

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

Summary of Consolidated Financial Informations
for the Six-Month Interim Period
Ended 30 June 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 (Balance Sheet)****As at 30 June 2024***(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 30 June 2024, unless otherwise specified)*

	<i>Note</i>	Audited	Audited
ASSETS		30 June 2024	31 December 2023
Current Assets			
Cash and cash equivalents	4	268.394.226	369.995.922
Financial investments	5	768.568.109	636.718.263
Trade receivables			
-Trade receivables from related parties	3	600.996.128	700.560.015
-Trade receivables from non-related parties	7	1.046.608.697	1.334.426.314
Other receivables			
- Other receivables from related parties	3	--	238.501
- Other receivables from non-related parties	8	10.746.089	5.347.540
Inventories	9	3.392.467.184	2.650.394.219
Prepaid expenses (ST)	10	208.155.470	242.416.698
Other current assets	17	295.698.743	264.131.477
Total Current Assets		6.591.634.646	6.204.228.949
Non-Current Assets			
Other receivables			
-Other receivables from non-related parties	8	170.082	212.151
Property, plant and equipment	12	4.061.379.719	4.139.265.546
Intangible assets	13	159.051.039	108.778.099
Investment property	11	93.271.708	93.271.708
Right of use assets	14	49.042.168	55.147.174
Prepaid expenses (LT)	10	1.423.304	--
Total Non-Current Assets		4.364.338.020	4.396.674.678
Total Assets		10.955.972.666	10.600.903.627

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 30 June 2024 (Balance Sheet) (continued)***(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 30 June 2024, unless otherwise specified)*

	<i>Note</i>	Audited	Audited
LIABILITIES		30 June 2024	31 December 2023
Short Term Liabilities			
Short term borrowings	6	2.346.863.874	1.637.740.938
Short term portion of long-term borrowings	6	55.804.098	38.215.157
Trade payables			
- Trade payables to related parties	3	23.212.493	26.751.345
- Trade payables to non-related parties	7	894.566.830	1.491.809.759
Payables related to employee benefis	16	59.561.104	49.218.572
Other payables			
- Other payables to non-related parties	8	13.697.824	27.547.089
Deferred income	10	157.345.050	211.841.823
Current period tax liability		74.304.655	103.084.838
Short term provisions			
- Short term provisions for employee benefits	16	19.082.176	14.965.816
- Other short term provisions	15	72.337.774	64.783.956
Liabilities from leasing transactions	14	1.867.716	2.197.171
Total Short Term Liabilities		3.718.643.594	3.668.156.464
Long term borrowings	6	75.622.052	89.418.783
Long term provisions			
- Long term provisions for employee benefits	16	32.611.280	27.905.730
Liabilities from leasing transactions	14	11.939.872	16.039.285
Deferred tax liability	23	808.316.506	749.932.983
Total Long Term Liabilities		928.489.710	883.296.781
Total Liabilities		4.647.133.304	4.551.453.245
Equity Attributable to the Owners of the Company			
Paid-in share capital	18	115.000.000	115.000.000
Capital adjustment differences		1.333.815.316	1.333.815.316
Share premium		144.904.491	144.904.491
Accumulated other comprehensive income			
- Items will not to be reclassified in profit or loss		(19.261.006)	(19.191.634)
Restricted reserves		154.897.264	152.907.159
Retained earnings		4.320.024.945	3.492.768.363
Net profit for the period		259.458.352	829.246.687
Total Equity		6.308.839.362	6.049.450.382
Total Equity and Liabilities		10.955.972.666	10.600.903.627

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 Six-Month Period Ended 30 June 2024

(The amounts are expressed in terms of purchasing power of Turkish Lira ("TL") as of 30 June 2024, unless otherwise specified)

	Note	Reviewed	Reviewed	Reviewed	Reviewed
		1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Revenue	19	2.743.472.732	1.301.668.498	4.377.476.856	2.358.673.761
Cost of sales (-)	19	(2.012.282.298)	(947.553.440)	(3.272.700.987)	(1.741.469.953)
Gross profit		731.190.434	354.115.058	1.104.775.869	617.203.808
General administrative expenses (-)	20	(87.582.408)	(43.699.805)	(59.773.134)	(42.204.122)
Marketing expenses (-)	20	(240.274.839)	(107.344.548)	(379.114.298)	(204.422.499)
Research and development expenses (-)	20	(42.582.493)	(20.826.197)	(47.928.028)	(13.239.760)
Other operating income		41.820.545	16.317.013	73.747.574	(2.593.061)
Other operating expenses (-)		(58.156.686)	(17.413.047)	(151.256.219)	(60.066.285)
Operating profit		344.414.553	181.148.474	540.451.764	294.678.081
Incomes / (Expense) from investment activities	22	280.007.785	62.712.260	(69.703.142)	3.825.277
Operating profit before financial expenses, net		624.422.338	243.860.734	470.748.622	298.503.358
Financial expenses (-)	21	(429.805.261)	(178.158.746)	(53.986.856)	(34.513.841)
Net monetary position gain /(loss)		216.435.908	120.060.121	212.190.330	92.342.316
Profit before tax		411.052.985	185.762.109	628.952.096	356.331.833
Tax expense	23				
- Current tax expense for the period		(93.187.986)	(65.900.907)	(159.627.110)	(111.537.736)
- Deferred tax income		(58.406.647)	25.312.032	(56.088.178)	13.671.815
Profit for the period		259.458.352	145.173.234	413.236.808	258.465.912
Distribution of net profit for the period					
Equity holders of the Company		259.458.352	145.173.234	413.236.808	258.465.912
Non-controlling interest		--	--	--	--
Number of shares	24	115.000.000	115.000.000	115.000.000	115.000.000
Earnings per share	24	2,26	1,26	3,59	2,25

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)*

		Reviewed	Unreviewed	Reviewed	Unreviewed
	Note	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Net Profit of the Period		259.458.352	145.173.234	413.236.808	258.465.912
Other Comprehensive Income					
<u>That will not be Reclassified as Profit or Loss</u>					
- Actuarial Differences	16	(92.496)	7.822.154	(15.601.212)	6.931.613
- Deferred Tax Income	23	23.124	(1.955.539)	3.120.242	(1.386.322)
Total Other Comprehensive Income		(69.372)	5.866.615	(12.480.970)	5.545.291
Total Comprehensive Income		259.388.980	151.039.849	400.755.838	264.011.203

Distribution of Total Comprehensive Income

Parent Company Shares

Non-controlling Shares

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 Six-Month Period Ended 30 June 2024
(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 30 June 2024, unless otherwise specified)

				Accumulated Other Comprehensive Income and Expenses will not be Reclassified to Profit or Loss				
	Paid-In Share Capital	Differences in Capital Adjustment	Share Premiums	Accumulated Remeasurement Gains/Losses on Defined Benefit Plans	Restricted Reserves Appropriated from Profit	Retained Earnings	Net Profit for the Period	Total Equity
Balance at 1 January 2023	115.000.000	1.333.815.316	144.904.491	(10.406.294)	152.907.159	3.009.787.662	482.980.701	5.228.989.035
Transfers	--	--	--	--	--	482.980.701	(482.980.701)	--
Profit for the period	--	--	--	--	--	--	413.236.808	413.236.808
Other comprehensive income	--	--	--	(12.480.967)	--	--	--	(12.480.967)
Actuarial differences	--	--	--	(12.480.967)	--	--	--	(12.480.967)
Balance at 30 June 2023	115.000.000	1.333.815.316	144.904.491	(22.887.261)	152.907.159	3.492.768.363	413.236.808	5.629.744.876
Balance at 1 January 2024	115.000.000	1.333.815.316	144.904.491	(19.191.634)	152.907.159	3.492.768.363	829.246.687	6.049.450.382
Transfers	--	--	--	--	1.990.105	827.256.582	(829.246.687)	--
Profit for the period	--	--	--	--	--	--	259.458.352	259.458.352
Other comprehensive income	--	--	--	(69.372)	--	--	--	(69.372)
Actuarial differences	--	--	--	(69.372)	--	--	--	(69.372)
Balance at 30 June 2024	115.000.000	1.333.815.316	144.904.491	(19.261.006)	154.897.264	4.320.024.945	259.458.352	6.308.839.362

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 Six-Month Period Ended 30 June 2024

(The amounts are expressed in terms of purchasing power of Turkish Lira ("TL") as of 30 June 2024, unless otherwise specified)

	Note	Audited 1 January- 30 June 2024	Audited 1 January- 30 June 2023
Net profit for the period		259.458.352	413.236.808
Reconciliation of net cash provided by operating activities to net profit:			
Adjustment related to depreciation and amortization	12,13,14	168.332.451	157.283.356
Adjustment related to provision for severance pay	16	7.810.959	6.186.664
Adjustment related to fair value changes of financial investments			
-Adjustments for fair value losses (gains) on financial assets	22	(280.007.785)	69.703.142
Tax (income)/ losses	23	151.594.633	215.715.288
Provision of litigation and guarantee	15	22.006.874	49.688.560
Provisions for unused leave	16	7.601.675	5.445.267
Adjustment related to provision of impairment/ (cancellation) of inventory		--	(1.785.372)
Interest expenses from leases	14	940.979	1.073.312
Interest expense	21	428.864.282	52.913.544
Monetary gains and losses		(37.198.044)	238.381.322
Net cash flow before change in assets and liabilities			
Changes in assets and liabilities			
Change in trade receivables and other receivables		375.752.718	(368.599.818)
Change in inventories		(742.072.965)	(951.656.055)
Change in prepaid expenses and other assets and liabilities		1.270.658	(336.699.340)
Change in trade payables and other payables		(614.631.045)	312.077.009
Change in payables related employee benefits		10.342.532	25.289.694
Change in deferred income		(54.496.773)	(149.485.212)
Employee severance paid	16	(3.680.331)	(19.744.057)
Cash outflows of payments from leasing agreements	14	(1.812.976)	(1.669.267)
Taxes received / (paid)		(25.902.774)	(117.618.669)
Net cash generated / (used) from operations		(325.826.580)	(400.263.824)
Cashoutflows from investing activities			
Changes in financial investments		--	1.201.180
Cash inflows from the sale of shares or debt instruments		148.157.939	(230.679.606)
of other enterprises or funds			
Purchases of tangible and intangible assets	12,13	(134.614.558)	(104.624.990)
Sales of tangible assets	12,13	--	925.987
Net cash generated / (used) in investing activities		13.543.381	(333.177.429)
Financing activities, Net cash			
Financial borrowings, net		712.915.146	478.023.555
Interest paid		(428.864.282)	(52.913.544)
Net cash provided from financing activities		284.050.864	425.110.011
Net increase/(decrease) in cash and cash equivalents		(28.232.335)	(308.331.242)
Inflation effect on cash and cash equivalents		(73.369.361)	(335.812.947)
Cash and cash equivalents at the beginning of the period	4	369.995.922	804.844.073
Cash and cash equivalents at the end of the period	4	268.394.226	160.699.884

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 Six-Month Period Ended 30 June 2024

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 30 June 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:

	30 June 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
Publicly held	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 Six-Month Period Ended 30 June 2024

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 30 June 2024, unless otherwise specified)

1 Organization and Nature of Operation (continued)

As of 30 June 2024, The Company has 645 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 30 June, 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 30 June 2024 prepared by fully consolidating the subsidiaries stated below to the Company.

Company	Rate of Control	
	30 June 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 Six-Month Period Ended 30 June 2024

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 30 June 2024, unless otherwise specified)

2 Basis of Presentation of Financial Statements

2.1 Basis of Presentation

(a) Basis of presentation of financial statements

As of 30 June 2024, the consolidated financial statements and their notes have been prepared in accordance with the Turkish Accounting Standards ("TAS"), which have been issued and enacted by the Public Oversight, Accounting and Auditing Standards Authority ("POA") in compliance with the provisions of the Capital Markets Board's ("CMB") Communiqué on Principles of Financial Reporting in Capital Markets (II-14.1) published in the Official Gazette dated 13 June 2013 and numbered 28676. TAS consists of the Turkish Accounting Standards, Turkish Financial Reporting Standards ("TFRS"), and related appendices and interpretations.

The consolidated financial statements have been presented in accordance with the formats specified in the TFRS 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 30 June 2023 based on the purchasing power at 30 June 2024.

The Group has therefore restated the financial statements as of 30 June 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 Six-Month Period Ended 30 June 2024

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 30 June 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
30.06.2024	2.319,29	1,00000	324%
31.12.2023	1.859,38	1,24735	268%
30.06.2023	1.351,59	1,71597	190%

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 Six-Month Period Ended 30 June 2024

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 30 June 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 Statement of Profit or Loss

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 accompanying financial statements are presented in TL, the functional currency of the Group. All financial information is presented in TL, unless otherwise stated.

(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 Six-Month Period Ended 30 June 2024

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 30 June 2024, unless otherwise specified)

2 Basis of Presentation of Financial Statements (continued)

2.1 Basis of Presentation (continued)

(g) Basis of Consolidation

As of 30 June 2024 and 31 December 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 30 June 2024 and 31 December 2023 for all subsidiaries directly controlled by the Group and included in the scope of consolidation:

Company	Rate of Control	
	30 June 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 or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

(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

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 30 June 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 19 September 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 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 30 June, 2024 are consistent with those applied in the previous year, except for new and amended TFRS and TFRS interpretations effective as of 1 January 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 30 June 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

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(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 30 June 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 30 June 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 30 June 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 30 June 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 30 June 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 30 June 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 31 December 2023, in the interim summary consolidated financial statements.

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 30 June 2024, unless otherwise specified)

[illegible]

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 30 June 2024, details regarding the related parties and significant balances are as follows:

	Receivables	Payables
30 June 2024	Short-Term	Short-Term
	Commercial	Commercial
Alport Conakry	9.076.971	--
Yeşil Adamlar	704.848	--
Transbaş	7.875	--
Sukkar	647.818	--
Albayrak Construction Sarlu	644.312	--
Albil	63.287.824	7.510.358
Ereğli Tekstil	5.089.971	--
Varaka Kağıt	41.725.097	6.051.876
Ketebe Kitap	393.134	54
Albayrak Agro - Business - Sarlu	288.623	--
Kademe Atık	263.875.758	--
Albayrak İnşaat	213.751.200	--
Dolu Akaryakıt	161.748	--
Nakil Lojistik	1.748	5.905.568
Trabzon Liman	1.339.201	--
Mezra Ziraat	--	1.790.250
Platform Turizm	--	1.013.595
Asist Oto	--	123.872
Birlikte Dağıtım	--	534.182
Reklam Piri	--	282.738
Total	600.996.128	23.212.493

As of 31 Aralık 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	500.265.178	39.827	242.822
Albayrak İnşaat	96.986.635	--	--
Varaka Kağıt	39.248.513	--	--
Albil	30.487.200	198.607	15.154.838
Mezra Ziraat	10.819.478	--	--
Platform Turizm	6.760.733	--	--
Alport Conakry	6.750.108	--	--
Ereğli Tekstil	4.090.294	--	--
Mogadishu	2.462.243	--	--
Yeşil Adamlar	847.756	--	--
Albayrak Construction Sarlu	745.237	--	--
Sukkar	360.944	--	--
Albayrak Agro - Business – Sarlu	333.833	--	--
Ketebe Kitap	216.457	67	--
Dolu Akaryakıt	175.583	--	--
Transbaş	9.823	--	--
Asist Oto	--	--	100.486
Birlikte Dağıtım	--	--	794.961
Nakil Lojistik	--	--	610.276
Piri Medya	--	--	--
Reklam Piri	--	--	9.847.962
Total	700.560.015	238.501	26.751.345

(*) 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

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(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 30 June 2024, unless otherwise specified)

3 Related Party Disclosures (continued)

Purchases and Expenses

For the periods 1 January – 30 June 2024 and 1 January – 30 June 2023, purchases from the related parties are as follows:

	1 January- 30 June 2024		1 January- 30 June 2023	
Purchase	Purchase of Goods and Service	Other	Purchase of Goods and Service	Other
Asist Oto	86.563	145.305	152.802	--
İntrotema	751	--	--	--
Yaşam Tekstil	5.969.721	--	3.996.979	--
Platform Turizm	467	294.879	--	--
Kademe Atık	337.133.396	--	533.779.121	--
Reklam Piri	3.816.210	--	407.855	--
Nakil Lojistik	26.001.173	--	26.282.917	36.301
Albil	22.352.925	3.107.019	29.106.244	--
Varaka Kağıt	21.391.665	--	53.574.964	--
Dolu Akaryakıt	2.629.259	--	4.512.200	1.155.363
Free Lojistik	2.056.717	--	--	--
Bayteks Giyim	174.902	--	504.621	--
Birlikte Dağıtım	1.994.793	1.032.081	2.501.740	--
Mezra Ziraat	1.806.156	--	--	--
Birun Ada	1.502.232	--	--	--
Piri Medya	1.341	--	52.568	--
Albayrak Holding	--	5.695.357	--	6.116.533
Ketebe Kitap	--	--	31.064	--
Total	426.918.271	10.274.641	654.903.075	7.308.197

Sales and Income

For the periods 1 January – 30 June 2024 and 1 January – 30 June 2023 sales to the related parties are as follows:

	1 January- 30 June 2024		1 January- 30 June 2023	
Sale	Purchase of Goods and Service	Other	Purchase of Goods and Service	Other
Kademe Atık	133.406.240	3.264.321	93.272.150	1.133.147
Albayrak İnşaat	102.140.381	--	175.924	--
Mezra Ziraat	20.208.043	--	3.734.102	--
Alport Conakry	3.373.560	--	4.889.227	--
Trabzon Liman	1.972.144	--	--	--
Ereğli Tekstil	1.901.115	--	3.600.148	--
Varaka Kağıt	1.727.661	94.598	342.004	81.678
Mogadishu	209.405	--	--	--
Nakil Lojistik	7.915	197.016	39.543	108.904
Albil	2.940	--	4.250	--
Yaşam Tekstil	--	--	19.566	--
Bolber	--	--	983.691	--
Bayteks Giyim	--	--	244.187	--
Asist Oto	--	--	212.779	--
Ketebe Kitap	--	196.372	--	216.462
Sukkar	--	--	500.330	--
Total	264.949.404	3.752.307	108.017.901	1.540.191

Benefits Provided to Senior Management

The total benefits provided to senior management for the year ended 30 June 2024 amounted to 6.050.842 TL (30 June 2023: 8.218.928 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 30 June 2024 and 31 December 2023, cash and cash equivalents are as follows::

	30 June 2024	31 December 2023
Banks		
-Demand deposit	268.394.226	369.995.922
Total	268.394.226	369.995.922

As of 30 June 2024, there is no account under any blockage or pledge (31 December 2023: None).

5 Financial Investments

As of 30 June 2024 and 31 December 2023, short term financial investments are as follows:

	30 June 2024	31 December 2023
Investment Funds	768.568.109	636.718.263
Total	768.568.109	636.718.263

6 Financial Borrowings

Bank Loans

As of 30 June 2024 and 31 December 2023, financial borrowings of The Group are as follows:

	30 June 2024	31 December 2023
<i>Short Term Financial Borrowings</i>		
Short Term Bank Loans	2.346.863.874	1.637.740.938
Short Term Portion of Long Term Loans	55.804.098	38.215.157
Total	2.402.667.972	1.675.956.095
<i>Long-term Financial Borrowings</i>		
Long-Term Bank Loans	75.622.052	89.418.783
Total	75.622.052	89.418.783

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6 Financial Borrowings (continued)

Bank Loans (continued)

As of 30 June 2024 and 31 December 2023, the maturity and terms of outstanding loans are as follows:

	30 June 2024		31 December 2023	
	Effective Int. Rate %	TL Equivalent	Effective Int. Rate %	TL Equivalent
Short-Term Loans				
- Turkish Lira	30-53%	2.346.863.874	30-53%	1.624.261.911
- USD	--	--	Revolving	13.479.027
Short-Term Portion of Long-Term Loans				
- Turkish Lira	30-53%	36.010.427	30-53%	38.215.157
- USD	8-12%	19.793.671	--	--
Long-Term Loans				
- Turkish Lira	30-53%	55.828.381	30-53%	89.418.783
- USD	8-12%	19.793.671	--	--
Total Loans		2.478.290.024		1.765.374.878

As of 30 June 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 30 June 2024 and 31 December 2023, short-term trade receivables from non-related parties are as follows:

	30 June 2024	31 December 2023
Receivables	243.164.128	253.936.276
Notes Receivables	229.404.072	141.887.273
Direct Debiting System Receivables (*)	591.919.123	962.992.198
Provision for Doubtful Receivables	(17.878.626)	(24.389.433)
Total	1.046.608.697	1.334.426.314

(*) 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 30 June 2024 and 31 December 2023, short-term trade payables to non-related parties are as follows:

	30 June 2024	31 December 2023
Sellers	698.071.784	1.004.945.227
Notes Payables	195.921.170	413.991.601
Other Trade Payables	573.876	72.872.931
Total	894.566.830	1.491.809.759

Tümosan Motor ve Traktör Sanayi A.Ş. and Its Subsidiaries
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8 Other Receivables and Payables

Other Short Term Receivables

As of 30 June 2024 and 31 December 2023, other short-term receivables from non-related parties are as follows:

	30 June 2024	31 December 2023
Receivables from Personnel	7.400.588	2.999.859
Refundable Taxes	2.740.358	1.527.762
Deposits and Guarantees Given	605.143	819.919
Total	10.746.089	5.347.540

Other Long Term Receivables

As of 30 June 2024 and 31 December 2023, other long-term receivables from non-related parties are as follows:

	30 June 2024	31 December 2023
Deposits and Guarantees Given	170.082	212.151
Total	170.082	212.151

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

Other Short Term Payables

As of 30 June 2024 and 31 December 2023, other short-term payables to non-related parties are as follows:

	30 June 2024	31 December 2023
Refundable Deposit and Guarantees	6.656.100	7.693.693
Payables to Tax Office	5.576.463	6.280.506
Installed Tax Payables	87.183	13.332.422
Others Payables	1.378.078	240.468
Total	13.697.824	27.547.089

9 Inventories

As of 30 June 2024 and 31 December 2023, details of inventories are as follows:

	30 June 2024	31 December 2023
Materials and Spare Parts	873.279.890	1.975.607.210
Semi-Finished Goods	180.651.262	256.906.031
Goods	2.272.555.059	340.694.226
Commercial Goods	47.807.069	43.558.672
Goods in Transit	6.233.228	22.503.511
Other Inventories	11.940.676	11.124.569
Total	3.392.467.184	2.650.394.219

Tümosan Motor ve Traktör Sanayi A.Ş. and Its Subsidiaries**Notes to the Condensed Consolidated Interim Financial Statements****As at and for the Six-Month Period Ended 30 June 2024***(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 30 June 2024, unless otherwise specified)***10 Prepaid Expenses and Deferred Income*****Short Term Prepaid Expenses***

As of 30 June 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;

	30 June 2024	31 December 2023
Advances Given	179.962.182	190.175.850
Expenses for Upcoming Months	26.533.231	51.165.252
Business Advances	1.577.062	935.600
Personnel Advances	82.995	139.996
Total	208.155.470	242.416.698

Long Term Prepaid Expenses

As of 30 June 2024 and 31 December 2023, the portion of prepaid expenses from non-related parties classified under non-current assets consists of the following items:

	30 June 2024	31 December 2023
Advances Given	1.423.304	--
Total	1.423.304	--

Short Term Deferred Incomes

	30 June 2024	31 December 2023
Advances Received	157.345.050	211.841.823
Total	157.345.050	211.841.823

11 Investment Properties

As of 30 June 2024 and 30 June 2023, details of investment properties are as follows::

	1 January- 30 June 2024	1 January- 30 June 2023
Cost Value		
1 January Opening Balance	93.271.708	93.271.708
31 December Balance	93.271.708	93.271.708
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	93.271.708	93.271.708
Net Book Value of end of the Period	93.271.708	93.271.708

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12 Property, Plant and Equipment

For the periods ended 30 June 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	2.323.722.214	48.797.555	504.824.203	1.496.904.039	169.684.857	266.580.934	133.114.346	100.490.076	5.044.118.224
Additions	1.929.126	--	3.449.253	27.919.076	43.131	16.217.930	16.600.229	130.751	66.289.496
30 June 2024 Balance	2.325.651.340	48.797.555	508.273.456	1.524.823.115	169.727.988	282.798.864	149.714.575	100.620.827	5.110.407.720
Less: Accumulated Depreciation									
1 January 2024 Opening	--	(10.767.643)	(37.648.163)	(460.484.984)	(82.483.761)	(213.736.409)	--	(99.731.718)	(904.852.678)
Current Period Depreciation	--	(1.498.452)	(4.562.354)	(116.732.042)	(11.486.156)	(9.752.555)	--	(143.764)	(144.175.323)
30 June 2024 Balance	--	(12.266.095)	(42.210.517)	(577.217.026)	(93.969.917)	(223.488.964)	--	(99.875.482)	(1.049.028.001)
1 January 2024 Net Book Value	2.323.722.214	38.029.912	467.176.040	1.036.419.055	87.201.096	52.844.525	133.114.346	758.358	4.139.265.546
30 June 2024 Net Book Value	2.325.651.340	36.531.460	466.062.939	947.606.089	75.758.071	59.309.900	149.714.575	745.345	4.061.379.719

The Group has mortgages totaling 4,200,000,000 TL on property, plant and equipment (31 December 2023: 2,821,967,995 TL).

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

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12 Property, Plant and Equipment (continued)

For the periods ended 30 June 2023 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	2.323.722.214	48.624.632	505.297.216	1.193.795.674	157.203.736	236.175.309	140.011.171	100.297.314	4.705.127.266
Additions	--	--	--	21.978.407	402.161	19.630.220	12.642.350	192.764	54.845.902
Disposal	--	--	--	--	(13.083.794)	--	--	--	(13.083.794)
30 June 2023 Balance	2.323.722.214	48.624.632	505.297.216	1.215.774.081	144.522.103	255.805.529	152.653.521	100.490.078	4.746.889.374
Less: Accumulated Depreciation									
1 January 2023 Opening	--	(7.782.061)	(28.753.975)	(218.094.326)	(74.503.426)	(198.540.027)	--	(99.489.015)	(627.162.830)
Current Period Depreciation	--	(1.492.276)	(4.549.838)	(119.762.951)	(8.904.959)	(6.776.576)	--	(120.503)	(141.607.103)
Disposal	--	--	--	--	12.157.807	--	--	--	12.157.807
30 June 2023 Bakiyesi	--	(9.274.337)	(33.303.813)	(337.857.277)	(71.250.578)	(205.316.603)	--	(99.609.518)	(756.612.126)
1 January 2023 Net Book Value	2.323.722.214	40.842.571	476.543.241	975.701.348	82.700.310	37.635.282	140.011.171	808.299	4.077.964.436
30 June 2023 Net Book Value	2.323.722.214	39.350.295	471.993.403	877.916.804	73.271.525	50.488.926	152.653.521	880.560	3.990.277.248

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)

13 Intangible Assets

Intangible assets consist development costs, rights and licenses, and accumulated depreciation. For the periods ended 30 June 2024 and 30 June 2023, movement of intangible assets are as follows:

	1 January- 30 June 2024	1 January- 30 June 2023
Value of Cost		
Balance at 1 January	568.286.092	489.307.924
Additions	68.325.062	49.779.088
30 June Balance	636.611.154	539.087.012
Less: Accumulated Amortization		
Balance at 1 January	(459.507.993)	(431.268.522)
Current Period Amortization	(18.052.122)	(11.436.680)
30 June Balance	(477.560.115)	(442.705.202)
1 January Net Book Value	108.778.099	58.039.402
30 June Net Book Value	159.051.039	96.381.810

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.

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	30 June 2024
<u>Value of Cost</u>			
Buildings	87.270.976	--	87.270.976
Total	87.270.976	--	87.270.976
<u>Accumulated Depreciation</u>			
Buildings	(32.123.802)	(6.105.006)	(38.228.808)
Total	(32.123.802)	(6.105.006)	(38.228.808)
Net Carrying Value	55.147.174	(6.105.006)	49.042.168

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14 Leasing Transactions (continued)

Right of Use Assets (continued)

	1 January 2023	Intreperiod Increase	30 June 2023
<u>Value of Cost</u>			
Buildings	76.433.532	10.880.788	87.314.320
Total	76.433.532	10.880.788	87.314.320
<u>Accumulated Depreciation</u>			
Buildings	(23.804.221)	(4.239.573)	(28.043.794)
Total	(23.804.221)	(4.239.573)	(28.043.794)
Net Carrying Value	52.629.311	6.641.215	59.270.526

Liabilities from Leasing Transaction

The balances of lease liabilities from leasing transactions as of 30 June, 2024, and 31 December 2023, are as follows;

	30 June 2024	31 December 2023
Liabilities from Leasing Transaction (Short term)	1.867.716	2.197.171
Liabilities from Leasing Transaction (Long term)	11.939.872	16.039.285
Total	13.807.588	18.236.456

The movements of lease liabilities for the years ended 30 June 2024 and 30 June 2023 are as follows:

	30 June 2024	30 June 2023
Opening balance	18.236.456	18.050.113
Payments	(1.812.976)	(1.669.267)
Interest Expense (Note 21)	940.979	1.073.312
Intreperiod Increase	--	10.880.788
Monetary Loss/ Gain	(3.556.871)	(2.947.436)
Balance of end of the period	13.807.588	25.387.510

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15 Provisions, Contingent Assets and Liabilities

a) Provisions

As of 30 June 2024 and 31 December 2023 The Group's provisions are as follows:

	30 June 2024	31 December 2023
Warranty Provisions (*)	67.694.607	57.775.307
Litigation Provision (**)	4.643.167	7.008.649
Short Term Provisions	72.337.774	64.783.956

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

	1 January- 30 June 2024	1 January- 30 June 2023
1 January Balance	57.775.307	54.315.835
Intreperiod Increase	22.937.947	47.605.413
Monetary Loss/ Gain	(13.018.647)	(11.566.316)
Balance of end of the period	67.694.607	90.354.932

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

	1 January- 30 June 2024	1 January- 30 June 2023
1 January Balance	7.008.649	8.433.435
Intreperiod Increase / (Decrease)	(931.073)	2.083.147
Monetary Loss/ Gain	(1.434.409)	(1.506.045)
Balance of end of the period	4.643.167	9.010.537

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15 Provisions, Contingent Assets and Liabilities (continued)

b) Guarantee – Pledge – Mortgage - Warranty (“GPM”)

As of 30 June 2024 and 31 December 2023 The Group’s guarantee/pledge/mortgage positions are as follows:

GPM given by Group (TL Equivalents)	30 June 2024	31 December 2023
A. The total amount of GPM given on behalf of its own legal entity.	226.864.589	63.134.741
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. (*)	2.743.999.695	3.159.442.917
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	2.970.864.284	3.222.577.658

As of 30 June, 2024, the monetary positions of the GPM provided by the Group are shown below;

	30 June 2024	31 December 2023
Turkish Lira	2.874.226.577	3.189.659.990
USD	96.637.707	32.917.669
Total	2.970.864.284	3.222.577.659

(*) 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.

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16 Employee Benefits

Payables Related to the Employee Benefits

As of 30 June 2024 and 31 December 2023, short-term payables related to the employee benefits are as follows:

	30 June 2024	31 December 2023
Social Security Withholdings Payable	28.205.773	19.721.205
Wages and Salaries Payable	25.035.860	22.385.309
Funds and Taxes Payable	6.319.471	7.112.058
Total	59.561.104	49.218.572

Short Term Provisions for Employee Benefits

As of 30 June 2024 and 31 December 2023, short-term provisions related to the employee benefits are as follows:

	30 June 2024	31 December 2023
Provision for Unused Vacation	19.082.176	14.965.816
Total	19.082.176	14.965.816

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

	1 January- 30 June 2024	1 January- 30 June 2023
Beginning of the Period	14.965.816	14.214.119
Provision Allocated During the Period	7.601.675	5.445.267
Monetary Loss/Gain	(3.485.315)	(2.643.963)
End of the Period	19.082.176	17.015.423

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.

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16 Employee Benefits (continued)

Long Term Provisions for Employee Benefits

As of 30 June 2024 and 31 December 2023, long-term provisions for employee benefits are as follows:

	30 June 2024	31 December 2023
Provision for Employment Termination	32.611.280	27.905.730
Total	32.611.280	27.905.730

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 30 June 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	30 June 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 30 June 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- 30 June 2024	1 January- 30 June 2023
Balance at 1 January	27.905.730	31.678.875
Cost of Services	3.077.999	2.738.968
Interest Expense	4.732.960	3.447.696
Actuarial Loss /Gain	92.496	15.601.212
Payments	(3.680.331)	(19.744.057)
Monetary Loss /Gain	482.426	(4.489.826)
Balance at 30 June	32.611.280	29.232.868

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17 Other Assets and Liabilities

As of 30 June 2024 and 31 December 2023, details of other assets and liabilities are as follows:

	30 June 2024	31 December 2023
Deferred VAT	293.167.330	264.084.719
Other	2.531.413	46.758
Total	295.698.743	264.131.477

18 Capital, Reserves and Other Equity Items

Paid in Capital

As of 30 June 2024 and 31 December 2023, capital structure of The Group are as follows:

	30 June 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	10,44%	12.001.285	10,43%	12.000.000
Other	28,69%	32.998.715	28,70%	33.000.000
Paid in Capital	100%	115.000.000	100%	115.000.000
Differences of Capital Adjustment		1.333.815.316		1.333.815.316
Total		1.448.815.316		1.448.815.316

All of The Group's capital has been paid in as of 30 June 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 30 June 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

	30 June 2024	31 December 2023
Defined Benefit Plans Remeasurements (Losses) Gains	(19.261.006)	(19.191.634)
Total	(19.261.006)	(19.191.634)

The comparison of the relevant equity items presented on an inflation-adjusted basis in the Company's consolidated financial statements as of 30 June 2024 with the inflation-adjusted amounts in the consolidated financial statements prepared in accordance with legal regulations is as follows.

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19 Revenue

Sales and Cost of Sales for the periods as of 1 January- 30 June 2024 and 2023 are as follows:

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Domestic Sales	2.838.168.270	1.374.456.563	4.291.254.210	2.284.597.592
Foreign Sales	21.144.054	9.674.975	70.021.000	54.963.696
Other Incomes	--	--	20.364.981	20.363.264
Gross Sales	2.859.312.324	1.384.131.538	4.381.640.191	2.359.924.552
Sales Returns and Discounts (-)	(115.839.592)	(82.463.040)	(4.163.335)	(1.250.791)
Net Sales	2.743.472.732	1.301.668.498	4.377.476.856	2.358.673.761
Cost of Sales (-)	(2.012.282.298)	(947.553.440)	(3.272.700.987)	(1.741.469.953)
Gross Profit	731.190.434	354.115.058	1.104.775.869	617.203.808

The revenue of sales on product basis are as follows:

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Tractor Sales	2.245.841.754	958.913.084	3.957.589.095	2.136.960.131
Spare Part Sales	219.264.492	126.447.697	71.292.131	34.310.426
Engine Sales	36.006.545	21.373.867	82.256.044	42.742.294
Construction Equipment Sales	7.241.224	5.254.371	36.090.817	9.853.992
Agricultural Machinery Sales	5.234.617	2.874.758	950.529	633.402
Other	229.884.100	186.804.721	229.298.240	134.173.516
Total Revenue	2.743.472.732	1.301.668.498	4.377.476.856	2.358.673.761

20 Operating Expense

Operating expenses for the 1 January-30 June 2024 and 2023 are as follows:

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Marketing Expenses	240.274.839	107.344.548	379.114.298	204.422.499
General and Administrative Expenses	87.582.408	43.699.805	59.773.134	42.204.122
Research and Development Expenses	42.582.493	20.826.197	47.928.028	13.239.760
Total	370.439.740	171.870.550	486.815.460	259.866.381

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21 Finance Income and Expense

Finance Expenses

Finance expenses for the 1 January-30 June 2024 and 2023 are as follows:

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Interest Expenses	428.864.282	177.659.006	52.913.544	34.009.343
Interest Expenses from Leasing Transactions (Note 14)	940.979	499.740	1.073.312	504.498
Total	429.805.261	178.158.746	53.986.856	34.513.841

22 Income and Expense from Investment Activities

The Group's investment income for the years ended 1 January-30 June 2024 and 2023 is as follows:

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Earnings from Financial Investments	280.007.785	62.712.260	--	3.825.277
Total	280.007.785	62.712.260	--	3.825.277

The Group's investment expense for the years ended 1 January-30 June 2024 and 2023 is as follows:

	1 January- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
Losses from Financial Investments	--	--	69.703.142	--
Total	--	--	69.703.142	--

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23 Income Tax

Tax Expense

Tax income/expense for the 30 June 2024 and 2023 are as follows:

	1 January- 30 June 2024	1 January- 30 June 2023
<u>Recognized in Profit or Loss</u>		
Current tax expense:		
Current tax expense	(93.187.986)	(159.627.110)
Deferred tax income / (expense):		
Arising from temporary differences	(58.406.647)	(56.088.178)
	(151.594.633)	(215.715.288)
<u>Recognized in Comprehensive Income Statement</u>		
Deferred tax income/(expense):		
Tax effects of actuarial differences	23.124	3.120.242
Total Tax Expense	(151.571.509)	(212.595.046)

The Reconciliation of the Effective Tax Rate

The reported tax provision for the periods 1 January-30 June 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- 30 June 2024		1 January- 30 June 2023
Profit for the Period		259.458.352		413.236.808
Deduction: Current Period Tax Expense		(151.594.633)		(215.715.288)
Profit Before Tax		411.052.985		628.952.096
Calculated Corporate Tax Via Statutory Rate	25%	(102.763.246)	23%	(144.658.982)
Non-Deductible Expenses	2%	(6.224.763)	5%	(30.996.358)
Exceptions and Discounts	(0,8)%	3.112.907	(5,7)%	35.560.303
Effect of Different Tax Rates and Other	11%	(45.719.531)	12%	(75.620.251)
Total Tax Income/(Expense) Recognized in Profit or Loss	37%	(151.594.633)	34%	(215.715.288)

Deferred Tax Asset/Liabilities

As of 30 June 2024 and 31 December 2023, the deferred tax liabilities are as follows:

	30 June 2024	31 December 2023
Deferred Tax Liability	(808.316.506)	(749.932.983)
Total	(808.316.506)	(749.932.983)

The movement of deferred tax liabilities are as follows:

	1 January- 30 June 2024	1 January- 30 June 2023
Balance at 1 January	(749.932.983)	(553.599.733)
Recognized in Profit or Loss	(58.406.647)	(56.088.178)
Recognized in Other Comprehensive Income	23.124	3.120.242
30 June Balance	(808.316.506)	(606.567.669)

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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- 30 June 2024	1 April- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2023
The Weighted Average Number of Shares in Existence During the Period (Each 1 TL)	115.000.000	115.000.000	115.000.000	115.000.000
Net Profit for the Period	259.458.352	145.173.234	413.236.808	258.465.912
Gain Per Share (TL)	2,26	1,26	3,59	2,25

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

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

Market Risk (continued)

(i) Currency Risk

The Group is exposed to currency risk due to purchases made in foreign currencies and bank loans. The Group manages this currency risk by engaging in forward foreign exchange contracts and foreign currency options.

As of 30 June 2024, the foreign currency denominated assets and liabilities of monetary and non-monetary items are as follows:

	30 June 2024				
	TL Equivalent	US Dolar	Euro	GBP	CNY
1. Trade receivables	61.114.934	640.467	1.069.107	51.202	91.952
2a. Monetary assets (Including cash on hands and banks)	4.470	42	88	--	--
2b. Non-monetary financial assets	--	--	--	--	--
3. Other	212.558.945	4.007.964	2.301.264	--	34.048
4. Current Assets (1+2+3)	273.678.349	4.648.473	3.370.459	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)	273.678.349	4.648.473	3.370.459	51.202	126.000
10. Trade payables	108.607.580	1.179.023	1.971.619	10.814	--
11. Financial liabilities	17.514.974	532.608	--	--	--
12a. Other monetary financial liabilities	8.257.176	60.297	178.289	--	--
12b. Other non-monetary financial liabilities	147.892.515	724.397	3.524.746	689	--
13. Short-Term Liabilities (10+11+12)	282.272.245	2.496.325	5.674.654	11.503	--
14. Trade payables	--	--	--	--	--
15. Financial Liabilities	41.315.315	1.256.346	--	--	--
16a. Other monetary financial liabilities	3.167.253	--	90.000	--	--
16b. Other non-monetary financial liabilities	--	--	--	--	--
17. Long-Term Liabilities (14+15+16)	44.482.568	1.256.346	90.000	--	--
18. Total Liabilities (13+17)	326.754.813	3.752.671	5.764.654	11.503	--
19. Net asset/(liability) position of derivative instruments in foreign currencies off the statement of financial position (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)	(53.076.464)	895.802	(2.394.195)	39.699	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)	(53.076.464)	895.802	(2.394.195)	39.699	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	47.904.411	762.083	490.292	--
2a. Monetary assets (Including cash on hands and banks)	95.126	2.470	109	--
2b. Non-monetary financial assets	23.091.771	--	568.330	--
3. Other	2.463.319	1.962	--	51.202
4. Current Assets (1+2+3)	73.554.627	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)	73.554.627	766.515	1.058.731	51.202
10. Trade payables	206.899.520	1.266.168	3.938.726	--
11. Financial liabilities	13.503.350	367.080	--	--
12a. Other monetary financial liabilities	191.241.263	928.432	3.859.266	--
12b. Other non-monetary financial liabilities	--	--	--	--
13. Short-Term Liabilities (10+11+12)	411.644.133	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)	411.644.133	2.561.680	7.797.992	--
19. Net asset/(liability) position of derivative instruments in foreign currencies off the statement of financial position (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)	(338.089.506)	(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)	(338.089.506)	(1.795.165)	(6.739.261)	51.202
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)***Sensitivity Analysis*

The impact of a 10% depreciation of the Turkish Lira against specified currencies on equity and profit/loss for the years ended 30 June 2024 and 31 December 2023 is shown below. This analysis assumes all other variables, especially interest rates, remain constant.

30 June 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.