) New standards, amendments and interpretations effective from 31 March 2024 (continued)

TAS 7 and TFRS 7 (Amendments) Supplier Financing Arrangements

The amendments in TFRS 7 and TFRS 7 add signposts requiring entities to provide qualitative and quantitative information on supplier financing arrangements and disclosure requirements beyond current disclosure requirements. These changes are effective for annual reporting periods beginning on or after January 1, 2024.

TSRS 1 General Requirements for Disclosure of Financial Information Related to Sustainability

TSRS 1 establishes general requirements for sustainability-related financial disclosures, aiming to compel businesses to provide information that will assist primary users of general purpose financial reports in making decisions about resource allocation to the entity regarding sustainability-related risks and opportunities. The application of this standard is mandatory for entities meeting the relevant criteria as per the CMB's announcement numbered 2024-5 dated January 5, 2024, for annual reporting periods beginning on or after January 1, 2024, or for banks regardless of criteria. Other entities may voluntarily report in accordance with TSRS standards

TSRS 2 Climate-related Disclosures

TSRS 2 outlines requirements for identifying, assessing, and disclosing climate-related risks and opportunities that will assist primary users of general purpose financial reports in making decisions about resource allocation to the entity. The application of this standard is mandatory for entities meeting the relevant criteria as per the CMB's announcement numbered 2024-5 dated January 5, 2024, for annual reporting periods beginning on or after January 1, 2024, or for banks regardless of criteria. Other entities may voluntarily report in accordance with TSRS standards .

(b) Standards, amendments, and interpretations that have been published as of March 31, 2024, but have not yet become effective

- TFRS 17 – Insurance Contracts

- TFRS 17 (Amendments) – Initial Application of TFRS 17 and TFRS 9 – Comparative Information

TFRS 17 Insurance Contracts

TFRS 17 requires the measurement of insurance liabilities at a current fulfilment value and provides a more consistent measurement and presentation approach for all insurance contracts. These requirements are designed to achieve consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance and reinsurance as well as retirement companies for another year and will replace TFRS 4 Insurance Contracts as of January 1, 2025.

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(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)

2 Basis of Presentation of Financial Statements (continued)

2.3 Changes in Accounting Policies (continued)

New and Revised Standards and Interpretations (continued)

- (b) Standards, amendments, and interpretations that have been published as of March 31, 2024, but have not yet become effective (continued)**

TFRS 17 (Amendments) – Initial Application of TFRS 17 and TFRS 9 – Comparative Information

Changes have been made to TFRS 17 to reduce implementation costs, facilitate the disclosure of results, and ease the transition. Additionally, a change related to comparative information allows companies that adopt TFRS 7 and TFRS 9 simultaneously to present comparative information on financial assets as if the classification and measurement requirements of TFRS 9 had been applied to those financial assets previously.

These changes will be applied when TFRS 17 is first adopted.

The standard in question is being evaluated for the potential impacts of changes and improvements on the Company's consolidated financial position and performance.

2.4 Changes in Accounting Estimates and Errors

Changes in accounting policies and significant accounting errors are applied retrospectively, resulting in the restatement of previous period financial statements. Changes in accounting estimates are applied prospectively: if they affect only the current period, they are applied in the current period; if they affect future periods as well, they are applied both in the current period and prospectively in future periods. The Company has not made any significant changes in accounting estimates.

2.5 Summary of Significant Accounting Policies

The CMB has permitted publicly traded companies to apply the full set or condensed presentation of their interim financial statements in accordance with TAS 34 "Interim Financial Statements". Accordingly, the Group prepared the condensed presentation of the financial statements at the interim period ending 31 March 2024.

In accordance with the relevant regulations, the annual financial statements prepared in accordance with TFRSs should include necessary disclosures and notes as summarized or provided under TMS 34. The attached summary consolidated financial statements should be read together with the audited consolidated financial statements as of 31 December 2023 and the accompanying notes. Therefore, these interim summary consolidated financial statements should be evaluated in conjunction with the consolidated financial statements for the year ended 31 December 2023.

The Group continued to apply the accounting policies and accounting estimates as stated in the consolidated financial statements as of December 31, 2023, in the interim summary consolidated financial statements.

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

As at and for the Three-Month Period Ended 31 March 2024

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)

3 Related Party Disclosures

For the purpose of this report, the shareholders and key management personnel of The Group, the ultimate shareholders of The Group and the companies controlled by/associated with them are referred to as related parties.

The details between The Group and other related parties are as follows.

The related parties shown in the related party disclosures and the nature of the relation of The Group with these parties are as follows. These companies are presented as related parties which are controlled by Albayrak Family.

<u>Related Party</u>	<u>Definition</u>
Ereğli Tekstil Turizm San. ve Tic. A.Ş. ("Ereğli Tekstil")	Shareholder
Albayrak Turizm Seyahat İnşaat Tic. A.Ş. ("Albayrak İnşaat")	Related Party
Albil Merkezi Hizmetler ve Ticaret A.Ş. ("Albil")	Related Party
Birlikte Dağıtım A.Ş. ("Birlikte Dağıtım")	Related Party
Birun Otelcilik A.Ş. ("Birun Otelcilik")	Related Party
Kademe Atık Teknolojileri San.A.Ş. ("Kademe Atık")	Related Party
Platform Tur. Taş. Gıda İnş. Tem. Hiz. San.ve Tic. A.Ş. ("Platform Turizm")	Related Party
Reklam Piri Medya İletişim A.Ş. ("Reklam Piri")	Related Party
Piri Medya A.Ş. ("Piri Medya")	Related Party
Varaka Kağıt Sanayi A.Ş. ("Varaka Kağıt")	Related Party
Yeşil Adamlar Atık Yönetimi ve Taşımacılık A.Ş. ("Yeşil Adamlar")	Related Party
Transbaş Trabzon Serbest Bölge İşletmeciliği A.Ş. ("Transbaş")	Related Party
Trabzon Liman İşletmeciliği A.Ş. ("Trabzon Liman")	Related Party
Dolu Akaryakıt Pazarlama A.Ş. ("Dolu Akaryakıt")	Related Party
Sukkar Şeker Üretim A.Ş. ("Sukkar")	Related Party
Mogadishu Alport ("Mogadishu")	Related Party
Nakil Lojistik A.Ş. ("Nakil Lojistik")	Related Party
Mezra Ziraat A.Ş. ("Mezra Ziraat")	Related Party
Asist Oto Kiralama Turizm Ticaret A.Ş. ("Asist Oto")	Related Party
Ketebe Kitap ve Dergi Yayıncılığı A.Ş. ("Ketebe Kitap")	Related Party
Alport Conakry S.A. ("Alport Conakry")	Related Party
Albayrak Construction Sarlu. ("Albayrak Construction Sarlu")	Related Party
Albayrak Agro-Business-Sarlu. ("Albayrak Agro - Business – Sarlu")	Related Party

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries**Notes to the Condensed Consolidated Interim Financial Statements****As at and for the Three-Month Period Ended 31 March 2024**

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)

3 Related Party Disclosures (continued)

As of 31 March 2024, details regarding the related parties and significant balances are as follows:

	Receivables	Payables
31 March 2024	Short-Term	Short-Term
	Commercial	Commercial
Kademe Atık	246.944.303	289.043
Albayrak İnşaat	45.791.104	--
Albil	31.636.207	5.736.733
Varaka Kağıt	21.908.588	383.493
Mezra Ziraat	15.180.000	1.700.000
Alport Conakry	5.817.090	--
Platform Turizm	4.967.500	--
Ereğli Tekstil	3.294.558	--
Yeşil Adamlar	692.248	--
Albayrak Construction Sarlu	638.331	--
Sukkar	589.679	--
Albayrak Agro - Business - Sarlu	285.944	--
Ketebe Kitap	283.334	54
Mogadishu	205.891	--
Dolu Akaryakıt	79.033	--
Transbaş	7.875	--
Trabzon Liman	578	--
Asist Oto	--	81.411
Birlikte Dağıtım	--	1.253.626
Nakil Lojistik	--	6.301.016
Reklam Piri	--	3.934.733
Total	378.322.263	19.680.109

As of 31 March 2023, details regarding the related parties and significant balances are as follows:

	Receivables	Payables
31 December 2023	Short-Term	Short-Term
	Commercial	Other Commercial
Kademe Atık	461.478.441	36.739 223.995
Albayrak İnşaat	89.467.034	--
Varaka Kağıt	36.205.484	--
Albil	28.123.456	183.209 13.979.848
Mezra Ziraat	9.980.619	--
Platform Turizm	6.236.558	--
Alport Conakry	6.226.757	--
Ereğli Tekstil	3.773.164	--
Mogadishu	2.271.340	--
Yeşil Adamlar	782.028	--
Albayrak Construction Sarlu	687.457	--
Sukkar	332.958	--
Albayrak Agro - Business – Sarlu	307.951	--
Ketebe Kitap	199.675	62
Dolu Akaryakıt	161.969	--
Transbaş	9.061	--
Asist Oto	--	92.695
Birlikte Dağıtım	--	733.326
Nakil Lojistik	--	562.960
Piri Medya A	--	--
Reklam Piri	--	9.084.426
Total	646.243.952	220.010 24.677.250

(*) The Group's non-commercial receivables from related parties arise from intra-group financing activities. Interest on these receivables is accrued at regular intervals based on market interest rates applicable in December.

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries**Notes to the Condensed Consolidated Interim Financial Statements****As at and for the Three-Month Period Ended 31 March 2024***(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)***3 Related Party Disclosures (continued)****Purchases and Expenses**

For the periods 1 January – 31 March 2024 and 1 January – 31 March 2023, purchases from the related parties are as follows:

	1 January- 31 March 2024		1 January- 31 March 2023	
Purchase	Purchase of Goods and Service	Other	Purchase of Goods and Service	Other
Kademe Atık	132.856.587	30.239	211.306.068	--
Varaka Kağıt	4.315.777	5.834.844	31.283.262	--
Mezra Ziraat	1.744.872	--	--	--
Dolu Akaryakıt	971.636	--	1.711.463	--
Albil	175.935	9.059.404	5.483.958	2.177.079
Piri Medya	1.296	--	50.068	--
Birlikte Dağıtım	--	1.043.466	1.436.929	--
Birun Otelcilik	--	1.451.259	--	--
Nakil Lojistik	--	10.987.231	12.404.817	--
Platform Turizm	--	81.310	--	550.206
Asist Oto	--	18.430	139.997	--
Reklam Piri	--	3.437.925	11.833	--
Ketebe Kitap	--	--	14.349	--
Total	140.066.103	31.944.108	263.842.744	2.727.285

Sales and Income

For the periods 1 January – 31 March 2024 and 1 January – 31 March 2023 sales to the related parties are as follows:

	1 January- 31 March 2024		1 January- 31 March 2023	
Satışları	Purchase of Goods and Service	Other	Purchase of Goods and Service	Other
Mezra Ziraat	14.305.898	--	3.556.502	--
Kademe Atık	12.897.123	6.777.218	41.589.580	539.626
Varaka Kağıt	1.825.133	--	--	38.897
Mogadishu	202.300	--	--	--
Albayrak Turizm	20.130	--	100.504	--
Nakil Lojistik	7.646	95.165	--	--
Albil	2.840	--	--	--
Asist Oto	--	--	202.660	--
Ketebe Kitap	--	94.855	--	103.083
Ereğli Tekstil	--	--	1.815.981	--
Sukkar	--	--	476.534	--
Alport Conakry	--	--	673.029	--
Total	29.261.070	6.967.238	48.414.790	681.606

Benefits Provided to Senior Management

The total benefits provided to senior management for the year ended 31 March 2024 amounted to 2,687,003 TL (31 March 2023: 3,696,226 TL).

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

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4 Cash and Cash Equivalent

As of 31 March 2024, and 31 December 2023, cash and cash equivalents are as follows::

	31 March 2024	31 December 2023
Banks		
-Demand deposit	331.356.270	341.309.269
Total	331.356.270	341.309.269

As of 31 March 2024, there is no account under any blockage or pledge (31 December 2023: None).

5 Financial Investments

As of 31 March 2024 and 31 December 2023, short term financial investments are as follows:

	31 March 2024	31 December 2023
Investment Funds	674.003.431	587.352.001
Total	674.003.431	587.352.001

6 Financial Borrowings

Bank Loans

As of 31 March 2024 and 31 December 2023, financial borrowings of The Group are as follows:

	31 March 2024	31 December 2023
<i>Short Term Financial Borrowings</i>		
Short Term Bank Loans	1.717.931.924	1.510.763.037
Short Term Portion of Long Term Loans	28.952.455	35.252.246
Total	1.746.884.379	1.546.015.283
<i>Long-term Financial Borrowings</i>		
Long-Term Bank Loans	63.017.751	82.485.935
Total	63.017.751	82.485.935

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries**Notes to the Condensed Consolidated Interim Financial Statements****As at and for the Three-Month Period Ended 31 March 2024***(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)***6 Financial Borrowings (continued)****Bank Loans (continued)**

As of 31 March 2024 and 31 December 2023, the maturity and terms of outstanding loans are as follows:

	31 March 2024		31 December 2023	
	Effective Int. Rate %	TL Equivalent	Effective Int. Rate %	TL Equivalent
Short-Term Borrowings				
- Turkish Lira	7,50-18,14%	1.717.931.924	7,50-18,14%	1.510.763.037
Short-Term Portion of Long-Term Borrowings				
- Turkish Lira	12,97-18,14%	28.952.455	12,97-18,14%	35.252.246
Long-Term Borrowings				
- Turkish Lira	12,97-18,14%	63.017.751	12,97-18,14%	82.485.935
Total Loans		1.809.902.130		1.628.501.218

As of 31 March 2024, the Group has real estate mortgages totaling 2,420,000,000 TL related to loans utilized. (31 December 2023: 2,420,000,000 TL in real estate mortgages related to loans utilized).

7 Trade Receivables and Payables**Short Term Trade Receivables**

As of 31 March 2024 and 31 December 2023, short-term trade receivables from non-related parties are as follows:

	31 March 2024	31 December 2023
Notes Receivables	99.783.598	130.886.419
Receivables	146.600.616	234.248.001
Direct Debiting System Receivables (*)	597.615.715	888.329.151
Allowance for Doubtful Receivables	(10.510.323)	(22.498.463)
Total	833.489.606	1.230.965.108

(*) Direct debiting system guarantees purchase and sell payments between the Company and dealers. Dealers purchase transaction according to DBS limit that is identified by the banks. At the end of maturity, dealer pays to bank as a third party and the bank pays to the Company.

Short Term Trade Payables

As of 31 March 2024 and 31 December 2023, short-term trade payables to non-related parties are as follows:

	31 March 2024	31 December 2023
Suppliers	677.735.421	927.029.464
Notes Payables	155.397.787	381.893.860
Other Trade Payables	12.364.879	67.222.921
Total	845.498.087	1.376.146.245

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries**Notes to the Condensed Consolidated Interim Financial Statements****As at and for the Three-Month Period Ended 31 March 2024**

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)

8 Other Receivables and Payables***Other Short Term Receivables***

As of 31 March 2024 and 31 December 2023, other short-term receivables from non-related parties are as follows:

	31 March 2024	31 December 2023
Personnel Receivables	3.103.809	2.767.273
Refundable Taxes	31.589.909	1.409.311
Deposits and Guarantees Given	635.651	756.352
Total	35.329.369	4.932.936

Other Long Term Receivables

As of 31 March 2024 and 31 December 2023, other long-term receivables from non-related parties are as follows:

	31 March 2024	31 December 2023
Deposits and Guarantees Given	170.082	195.703
Total	170.082	195.703

Descriptions regarding the nature and level of risks associated with other receivables are provided in Note 27.

Other Short Term Payables

As of 31 March 2024 and 31 December 2023, other short-term payables to non-related parties are as follows:

	31 March 2024	31 December 2023
Installed Tax Payables	3.741.076	12.298.728
Refundable Deposit and Guarantees	6.565.350	7.097.183
Payables to Tax Office	29.183.779	5.793.564
Others Payables	160.102	221.823
Total	39.650.307	25.411.298

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries**Notes to the Condensed Consolidated Interim Financial Statements****As at and for the Three-Month Period Ended 31 March 2024**

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)

9 Inventories

As of 31 March 2024 and 31 December 2023, details of inventories are as follows:

	31 March 2024	31 December 2023
Materials and Spare Parts	1.544.445.538	1.822.433.744
Semi-Finished Goods	237.637.695	236.987.503
Goods	992.811.556	314.279.403
Trade Goods	34.961.769	40.181.466
Goods in Transit	4.776.791	20.758.761
Other Inventories	10.484.107	10.262.055
Total	2.825.117.456	2.444.902.932

10 Prepaid Expenses and Deferred Income**Short Term Prepaid Expenses**

As of 31 March 2024 and 31 December 2023, the amount of short-term prepaid expenses from unrelated parties remaining in the current assets section consists of the following items;

	31 March 2024	31 December 2023
Advances Given	203.728.808	175.431.070
Expenses for Future Months	42.930.823	47.198.289
Business Advances	144.193	129.142
Personnel Advances	835.321	863.061
Total	247.639.145	223.621.562

Short Term Prepaid Expenses

As of 31 March 2024 and 31 December 2023, details of short-term deferred income from unrelated parties are as follows:

	31 March 2024	31 December 2023
Advances Received	167.880.853	195.417.229
Total	167.880.853	195.417.229

11 Investment Properties

As of 31 March 2024 and 31 March 2023, details of investment properties are as follows::

	1 January- 31 March 2024	1 January- 31 March 2023
Book Value		
1 January Opening Balance	86.040.134	86.040.134
31 December Balance	86.040.134	86.040.134
Less: Accumulated Depreciation		
1 January Opening Balance	--	--
Current Period Depreciation	--	--
Balances of the end of the Period	--	--
Net Book Value of Beginning of the Period	86.040.134	86.040.134
Net Book Value of end of the Period	86.040.134	86.040.134

The fair value of the investment property located at Bakırköy World Trade Center, belonging to the subsidiary, has been determined using the market value method by RM Ritim Gayrimenkul Değerleme A.Ş., authorized by the Capital Markets Board (SPK).

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries
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12 Property, Plant and Equipment

For the periods ended 31 March 2024; movement of property, plant and equipment is summarized below:

	Land	Underground and Aboveground Structures	Buildings	Plant and Machinery	Vehicles	Furniture and Fixtures	Investments Under Construction	Special Costs	Total
Cost Value									
1 January 2024 Cost	2.143.558.574	45.014.166	465.683.998	1.375.327.375	156.528.792	245.912.554	122.884.916	92.698.844	4.647.609.219
Additions	--	--	--	5.008.818	39.780	10.098.665	13.578.742	--	28.726.005
31 March 2024 Balance	2.143.558.574	45.014.166	465.683.998	1.380.336.193	156.568.572	256.011.219	136.463.658	92.698.844	4.676.335.224
Less: Accumulated Depreciation									
1 January 2024 Opening	--	(9.932.803)	(34.928.503)	(424.654.265)	(76.088.601)	(197.164.923)	--	(92.005.235)	(834.774.330)
Current Period Depreciation	--	(691.137)	(1.894.666)	(51.363.007)	(5.290.684)	(4.323.795)	--	(72.087)	(63.635.376)
31 March 2024 Balance	--	(10.623.940)	(36.823.169)	(476.017.272)	(81.379.285)	(201.488.718)	--	(92.077.322)	(898.409.706)
1 January 2024 Net Book Value	2.143.558.574	35.081.363	430.755.495	950.673.110	80.440.191	48.747.631	122.884.916	693.609	3.812.834.889
31 March 2024 Net Book Value	2.143.558.574	34.390.226	428.860.829	904.318.921	75.189.287	54.522.501	136.463.658	621.522	3.777.925.518

The Group has mortgages totaling 4,200,000,000 TL on tangible fixed assets (31 December 2023: 2,821,967,995 TL).

(*) The Group's plant, machinery, and equipment have been valued using the 'Cost Approach' method by RM Ritim Gayrimenkul Değerleme A.Ş., an independent appraisal company licensed by the Capital Markets Board and not affiliated with the Group.

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12 Property, Plant and Equipment (continued)

For the periods ended 31 March 2024; movement of property, plant and equipment is summarized below:

	Land	Underground and Aboveground Structures	Buildings	Plant and Machinery	Vehicles	Furniture and Fixtures	Investments Under Construction	Special Costs	Total
Cost Value									
1 January 2023 Cost	2.143.558.574	44.854.650	466.120.336	1.102.703.479	145.015.361	217.864.408	129.155.775	92.521.027	4.341.793.610
Additions	--	--	--	4.804.974	457.160	4.273.804	2.322.139	--	11.858.077
Disposal	--	--	--	--	(12.081.009)	--	--	--	(12.081.009)
31 March 2023 Balance	2.143.558.574	44.854.650	466.120.336	1.107.508.453	133.391.512	222.138.212	131.477.914	92.521.027	4.341.570.678
Less: Accumulated Depreciation									
1 January 2023 Opening	--	(7.178.700)	(26.524.612)	(202.689.575)	(68.686.932)	(183.148.115)	--	(91.775.399)	(580.003.333)
Current Period Depreciation	--	(688.288)	(2.098.539)	(53.857.440)	(4.333.942)	(2.910.430)	--	(56.089)	(63.944.728)
Disposal	--	--	--	--	12.003.028	--	--	--	12.003.028
31 March 2023 Bakiyesi	--	(7.866.988)	(28.623.151)	(256.547.015)	(61.017.846)	(186.058.545)	--	(91.831.488)	(631.945.033)
1 January 2023 Net Book Value	2.143.558.574	37.675.950	439.595.724	900.013.904	76.328.429	34.716.293	129.155.775	745.628	3.761.790.277
31 March 2023 Net Book Value	2.143.558.574	36.987.662	437.497.185	850.961.438	72.373.666	36.079.667	131.477.914	689.539	3.709.625.645

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13 Intangible Assets

Intangible assets consist development costs, rights and licenses, and accumulated depreciation. For the periods ended 31 March 2024 and 31 March 2023, movement of intangible assets are as follows:

	1 January- 31 March 2024	1 January- 31 March 2023
Value of Cost		
Balance at 1 January	525.752.668	452.897.863
Additions	26.083.702	15.694.079
31 December Balance	551.836.370	468.591.942
Less: Accumulated Amortization		
Balance at 1 January	(425.408.391)	(399.358.392)
Current Period Amortization	(7.414.508)	(4.363.299)
31 December Balance	(432.822.899)	(403.721.691)
1 January Net Book Value	100.344.277	53.539.471
31 December Net Book Value	119.013.471	64.870.251

There are no liens or mortgages on the Group's intangible assets.

14 Leasing Transactions**Right of Use Assets**

The Group, in accordance with the retrospective application of TFRS 16, reflects a right-of-use asset and a lease liability in its financial statements from the date when the lease actually commences.

The right-of-use asset is initially accounted for under the cost model and includes the following:

- The initial measurement amount of the lease liability.
- All initial direct costs incurred by the Company.

When applying the cost model, the Group measures the right-of-use asset at its cost, adjusted for accumulated amortization and any impairment losses, and corrected for the remeasurement of the lease liability.

In depreciating the right-of-use assets, the Group applies the depreciation provisions outlined in TFRS 16 Tangible Assets.

The Group applies the depreciation provisions stated in TAS 16 Property, Plant and Equipment when depreciating the right-of-use asset.

	1 January 2024	Intreperiod Increase	31 March 2024
<u>Cost</u>			
Buildings	80.504.653	--	80.504.653
Total	80.504.653	--	80.504.653
<u>Accumulated Depreciation</u>			
Buildings	(29.633.169)	(12.828.658)	(42.461.827)
Total	(29.633.169)	(12.828.658)	(42.461.827)
Net Carrying Value	50.871.484	(12.828.658)	38.042.826

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries**Notes to the Condensed Consolidated Interim Financial Statements****As at and for the Three-Month Period Ended 31 March 2024**

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)

14 Leasing Transactions (continued)**Right of Use Assets (continued)**

	1 January 2023	Intreperiod Increase	31 March 2023
<u>Cost</u>			
Buildings	70.507.460	--	70.507.460
Total	70.507.460	--	70.507.460
<u>Accumulated Depreciation</u>			
Buildings	(21.958.623)	(2.705.792)	(24.664.415)
Total	(21.958.623)	(2.705.792)	(24.664.415)
Net Carrying Value	48.548.837	(2.705.792)	45.843.045

Liabilities from Leasing Transaction

The balances of lease liabilities from leasing transactions as of March 31, 2024, and December 31, 2023, are as follows;

	31 March 2024	31 December 2023
Liabilities from Leasing Transaction (Short term)	1.361.407	2.026.819
Liabilities from Leasing Transaction (Long term)	12.858.731	14.795.722
Total	14.220.138	16.822.541

The movements of lease liabilities for the years ended 31 March 2024 and 31 March 2023 are as follows:

	31 March 2024	31 March 2023
Opening balance	16.822.541	16.650.645
Payments	(875.730)	(794.939)
Interest Expense (Note 21)	460.994	465.383
Monetary Loss/ Gain	(2.187.667)	(1.844.563)
Balance of end of the period	14.220.138	14.476.526

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries**Notes to the Condensed Consolidated Interim Financial Statements****As at and for the Three-Month Period Ended 31 March 2024**

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15 Provisions, Contingent Assets and Liabilities**a) Provisions**

As of 31 March 2024 and 31 December 2023 The Group's provisions are as follows:

	31 March 2024	31 December 2023
Warranty Provisions (*)	45.581.500	53.295.851
Litigation Provision (**)	5.618.850	6.465.253
Short Term Provisions	51.200.350	59.761.104

(*) The movements of the warranty provision over the periods are as follows:

	1 January- 31 March 2024	1 January- 31 March 2023
1 January Balance	53.295.851	50.104.601
Intreperiod Increase	764.114	15.705.177
Monetary Loss/ Gain	(8.478.465)	(5.973.516)
Balance of end of the period	45.581.500	59.836.262

(**) The movements of the litigaiton provision over the periods are as follows:

	1 January- 31 March 2024	1 January- 31 March 2023
1 January Balance	6.465.253	7.779.571
Intreperiod Increase / (Decrease)	--	2.530.495
Monetary Loss/ Gain	(846.403)	(929.817)
Balance of end of the period	5.618.850	9.380.249

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries**Notes to the Condensed Consolidated Interim Financial Statements****As at and for the Three-Month Period Ended 31 March 2024***(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)***15 Provisions, Contingent Assets and Liabilities (continued)****b) Guarantee – Pledge – Mortgage - Warranty (“GPM”)**

As of 31 March 2024 and 31 December 2023 The Group’s guarantee/pledge/mortgage positions are as follows:

GPM given by Group (TL Equivalents)	31 March 2024	31 December 2023
A. The total amount of GPM given on behalf of its own legal entity.	189.970.257	50.615.264
B. The total amount of collaterals given favor of the companies in the scope of full consolidation.	--	--
C. The total amount of GPM given for the purpose of providing debt to third parties in the course of ordinary business activities. (*)	2.532.932.480	2.532.932.480
D. The total amount of other GPM given	--	--
i. The total amount of GPM given in favor of the parent companies.	--	--
ii. The total amount of GPM given in favor of other group companies which are not in the scope of B and C.	--	--
iii. The total amount of GPM given in favor of third parties other than the parties stated in item C.	--	--
Total	2.722.902.737	2.583.547.744

As of March 31, 2024, the monetary positions of the GPM provided by the Group are shown below;

	31 March 2024	31 December 2023
Turkish Lira	2.693.960.168	2.557.157.575
USD	28.942.570	26.390.169
Total	2.722.902.737	2.583.547.744

(*) An agreement was signed between The Group and Ziraat Bankası (“the Bank”) in December 2010. Within the scope of this agreement, the event that a customer who took a loan from the Bank to buy tractors sold by The Group through Tümosan tractor dealers (“Branch”), is not able to pay back this borrowing, the Bank holds the right to demand from The Group 75% of the difference between the income to be generated from the judicial sale of the tractors and the insurance fee set by the Turkish Association of Insurance and Reinsurance Companies. However, The Group reflects the difference which the Bank demands from the Company to the Dealer realizing the sale. Therefore, although the mentioned letter of guarantee is a guarantee given to the Bank by The Group, it is eventually transferred to the Customers.

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries**Notes to the Condensed Consolidated Interim Financial Statements****As at and for the Three-Month Period Ended 31 March 2024***(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)***16 Employee Benefits****Payables Related to the Employee Benefits**

As of 31 March 2024 and 31 December 2023, short-term payables related to the employee benefits are as follows:

	31 March 2024	31 December 2023
Funds and Taxes Payable	28.414.779	20.649.724
Wages and Salaries Payable	22.041.822	18.192.173
Social Security Withholdings Payable	5.336.766	6.560.644
Total	55.793.367	45.402.541

Short Term Provisions for Employee Benefits

As of 31 March 2024 and 31 December 2023, short-term provisions related to the employee benefits are as follows:

	31 March 2024	31 December 2023
Provision for Unused Vacation	17.975.000	13.805.481
Total	17.975.000	13.805.481

The movements of the provision for leave over the years are as follows:

	1 January- 31 March 2024	1 January- 31 March 2023
Beginning of the Period	13.805.481	13.112.065
Provision Allocated During the Period	6.195.980	1.947.028
Monetary Loss/Gain	(2.026.461)	(1.508.449)
End of the Period	17.975.000	13.550.644

The Group is obliged to pay its employees or their beneficiaries for the annual leave periods that employees are entitled to but have not used as of the date the employment contract ends, regardless of the reason for termination, based on the wage at the termination date. The provision for unused leave is the undiscounted total liability amount corresponding to all leave days earned but not yet taken by all employees as of the reporting date.

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries**Notes to the Condensed Consolidated Interim Financial Statements****As at and for the Three-Month Period Ended 31 March 2024***(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)***16 Employee Benefits (continued)****Long Term Provisions for Employee Benefits**

As of 31 March 2024 and 31 December 2023, long-term provisions for employee benefits are as follows:

	31 March 2024	31 December 2023
Provision for Employment Termination	30.126.515	25.742.133
Total	30.126.515	25.742.133

In accordance with the prevailing laws in Turkey, the Group is required to make severance payments to employees who have completed one year of service and whose employment has been terminated without valid reason, who are called up for military service, who pass away, who have completed the necessary service period for retirement, or who have reached the retirement age. The severance payment to be made is equivalent to one month's salary for each year of service, and this amount is capped at 35,058 TL as of 31 March 2024 and 23,490 TL as of 31 December 2023.

The severance pay liability is not subject to any funding by law. The provision for severance pay is calculated by estimating the present value of the Group's probable future liability arising from the retirement of employees. TAS 19 ("Employee Benefits") stipulates that company liabilities should be developed using actuarial valuation methods under defined benefit plans. Accordingly, the actuarial assumptions used in the calculation of total liabilities are stated below:

Interest Rate	31 March 2024	31 December 2023
Interest rate	27,05%	27,05%
Expected inflation rate	23,20%	23,20%
Net discount rate	3,12%	3,12%

The principal assumption is that the maximum liability for each year of service will increase parallel with the inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 March 2024, the provision is calculated by estimating the present value of the future probable obligation of The Group arising from the retirement of the employees.

Movements of employee termination benefits provisions are as follows:

	1 January- 31 March 2024	1 January- 31 March 2023
Balance at 1 January	25.742.133	29.222.737
Cost of Services	1.390.216	1.079.489
Interest Expense	2.111.992	1.839.972
Actuarial Loss /Gain	7.301.009	20.785.802
Payments	(3.032.166)	(17.887.077)
Monetary Loss /Gain	(3.386.669)	(2.872.850)
Balance at 31 March	30.126.515	32.168.073

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries**Notes to the Condensed Consolidated Interim Financial Statements****As at and for the Three-Month Period Ended 31 March 2024***(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)***17 Other Assets and Liabilities**

As of 31 March 2024 and 31 December 2023, details of other assets and liabilities are as follows:

	31 March 2024	31 December 2023
Deferred VAT	230.720.366	243.609.610
Other	679.076	43.133
Total	231.399.442	243.652.743

18 Capital, Reserves and Other Equity Items**Paid in Capital**

As of 31 March 2024 and 31 December 2023, capital structure of The Group are as follows:

	31 March 2024		31 December 2023	
	Share Rate %	Share Amount (TL)	Share Rate %	Share Amount (TL)
Ereğli Tekstil	60,87%	70.000.000	60,87%	70.000.000
Public Listed	28,69%	12.001.285	28,69%	32.998.715
Other	10,44%	32.998.715	10,44%	12.001.285
Paid in Capital	100,00%	115.000.000	100,00%	115.000.000
Differences of Capital Adjustment		1.221.485.263		1.221.485.263
Total		1.336.485.263		1.336.485.263

All of The Group's capital has been paid in as of 31 March 2024 and comprises of 115.000.000 shares with a nominal value of TL 115.000.000 and each one worth TL 1 (31 December 2023: Capital: TL 115.000.000, each one with a value of TL 1, a total of 115.000.000 shares).

Restricted Reserves

According to Article 519 of the Turkish Commercial Code ("TCC") No. 6102, companies are required to set aside 5% of their annual profits as general legal reserves until it reaches 20% of their paid-in capital. If the company has accumulated losses from previous years, these losses are deducted from the annual profit when calculating the 5%. In accordance with subparagraph (c) of Article 519 of the TCC, after distributing a 5% dividend to shareholders, 10% of the portion decided to be distributed to shareholders and other participants in the profit is also added to the general legal reserves.

Other Comprehensive Income/Expense Not to Be Reclassified to Profit or Loss

As of 31 March 2024 and 31 December 2023, other comprehensive income/expense not to be reclassified to profit or loss of The Group are as follows:

Actuarial Differences

	31 March 2024	31 December 2023
Defined Benefit Plans Remeasurements (Losses) Gains	(23.179.418)	(17.703.661)
Total	(23.179.418)	(17.703.661)

The comparison of the relevant equity items presented on an inflation-adjusted basis in the Company's consolidated financial statements as of 31 March 2024 with the inflation-adjusted amounts in the consolidated financial statements prepared in accordance with legal regulations is as follows.

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries**Notes to the Condensed Consolidated Interim Financial Statements****As at and for the Three-Month Period Ended 31 March 2024**

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19 Revenue

Sales and Cost of Sales for the periods as of 1 January- 31 March 2024 and 2023 are as follows:

	1 January- 31 March 2024	1 January- 31 March 2023
Domestic Sales	1.350.226.702	1.851.077.402
Foreign Sales	10.579.854	13.889.876
Gross Sales	1.360.806.556	1.864.967.278
Sales Returns and Discounts (-)	(30.788.790)	(2.686.728)
Net Sales	1.330.017.766	1.862.280.550
Cost of Sales (-)	(982.177.929)	(1.412.511.096)
Gross Profit	347.839.837	449.769.454

The revenue of sales on product basis are as follows:

	1 January- 31 March 2024	1 January- 31 March 2023
Tractor Sales	1.187.150.068	1.679.471.325
Spare Part Sales	85.620.491	34.114.427
Engine Sales	13.498.172	36.450.156
Construction Equipment Sales	1.832.808	24.202.622
Agricultural Machinery Sales	2.176.894	292.539
Other	39.739.333	87.749.481
Total Sales	1.330.017.766	1.862.280.550

20 Operating Expense

Operating expenses for the 31 March 2024 and 2023 are as follows:

	1 January- 31 March 2024	1 January- 31 March 2023
Marketing Expenses	122.623.893	161.147.534
General and Administrative Expenses	40.480.282	16.206.845
Research and Development Expenses	20.069.479	31.998.805
Total	183.173.654	209.353.184

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21 Finance Income and Expense**Finance Income**

Finance income for the 31 March 2024 and 2023 are as follows:

	1 January- 31 March 2024	1 January- 31 March 2023
Interest Income	27.094.989	20.655.128
Total	27.094.989	20.655.128

Finance Expenses

Finance expenses for the 31 March 2024 and 2023 are as follows:

	1 January- 31 March 2024	1 January- 31 March 2023
Interest Expenses	258.769.765	38.152.971
Interest Expenses from Leasing Transactions (Note 14)	460.994	465.383
Total	259.230.759	38.618.354

22 Income and Expense from Investment Activities

The Group's investment income for the years ended 31 March 2024 and 31 March 2023 is as follows:

	1 January- 31 March 2024	1 January- 31 March 2023
Earnings from Financial Investments	200.448.093	--
Total	200.448.093	--

The Group's investment expense for the years ended 31 March 2024 and 31 March 2023 is as follows:

	1 January- 31 March 2024	1 January- 31 March 2023
Losses from Financial Investments	--	67.827.588
Total	--	67.827.588

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23 Income Tax**Tax Expense**

Tax income/expense for the 31 March 2024 and 2023 are as follows:

	1 January- 31 March 2024	1 January- 31 March 2023
<u>Tax Expense Recognized in Profit or Loss</u>		
Current tax expense:		
Current tax expense	(25.171.448)	(44.360.892)
Deferred tax income / (expense):		
Arising from temporary differences	(77.227.773)	(64.351.337)
	(102.399.221)	(108.712.229)
<u>Recognized in Comprehensive Income Statement</u>		
Deferred tax income/(expense):		
Tax effects of actuarial differences	1.825.252	4.157.160
Total Tax Expense	(100.573.969)	(104.555.069)

The Reconciliation of the Effective Tax Rate

The reported tax provision for the periods 1 January-31 March 2024 and 2023 differs from the amount calculated using the statutory tax rate on profit before tax. The relevant reconciliation is as follows:

		1 January- 31 March 2024		1 January- 31 March 2023
Profit for the Period		105.424.325		142.771.145
Deduction: Current Period Tax Expense		(102.399.221)		(108.712.229)
Profit Before Tax		207.823.546		251.483.374
Calculated Corporate Tax Via Statutory Rate	25%	(51.955.887)	23%	(57.841.176)
Non-Deductible Expenses	2%	(4.264.423)	5%	(12.522.414)
Exceptions and Discounts	(26)%	53.432.383	(7)%	18.670.639
Effect of Different Tax Rates and Other	48%	(99.611.294)	23%	(57.019.278)
Total Tax Income/(Expense) Recognized in Profit or Loss	49%	(102.399.221)	43%	(108.712.229)

Deferred Tax Asset/Liabilities

As of 31 March 2023 and 31 December 2023, the deferred tax liabilities are as follows:

	31 March 2024	31 December 2023
Deferred Tax Liability	(767.191.439)	(691.788.918)
Total	(767.191.439)	(691.788.918)

The movement of deferred tax liabilities are as follows:

	1 January- 31 March 2024	1 January- 31 March 2023
Balance at 1 January	(691.788.918)	(510.677.846)
Recognized in Profit or Loss	(77.227.773)	(64.351.337)
Recognized in Other Comprehensive Income	1.825.252	4.157.160
31 March Balance	(767.191.439)	(570.872.023)

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries

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24 Earning per Share

Earnings per share are calculated by dividing the current period's net profit by the weighted average number of shares of common stock outstanding during the period. In Turkey, companies have the right to increase their capital through the distribution of bonus shares, which can be funded from the revaluation surplus or retained earnings. During the calculation of earnings per share, such increases are treated as shares distributed as dividends. Similarly, capital additions in the form of dividend distributions are also considered. Therefore, when calculating the average number of shares, it is assumed that these types of shares are in circulation throughout the entire year. Consequently, the weighted average of the number of shares used to calculate earnings per share is determined, taking into account the retroactive effects.

	1 January- 31 March 2024	1 January- 31 March 2023
The Weighted Average Number of Shares in Existence During the Period (Each 1 TL)	115.000.000	115.000.000
Net Profit for the Period	105.424.325	142.771.145
Gain Per Share (TL)	0,92	1,24

25 Financial Instruments- Risk Management and Fair Value

Financial Risk Management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about The Group's exposure to each of the above risks, The Group's objectives, policies and processes for measuring and managing risk, and The Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Financial risk management is implemented by each subsidiary within the Group according to policies approved by its own Board of Directors, following the general principles established by the Group.

Risk Management Policies

The Group's risk management policies are established with the purpose of identifying and analyzing the risks faced by the Group, setting appropriate risk limits and controls, and monitoring compliance with those limits. Risk management policies and systems are regularly reviewed to reflect changes in the market and Group activities. The Group aims to develop a disciplined and constructive control environment where all employees understand their roles and responsibilities through the implementation of its training and management standards and procedures.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect The Group's income or value of The Group's financial assets. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries**Notes to the Condensed Consolidated Interim Financial Statements****As at and for the Three-Month Period Ended 31 March 2024***(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)***25 Financial Instruments- Risk Management and Fair Value (continued)****Market Risk (continued)****(i) Currency Risk**

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency of The Group, Turkish Lira ("TL").

As of 31 March 2024, the foreign currency denominated assets and liabilities of monetary and non-monetary items are as follows:

	31 March 2024				
	TL Equivalent	US Dolar	Euro	GBP	CNY
1. Trade receivables	53.253.043	557.115	941.760	51.202	91.952
2a. Monetary assets (Including cash on hands and banks)	108.852	65	3.068	--	--
2b. Non-monetary financial assets	--	--	--	--	--
3. Other	178.064.459	2.951.385	2.374.167	--	34.048
4. Current Assets (1+2+3)	231.426.354	3.508.565	3.318.995	51.202	126.000
5. Trade receivables					
6a. Monetary assets					
6b. Non-monetary financial assets					
7. Other					
8. Non-Current Assets (5+6+7)					
9. Total Assets (4+8)	231.426.354	3.508.565	3.318.995	51.202	126.000
10. Trade payables	124.372.189	704.139	2.914.034	--	--
11. Financial liabilities	11.872.679	367.080	--	--	--
12a. Other monetary financial liabilities	8.463.233	69.479	178.289	--	--
12b. Other non-monetary financial liabilities	146.319.888	724.397	3.524.746	--	--
13. Short-Term Liabilities (10+11+12)	291.027.989	1.865.095	6.617.069	--	--
14. Trade payables	--	--	--	--	--
15. Financial Liabilities	23.751.684	734.355	--	--	--
16a. Other monetary financial liabilities	7.844.625	--	225.000	--	--
16b. Other non-monetary financial liabilities	--	--	--	--	--
17. Long-Term Liabilities (14+15+16)	31.596.309	734.355	225.000	--	--
18. Total Liabilities (13+17)	322.624.298	2.599.450	6.842.069	--	--
19. Finansal durum tablosu dışı döviz cinsi türev araçların net varlık/ (yükümlülük) pozisyonu (19a-19b)	--	--	--	--	--
19a. The amount of foreign currency derivative instruments outside the active character financial statement	--	--	--	--	--
19b. The amount of foreign currency derivative instruments outside the passive character financial statement	--	--	--	--	--
20. Net foreign currency asset/liability position (9-18+19)	(91.197.944)	909.115	(3.523.074)	51.202	126.000
21. Net foreign currency asset/ liability position of non-monetary items (TFRS 7. B23) (=1+2a+3+5+6a-10-11-12a-14-15-16a)	55.121.944	1.633.512	1.672	51.202	126.000
22. Fair value of foreign currency hedged financial assets	--	--	--	--	--
23. Hedged foreign currency assets	--	--	--	--	--
24. Hedged foreign currency liabilities	--	--	--	--	--

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries**Notes to the Condensed Consolidated Interim Financial Statements****As at and for the Three-Month Period Ended 31 March 2024**

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)

25 Financial Instruments- Risk Management and Fair Value (continued)**Market Risk (continued)****(i) Currency Risk (continued)**

As of 31 December 2023, the items denominated in foreign currencies in terms of monetary assets and liabilities are as follows:

	31 December 2023			
	TL Equivalent	US Dolar	Euro	GBP
1. Trade receivables	44.190.270	762.083	490.292	--
2a. Monetary assets (Including cash on hands and banks)	87.751	2.470	109	--
2b. Non-monetary financial assets	21.301.412	--	568.330	--
3. Other	2.272.332	1.962	--	51.202
4. Current Assets (1+2+3)	67.851.765	766.515	1.058.731	51.202
5. Trade receivables	--	--	--	--
6a. Monetary assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	--	--	--	--
8. Non-Current Assets (5+6+7)	--	--	--	--
9. Total Assets (4+8)	67.851.765	766.515	1.058.731	51.202
10. Trade payables	190.858.115	1.266.168	3.938.726	--
11. Financial liabilities	12.456.404	367.080	--	--
12a. Other monetary financial liabilities	176.413.879	928.432	3.859.266	--
12b. Other non-monetary financial liabilities	--	--	--	--
13. Short-Term Liabilities (10+11+12)	379.728.397	2.561.680	7.797.992	--
14. Trade payables	--	--	--	--
15. Financial Liabilities	--	--	--	--
16a. Other monetary financial liabilities	--	--	--	--
16b. Other non-monetary financial liabilities	--	--	--	--
17. Long-Term Liabilities (14+15+16)	--	--	--	--
18. Total Liabilities (13+17)	379.728.397	2.561.680	7.797.992	--
19. Finansal durum tablosu dışı döviz cinsi türev araçların net varlık/ (yükümlülük) pozisyonu (19a-19b)	--	--	--	--
19a. The amount of foreign currency derivative instruments outside the active character financial statement	--	--	--	--
19b. The amount of foreign currency derivative instruments outside the passive character financial statement	--	--	--	--
20. Net foreign currency asset/liability position (9-18+19)	(311.876.632)	(1.795.165)	(6.739.261)	51.202
21. Net foreign currency asset/ liability position of non-monetary items (TFRS 7. B23) (=1+2a+3+5+6a-10-11-12a-14-15-16a)	(335.450.377)	-(1.797.127)	(7.307.591)	--
22. Fair value of foreign currency hedged financial assets	--	--	--	--
23. Hedged foreign currency assets	--	--	--	--
24. Hedged foreign currency liabilities	--	--	--	--

Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

As at and for the Three-Month Period Ended 31 March 2024

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 March 2024, unless otherwise specified)

25 Financial Instruments- Risk Management and Fair Value (continued)

Market Risk (continued)

(i) Currency Risk (continued)

Currency Sensitivity

The impact of a 10% depreciation of the Turkish Lira against specified currencies on equity and profit/loss for the years ended 31 March 2024 and 31 December 2023 is shown below. This analysis assumes all other variables, especially interest rates, remain constant.

31 March 2024		
	Profit/(Loss)	
	Appreciation of foreign currency	Depreciation of foreign currency
In the case of change of USD at 10% ratio compared to TL;		
1- USD net asset / liability	2.919.972	(2.919.972)
2- Part of hedged from USD risk (-)	--	--
3- USD net effect (1+2)	2.919.972	(2.919.972)
In the case of change of EUR at 10% ratio compared to TL		
4- EUR net asset / liability	(12.303.990)	12.303.990
5- Part of hedged from EUR risk (-)	--	--
6- EUR net effect (4+5)	(12.303.990)	12.303.990
In the case of change of GBP at 10% ratio compared to TL		
7- GBP net asset / liability	208.212	(208.212)
8- Part of hedged from GBP risk (-)	--	--
9-GBP net effect (7+8)	208.212	(208.212)
In the case of change of CNY at 10% ratio compared to TL		
10- CNY net asset / liability	56.012	(56.012)
11- Part of hedged from CNY risk (-)	--	--
12- CNY net effect (10+11)	56.012	(56.012)
TOTAL (3+6+9+12)	(9.119.794)	9.119.794

31 December 2023		
	Profit/(Loss)	
	Appreciation of foreign currency	Depreciation of foreign currency
In the case of change of USD at 10% ratio compared to TL;		
1- USD net asset / liability	(6.096.335)	6.096.335
2- Part of hedged from USD risk (-)	--	--
3- USD net effect (1+2)	(6.096.335)	6.096.335
In the case of change of EUR at 10% ratio compared to TL		
4- EUR net asset / liability	(25.311.902)	25.311.902
5- Part of hedged from EUR risk (-)	--	--
6- EUR net effect (4+5)	(25.311.902)	25.311.902
In the case of change of GBP at 10% ratio compared to TL		
7- GBP net asset / liability	220.579	(220.579)
8- Part of hedged from GBP risk (-)	--	--
9-GBP net effect (7+8)	220.579	(220.579)
TOTAL (3+6+9)	(31.187.658)	31.187.658

26 Subsequent Events

None.