

**Tümosan Motor ve Traktör Sanayi A.Ş.**

**and its Subsidiaries**

Convenience Translation into English of Condensed  
Consolidated Interim Financial Statements for the Nine-  
Month Period Ended and Review Report 30 September 2021  
(Originally Issued in Turkish)

**Tümosan Motor ve Traktör Sanayi Anonim Şirketi**  
**and its Subsidiaries**

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

## Consolidated Interim Statement of Financial Position

As at 30 September 2021

Monetary Unit: Turkish Lira ("TL")

	Notes	Reviewed	Audited
ASSETS		30 September 2021	31 December 2020
<b>Current assets</b>			
Cash and cash equivalents	4	16.478.358	55.360.472
Financial investments	5	117.506.955	101.434.582
Trade receivables			
-Trade receivables from related parties	3	17.889.074	20.991.583
-Trade receivables from non-related parties	7	171.788.834	208.293.834
Other receivables			
- Other receivables from related parties	3	21.068.784	97.398.818
- Other receivables from non-related parties	8	24.346.375	5.827.520
Inventories	9	455.968.658	178.414.943
Prepaid expenses	10	47.892.503	22.950.485
Current tax assets		917	286.845
Other current assets	16	10.683.575	18.822.867
<b>Total Current Assets</b>		<b>883.624.033</b>	<b>709.781.949</b>
<b>Non-current assets</b>			
Financial investments		700.000	700.000
Trade receivables			
-Trade receivables from non-related parties	7	--	2.142.505
Other receivables			
-Other receivables from non-related parties	8	149.801	--
Property, plant and equipment	12	687.182.255	711.052.811
Intangible assets			
- Other intangible assets	13	7.411.833	4.989.435
Investment property	11	17.714.985	17.714.985
Right of use assets		6.005.141	6.535.006
<b>Total Non-Current Assets</b>		<b>719.164.015</b>	<b>743.134.742</b>
<b>Total Assets</b>		<b>1.602.788.048</b>	<b>1.452.916.691</b>

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

**Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries**  
Consolidated Interim Statement of Financial Position (*continued*)  
As at 30 September 2021  
Monetary Unit: Turkish Lira (“TL”)

	<i>Notes</i>	<b>Reviewed</b>	<b>Audited</b>
<b>LIABILITIES</b>		<b>30 September 2021</b>	<b>31 December 2020</b>
<b>Short term liabilities</b>			
Short term borrowings	6	235.775.659	198.732.059
Short term portion of long-term borrowings	6	45.043.287	33.223.480
Trade payables			
- Trade payables to related parties	3	5.145.646	1.008.421
- Trade payables to non-related parties	7	216.553.346	161.535.845
Payables related to employee benefits	15	6.069.976	4.824.192
Other payables			
- Other payables to related parties	3	2.360	--
- Other payables to non-related parties	8	12.078.520	5.157.720
Deferred income	10	42.758.370	40.521.146
Short term provisions			
- Short term provisions for employee benefits	15	3.097.937	2.252.768
- Other provisions	14	26.191.672	10.623.804
Current tax liabilities		820.244	754.246
Liabilities from leasing transactions		491.183	504.000
<b>Total Short-Term Liabilities</b>		<b>594.028.200</b>	<b>459.137.681</b>
Long term borrowings	6	63.088.680	83.071.721
Long term provisions			
- Long term provisions for employee benefits	15	7.058.943	5.790.880
Deferred tax liability	21	66.916.737	73.349.747
Liabilities from leasing transactions		6.596.079	6.986.449
<b>Total Long-Term Liabilities</b>		<b>143.660.439</b>	<b>169.198.797</b>
<b>Total Liabilities</b>		<b>737.688.639</b>	<b>628.336.478</b>
<b>Equity attributable to the owners of the Company</b>			
Paid-in share capital		115.000.000	115.000.000
Share premium		13.074.563	13.074.563
Accumulated other comprehensive income			
- Revaluation surplus		574.530.804	574.530.804
- Actuarial differences		(2.025.053)	(1.657.473)
Restricted reserves		14.217.341	14.047.934
Retained earnings		109.414.978	50.649.245
Net profit for the period		40.886.776	58.935.140
<b>Total Equity</b>		<b>865.099.409</b>	<b>824.580.213</b>
<b>Total Equity and Liabilities</b>		<b>1.602.788.048</b>	<b>1.452.916.691</b>

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

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

## Consolidated Interim Statement of Profit or Loss

For the Nine-Month Period Ended 30 September 2021

Monetary Unit: Turkish Lira ("TL")

	Notes	Reviewed	Non-Reviewed	Reviewed	Non-Reviewed
		1 January- 30 September 2021	1 July- 30 September 2021	1 January- 30 September 2020	1 July- 30 September 2020
Revenue	18	855.540.450	249.231.370	452.665.954	195.748.232
Cost of sales (-)	18	(654.808.486)	(200.122.813)	(348.654.098)	(141.702.198)
<b>Gross profit</b>		<b>200.731.964</b>	<b>49.108.557</b>	<b>104.011.856</b>	<b>54.046.034</b>
General administrative expenses (-)	19	(19.242.834)	(8.220.420)	(17.705.713)	(5.325.551)
Marketing expenses (-)	19	(82.484.412)	(29.374.263)	(36.367.673)	(16.643.913)
Research and development expenses (-)	19	(15.549.029)	(2.230.148)	(21.909.582)	(10.992.273)
Other operating income		16.355.823	8.027.655	14.605.758	5.432.510
Other operating expenses (-)		(17.948.175)	(6.788.810)	(11.222.873)	(7.752.678)
<b>Operating profit</b>		<b>81.863.337</b>	<b>10.522.571</b>	<b>31.411.773</b>	<b>18.764.129</b>
Incomes/ (expenses) from investment activities	5	6.227.768	1.513.235	--	--
<b>Operating loss before financial expenses, net</b>		<b>88.091.105</b>	<b>12.035.806</b>	<b>31.411.773</b>	<b>18.764.129</b>
Financial income	20	12.533.566	3.720.583	21.384.515	10.440.873
Financial expenses (-)	20	(46.791.563)	(17.462.585)	(46.188.056)	(17.253.724)
<b>Financial expenses, net</b>		<b>(34.257.997)</b>	<b>(13.742.002)</b>	<b>(24.803.541)</b>	<b>(6.812.851)</b>
<b>Profit/(loss) before tax</b>		<b>53.833.108</b>	<b>(1.706.196)</b>	<b>6.608.232</b>	<b>11.951.278</b>
<b>Tax income / (expense)</b>	<b>21</b>	<b>(12.946.332)</b>	<b>851.915</b>	<b>(545.777)</b>	<b>(3.146.188)</b>
- Current tax expense for the period		(19.287.447)	(939.520)	--	--
- Deferred tax income		6.341.115	1.791.435	(545.777)	(3.146.188)
<b>Profit/(loss) for the period</b>		<b>40.886.776</b>	<b>(854.281)</b>	<b>6.062.455</b>	<b>8.805.090</b>
<b>Distribution of net profit or (loss) for the period</b>					
Non-controlling interest		40.886.776	(854.281)	6.062.455	8.805.090
Equity holders of the Company		--	--	--	--
<b>Number of shares</b>	<b>22</b>	<b>115.000.000</b>	<b>115.000.000</b>	<b>115.000.000</b>	<b>115.000.000</b>
<b>Loss per share (TL)</b>	<b>22</b>	<b>0,3555</b>	<b>(0,0074)</b>	<b>0,0527</b>	<b>0,0766</b>

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

**Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries**  
**Consolidated Interim Statement of Other Comprehensive Income**  
**For the Nine-Month Period Ended 30 September 2021**  
*Monetary Unit: Turkish Lira ("TL")*

	<i>Notes</i>	<b>Reviewed</b>	<b>Non-Reviewed</b>	<b>Reviewed</b>	<b>Non-Reviewed</b>
		<b>1 January- 30 September 2021</b>	<b>1 July- 30 September 2021</b>	<b>1 January- 30 September 2020</b>	<b>1 July- 30 September 2020</b>
<b>Profit/ (Loss) for the period</b>		<b>40.886.776</b>	<b>(854.281)</b>	<b>6.062.455</b>	<b>8.805.090</b>
<b>Total other comprehensive income</b>					
<b>Not to be reclassified to profit or loss</b>					
- Actuarial differences	<i>15</i>	(459.475)	453.813	(817.434)	(231.632)
- Deferred tax income	<i>21</i>	91.895	(90.764)	163.487	28.758
<b>Total other comprehensive income</b>		<b>(367.580)</b>	<b>363.049</b>	<b>(653.947)</b>	<b>(202.874)</b>
<b>Total comprehensive income</b>		<b>40.519.196</b>	<b>(491.232)</b>	<b>5.408.508</b>	<b>8.602.216</b>
<b>Distribution of total comprehensive income</b>					
Equity holders of the Company		40.519.196	(491.232)	5.408.508	8.602.216

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

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

Consolidated Interim Statement of Change in Equity

For the Nine-Month Period Ended 30 September 2021

Monetary Unit: Turkish Lira ("TL")

	<i>Accumulated Other Comprehensive Income</i>							
	<i>Paid-In Share Capital</i>	<i>Share Premium</i>	<i>Revaluation Reserves</i>	<i>Actuarial Differences</i>	<i>Restricted Reserves</i>	<i>Retained Earnings</i>	<i>Net Profit/Loss</i>	<i>Total</i>
<b>Balance at 1 January 2020</b>	<b>115.000.000</b>	<b>13.074.563</b>	<b>539.751.879</b>	<b>(938.817)</b>	<b>14.047.934</b>	<b>85.009.286</b>	<b>(34.360.041)</b>	<b>731.584.804</b>
Transfers	--	--	--	--	--	(34.360.041)	34.360.041	--
Loss for the period	--	--	--	--	--	--	6.062.455	6.062.455
Other comprehensive income	--	--	--	(653.947)	--	--	--	(653.947)
<b>Balance at 30 September 2020</b>	<b>115.000.000</b>	<b>13.074.563</b>	<b>539.751.879</b>	<b>(1.592.764)</b>	<b>14.047.934</b>	<b>50.649.245</b>	<b>6.062.455</b>	<b>736.993.312</b>
<b>Balance at 1 January 2021</b>	<b>115.000.000</b>	<b>13.074.563</b>	<b>574.530.804</b>	<b>(1.657.473)</b>	<b>14.047.934</b>	<b>50.649.245</b>	<b>58.935.140</b>	<b>824.580.213</b>
Transfers	--	--	--	--	169.407	58.765.733	(58.935.140)	--
Profit for the period	--	--	--	--	--	--	40.886.776	40.886.776
Other comprehensive income	--	--	--	(367.580)	--	--	--	(367.580)
<b>Balance at 30 September 2021</b>	<b>115.000.000</b>	<b>13.074.563</b>	<b>574.530.804</b>	<b>(2.025.053)</b>	<b>14.217.341</b>	<b>109.414.978</b>	<b>40.886.776</b>	<b>865.099.409</b>

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

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

## Consolidated Interim Statement of Cash Flow

For the Nine-Month Period Ended 30 September 2021

Monetary Unit: Turkish Lira ("TL")

	Notes	Non-Reviewed 1 January- 30 September 2021	Non-Reviewed 1 January- 30 September 2020
Net profit/(loss) for the period		40.886.776	6.062.455
<b>Adjustments to reconcile cash flows generated from operating activities:</b>			
Depreciation and amortization	12,13	42.261.915	21.747.687
Provision for employee benefits	15	1.271.242	794.878
Provision for doubtful receivables		5.560.423	8.635.975
Fair value changes of financial investments	5	(6.227.768)	--
Tax (income)/ losses	21	12.946.332	545.777
Interest income	20	(12.533.566)	(3.004.711)
Other Provisions	14	15.567.868	1.085.200
Provisions for unused vacation		845.169	161.561
Impairment of inventory		(991.643)	(350.494)
Interest expenses from leases	20	679.974	833.749
Interest expenses	20	46.111.589	45.354.307
<b>Operating cash flow before change in assets and liabilities</b>			
<b>Change in assets and liabilities</b>			
Change in trade receivables and other receivables		93.850.967	(64.541.068)
Change in inventories		(276.562.071)	(36.840.431)
Change in prepaid expenses and other current assets and liabilities		(16.802.726)	(3.340.986)
Change in trade payables and other payables		66.077.887	25.465.794
Change in payables related employee benefits		1.245.784	3.565.656
Change in deferred income		2.237.224	8.214.330
Employee severance indemnity paid	15	(462.654)	(695.668)
Taxes (paid)		(18.935.521)	(207.355)
<b>Net cash used from operations</b>		<b>(2.972.799)</b>	<b>13.486.656</b>
<b>Investing activities</b>			
Purchasing of financial investments		--	(35.510.992)
Sales of financial investments		3.955	--
Purchase of property, plant and equipment and intangible assets	12,13	(20.283.892)	(9.479.847)
Sales of property, plant and equipment		--	177.603
<b>Net cash generated / (used) in investing activities</b>		<b>(20.279.937)</b>	<b>(44.813.236)</b>
<b>Financing activities</b>			
Financial borrowings, net		28.210.516	96.672.697
Payments related to leasing agreements		(1.083.161)	(956.635)
Interest received		2.685.006	3.004.711
Interest paid		(45.441.739)	(46.188.056)
<b>Net cash provided from financing activities</b>		<b>(15.629.378)</b>	<b>52.532.717</b>
Net increase/(decrease) in cash and cash equivalents		(38.882.114)	21.206.137
Cash and cash equivalents at the beginning of the period	4	55.360.472	27.029.057
<b>Cash and cash equivalents at the end of the period</b>	<b>4</b>	<b>16.478.358</b>	<b>48.235.194</b>

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 Interim Consolidated Financial Statements  
As at and for the Nine-Month Period Ended 30 September 2021  
*Monetary Unit: Turkish Lira (“TL”)*

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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 Nine-Month Period Ended 30 September 2021  
Monetary Unit: Turkish Lira (“TL”)

**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:

	<b>30 September 2021</b>	<b>31 December 2020</b>
<b>Name</b>	<b>Shareholding Rates %</b>	<b>Shareholding Rates %</b>
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
Share publicly open in stock exchange	28,69	28,69
<b>Total</b>	<b>100,00</b>	<b>100,00</b>

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  
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*Monetary Unit: Turkish Lira ("TL")*

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**1 Organization and Nature of Operation** (*continued*)

As of 30 September 2021, The Company has 545 personnel (31 December 2020: 551).

**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.:** As for the expert report on the partial division dated on 11 December 2020, the company was established by Tümosan Motor ve Traktör Sanayi A.Ş. through the partial division as a result of its registration in the trade registry on April 5, 2021.

The interim consolidated financial statements dated 30 September 2021 not any impact on the consolidated financial statements since the company's capital is 100% owned by Tümosan Motor ve Traktör Sanayi A.Ş.

The activities of the Company are to carry out R&D activities in technology and engineering, develop new products, make prototypes, provide technical consultancy and develop software, participate in all kinds of domestic and international tenders for the Ministry of National Defense and other public institutions, based on the main contract, in other activities.

The consolidated financial statements as of 30 September 2021 prepared by fully consolidating the subsidiaries stated below to the Company.

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<b>Company</b>	<b>Rate of Control</b>	
	<b>30 September 2021</b>	<b>31 December 2020</b>
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%	-- %

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## **2 Basis of Presentation of Financial Statements**

### **2.1 Basis of Presentation**

#### **(a) Basis of Presentation of Financial Statements**

The consolidated 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”).

Consolidated financial statements and their supplementary footnotes are presented in accordance with their formats in the "Financial Statement Samples and Usage Guide" published by the POA.

#### **(b) Basis of measurement**

The consolidated financial statements are prepared in TL based on historical cost except from financial assets and liabilities, lands, buildings and equipment at fair value recognized under property, plants and equipment’s measured at fair value.

#### **(c) Correction of financial statements of hyperinflation periods**

With the decision taken on 17 March 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with Turkish accounting standards. Accordingly, TAS 29 is not applied starting from 1 January 2005. Therefore, as of January 1, 2005, TAS 29 “Financial Reporting in Hyperinflationary Economies” has not been applied in the accompanying interim consolidated financial statements.

#### **(d) Reporting and Functional Currency**

The consolidated 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 consolidated financial statements are prepared including comparative information in order to enable readers to understand the trends in the financial position and performance of the Group. The change in presentation or reclassification of the financial statement items is applied retrospectively and the reclassifications made in the prior year financial information are disclosed in the notes to the 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 Nine-Month Period Ended 30 September 2021  
Monetary Unit: Turkish Lira (“TL”)

**2 Basis of Presentation of Financial Statements (continued)**

**2.1 Basis of Presentation (continued)**

**(f) Foreign currency transactions**

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.

Foreign exchange rates prevailing at the balance sheet date are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
USD/TL	8,8433	7,3405
EUR/TL	10,3135	9,0079
GBP/TL	11,9292	9,9438

**(g) Basis of Consolidation**

As at 30 September 2021 and 31 December 2020, the consolidated financial statements include the financial statements of the subsidiaries and Tümosan Motor ve Traktör Sanayi A.Ş.

*(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 September 2021 and 31 December 2020 for all subsidiaries directly controlled by the Group and included in the scope of consolidation:

<b>Name</b>	<b>Rate of Control</b>	
	<b>30 September 2021</b>	<b>31 December 2020</b>
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%	-- %

**2 Basis of Presentation of Financial Statements** *(continued)*

**2.1 Basis of Presentation** *(continued)*

**(g) Basis of Consolidation** *(continued)*

*(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.

**2.2 Statement of Compliance to TFRS**

The accompanying 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 consolidated financial statements of the Group for the year ended 30 September 2021 were approved by the management on 9 November 2021. The General Assembly and certain regulatory bodies have the right to amend the financial statements after their publication.

## **2 Basis of Presentation of Financial Statements (continued)**

### **2.3 Changes in Accounting Policies**

Accounting policy changes arising from the first application of a new TAS are applied retroactively or prospectively in accordance with the transition provisions of the said TAS. Significant accounting errors are applied retrospectively and prior period financial statements are restated. Changes in accounting estimates are applied in the current period when the change is made only for a period, and both in the period when the change is made and prospectively.

**i) The new standards, amendments and interpretations which are effective as at January 1, 2021 are as follows:**

#### **Interest Rate Benchmark Reform – Phase 2 – Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16**

In December 2020, the POA issued Interest Rate Benchmark Reform – Phase 2, Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 to provide temporary reliefs which address the financial reporting effects when an interbank offering rate (IBOR) is replaced with an alternative nearly risk-free rate (RFR, amending the followings. The amendments are effective for periods beginning on or after 1 January 2021. Earlier application is permitted and must be disclosed.

#### **Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform**

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Under this practical expedient, if the interest rates applicable to financial instruments change as a result of the IBOR reform, the situation is not considered as a derecognition or contract modification; instead, this would be determined by recalculating the carrying amount of the financial instrument using the original effective interest rate to discount the revised contractual cash flows.

The practical expedient is required for entities applying TFRS 4 Insurance Contracts that are using the exemption from TFRS 9 Financial Instruments (and, therefore, apply TAS 39 Financial Instruments: Classification and Measurement) and for TFRS 16 Leases, to lease modifications required by IBOR reform.

#### **Relief from discontinuing hedging relationships**

- The amendments permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Amounts accumulated in the cash flow hedge reserve are deemed to be based on the RFR.
- For the TAS 39 assessment of retrospective hedge effectiveness, on transition to an RFR, entities may elect on a hedge-by-hedge basis, to reset the cumulative fair value changes to zero.
- The amendments provide relief for items within a designated group of items (such as those forming part of a macro cash flow hedging strategy) that are amended for modifications directly required by IBOR reform. The reliefs allow the hedging strategy to remain and not be discontinued.
- As instruments transition to RFRs, a hedging relationship may need to be modified more than once. The phase two reliefs apply each time a hedging relationship is modified as a direct result of IBOR reform.

## **2 Basis of Presentation of Financial Statements** *(continued)*

### **2.3 Changes in Accounting Policies** *(continued)*

#### **Separately identifiable risk components**

The amendments provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

#### **Additional disclosures**

Amendments need additional TFRS 7 Financial Instruments disclosures such as; How the entity is managing the transition to RFRs, its progress and the risks to which it is exposed arising from financial instruments due to IBOR reform, quantitative information about financial instruments that have yet to transition to RFRs and If IBOR reform has given rise to changes in the entity’s risk management strategy, a description of these changes.

The amendments are mandatory, with earlier application permitted. While application is retrospective, an entity is not required to restate prior periods.

#### **Amendments to IFRS 16 - Covid-19-Related Rent Concessions and Covid-19-Related Rent Concessions beyond 30 September 2021**

In June 2020, the POA issued amendments to TFRS 16 Leases to provide relief to lessees from applying TFRS 16 guidance on lease modifications to rent concessions arising a direct consequence of the Covid-19 pandemic. In April 7, 2021, POA extended the exemption to include concessions that cause a decrease in lease payments whose maturity expired on or before June 30, 2022.

A lessee will apply the amendment for annual reporting periods beginning on or after 1 July 2021. Early application of the amendments is permitted.

The amendment did not have a significant impact on the financial position and performance of the Group.

#### **ii) Standards issued but not yet effective and not early adopted**

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the company financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the company financial statements and disclosures, when the new standards and interpretations become effective.

#### **TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)**

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.



## **2 Basis of Presentation of Financial Statements** *(continued)*

### **2.3 Changes in Accounting Policies** *(continued)*

#### **TFRS 17 - The new Standard for insurance contracts**

The POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted.

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

On March 12, 2020, the POA issued amendments to TAS 1 Presentation of Financial Statements. The amendments issued to TAS 1 which are effective for periods beginning on or after 1 January 2023, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted.

#### **Amendments to TFRS 3 – Reference to the Conceptual Framework**

In July 2020, the POA issued amendments to TFRS 3 Business combinations. The amendments are intended to replace a reference to a previous version of the Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing requirements of TFRS 3. At the same time, the amendments add a new paragraph to TFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments issued to TFRS 3 which are effective for periods beginning on or after 1 January 2022 and must be applied prospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in TFRS standards (March 2018).

#### **Amendments to TAS 16 – Proceeds before intended use**

In July 2020, the POA issued amendments to TAS 16 Property, plant and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments issued to TAS 16 which are effective for periods beginning on or after 1 January 2022. Amendments must be applied retrospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment. There is no transition relief for the first time adopters.

#### **Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract**

In July 2020, the POA issued amendments to TAS 37 Provisions, Contingent Liabilities and Contingent assets. The amendments issued to TAS 37 which are effective for periods beginning on or after 1 January 2022, to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and also apply a “directly related cost approach”. Amendments must be applied retrospectively to contracts for which an entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed.

## **2 Basis of Presentation of Financial Statements** *(continued)*

### **2.3 Changes in Accounting Policies** *(continued)*

#### **Annual Improvements – 2018–2020 Cycle**

In July 2020, the POA issued Annual Improvements to TFRS Standards 2018–2020 Cycle, amending the followings:

- TFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter: The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by the parent. The amendment is also applied to an associate or joint venture.

- TFRS 9 Financial Instruments – Fees in the “10 per cent test” for derecognition of financial liabilities: The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other’s behalf.

- TAS 41 Agriculture – Taxation in fair value measurements: The amendment removes the requirement in paragraph 22 of TAS 41 that entities exclude cash flows for taxation when measuring fair value of assets within the scope of TAS 41.

Improvements are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted for all.

### **2.4 Restatement and Errors in the Accounting Policies and Estimates**

Material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period financial statements. The effect of changes in accounting estimates affecting current and future periods is recognized in the current and future periods. There has been no significant change in the Grup's 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 IAS 34 "Interim Financial Statements". Accordingly, the Company prepared the condensed presentation of the financial statements at the interim period ending 30 September 2021.

In respect of the relevant notification the required disclosures and notes that should be included in the annual financial statements prepared in accordance with IAS / IFRS are summarized or not presented in accordance with IAS 34. The accompanying condensed consolidated financial statements should be read together with audited consolidated financial statements as at and for the year ended 31 December 2020.

The significant accounting policies have been applied consistently by The Group in the preparation of these condensed consolidated interim financial statements as of and for the nine-month period ended 30 September 2021 with those financial statements as of and for the year ended 31 December 2020.

### 3 Related Parties 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:

<b><u>Related Party</u></b>	<b><u>Definition</u></b>
Ereğli Tekstil Turizm San. ve Tic. A.Ş. ("Ereğli Tekstil")	Shareholder
Albayrak Holding A.Ş. ("Albayrak Holding")	Related Party
Albayrak Somali Liman İşletmeciliği ("Somali Liman")	Related Party
Albayrak Turizm Seyahat İnşaat Tic. A.Ş. ("Albayrak İnşaat")	Related Party
Albil Merkezi Hizmetler ve Ticaret A.Ş. ("Albil")	Related Party
Albayrak Vakfı ("Albayrak Vakfı")	Related Party
Albayrak92 Private Ltd. ("Albayrak92 Private")	Related Party
Alport Conakry S.A. ("Alport Conakry")	Related Party
Asist Oto Yedek Parça Sanayi ve Ticaret A.Ş. ("Asist Oto")	Related Party
Ats Yedek Parça Servis San. ve Tic. Ltd. Şti. ("Ats Yedek Parça")	Related Party
Bayfa Geri Dönüşüm A.Ş. ("Bayfa")	Related Party
Birlikte Dağıtım A.Ş. ("Birlikte Dağıtım")	Related Party
Birun Otelcilik A.Ş. ("Birun Otelcilik")	Related Party
Dolu Akaryakıt Pazarlama A.Ş. ("Dolu Akaryakıt")	Related Party
Güneş Turizm Sanayi İnşaat ve Tic.A.Ş. ("Güneş Turizm")	Related Party
Kademe Atık Teknolojileri San.A.Ş. ("Kademe Atık")	Related Party
Ketebe Kitap ve Dergi Yayıncılığı A.Ş. ("Ketebe")	Related Party
Mezra Ziraat A.Ş. ("Mezra Ziraat")	Related Party
Nakil Lojistik A.Ş. ("Nakil Lojistik")	Related Party
Plaket Yapı Turizm San ve Tic. Ltd. Şti. ("Plaket Yapı")	Related Party
Platform Tur. Taş. Gıda İnş. Tem. Hiz. San.ve Tic. A.Ş. ("Platform Turizm")	Related Party
Piri Medya A.Ş. ("Piri Medya")	Related Party
Reklam Piri Medya İletişim A.Ş. ("Reklam Piri")	Related Party
Trabzon Liman İşletmeciliği A.Ş. ("Trabzon Liman")	Related Party
Varaka Kağıt Sanayi A.Ş. ("Varaka Kağıt")	Related Party
Vogel Ayakkabı Tekstil Dış Tic. A.Ş. ("Vogel Ayakkabı")	Related Party
Vogel Spor Tekstil Dış Ticaret ve San. Ltd. Şti. ("Vogel Spor")	Related Party
Yeşil Adamlar Atık Yönetimi ve Taşımacılık A.Ş. ("Yeşil Adamlar")	Related Party

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**3 Related Parties Disclosures (continued)**

As of 30 September 2021, details regarding the related parties and significant balances are as follows:

30 September 2021	Receivables		Payables	
	Short-Term		Short-Term	
	Trade	Other	Trade	Other
Kademe Atık	10.352.651	--	1.510	--
Varaka Kağıt	5.655.612	--	1.259.975	--
Mezra Ziraat	1.224.408	--	--	--
Vogel Spor	206.270	--	--	--
Somali Liman	109.970	--	--	--
Birun Otelcilik	79.634	--	--	--
Albayrak92 Private	71.556	--	--	--
Alport Conakry	67.252	--	--	--
Asist Oto	49.728	--	--	--
Dolu Akaryakıt	35.451	--	--	--
Plaket Yapı	17.380	--	--	--
Albayrak İnşaat	15.053	--	3.148.412	--
Ats Yedek Parça	4.109	--	--	--
Ereğli Tekstil	--	21.068.784	--	2.360
Vogel Ayakkabı	--	--	9.742	--
Albil	--	--	547.796	--
Piri Medya	--	--	950	--
Ketebe	--	--	15.623	--
Birlikte Dağıtım	--	--	61.657	--
Reklam Piri	--	--	26.195	--
Platform Turizm	--	--	73.159	--
Yeşil Adamlar	--	--	295	--
Trabzon Liman	--	--	332	--
<b>Total</b>	<b>17.889.074</b>	<b>21.068.784</b>	<b>5.145.646</b>	<b>2.360</b>

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**3 Related Parties Disclosures (continued)**

As of 31 December 2020, details regarding the related parties and significant balances are as follows:

31 December 2020	Receivables		Payables	
	Short-Term		Short-Term	
	Trade	Other	Trade	Other
Kademe Atık	15.397.663	--	47.986	--
Varaka Kağıt	4.361.984	1.172.438	--	--
Mezra Ziraat	461.065	--	--	--
Albil	244.854	--	516.117	--
Yeşil Adamlar	244.508	--	--	--
Birun Otelcilik	79.634	--	--	--
Güneş Turizm	74.680	--	--	--
Albayrak92 Private	59.396	--	--	--
Asist Oto	46.707	--	--	--
Dolu Akaryakıt	16.922	--	--	--
Ats Yedek Parça	4.109	--	--	--
Alport Conakry	--	--	256.918	--
Platform Turizm	--	--	14.868	--
Birlikte Dağıtım	--	--	56.916	--
Ereğli Tekstil(*)	--	96.226.380	2.360	--
Albayrak İnşaat	61	--	30.656	--
Reklam Piri	--	--	53.100	--
Ketebe	--	--	29.500	--
<b>Total</b>	<b>20.991.583</b>	<b>97.398.818</b>	<b>1.008.421</b>	<b>--</b>

(\*) The Group's non-trade receivables from related parties are intra-group financing, are used in operational activities, and interest rates are exercised in market conditions.

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**3 Related Party Disclosures (continued)**

**Purchases and Expenses**

For the periods 1 January – 30 September 2021 and 1 January – 30 September 2020, purchases from the related parties are as follows:

Purchases	1 January- 30 September 2021		1 January- 30 September 2020	
	Purchasing of goods and commodities	Other	Purchasing of goods and commodities	Other
Kademe Atık	89.899.214	1.133.236	42.544.950	--
Varaka Kağıt	2.913.030	115.593	20.551	--
Albil	2.330.540	191.044	215.464	556.126
Albayrak Holding	1.500.000	--	19.087	1.351.151
Dolu Akaryakıt	770.548	--	439.686	--
Platform Turizm	697.998	11.649	12.600	--
Birlikte Dağıtım	323.705	--	58.951	--
Vogel Ayakkabı	74.920	--	--	--
Reklam Piri	57.500	--	--	--
Güneş Turizm	41.436	--	--	--
Nakil Lojistik	10.500	--	--	--
Trabzon Liman	298	--	--	--
Albayrak Vakfı	--	519.000	--	--
<b>Total</b>	<b>98.619.689</b>	<b>1.970.522</b>	<b>43.311.289</b>	<b>1.907.277</b>

**Sales and Income**

For the periods 1 January – 30 September 2021 and 1 January – 30 September 2020, sales to the related parties are as follows:

Sales	1 January- 30 September 2021		1 January- 30 September 2020	
	Sales of goods and commodities	Other	Sales of goods and commodities	Other
Kademe Atık	12.568.332	2.965.649	2.380.296	423.864
Albayrak İnşaat	11.798.763	--	--	6.497
Varaka Kağıt	2.340.810	--	449	1.029.318
Mezra Ziraat	706.563	--	6.525	--
Ereğli Tekstil	141.377	--	1.375.000	557.711
Trabzon Liman	42.000	--	--	--
Bayfa	41.378	--	--	--
Asist Oto	36.523	--	--	--
Vogel Spor	20.000	--	--	--
Ketebe	12.849	--	--	--
<b>Total</b>	<b>27.708.595</b>	<b>2.965.649</b>	<b>3.762.270</b>	<b>2.017.390</b>

**Benefits for Top Management**

For the nine-month period ended 30 September 2021 Benefits provided to top management is TL 1.796.242 (1 January-30 September 2020 – TL 1.136.546)

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**4 Cash and Cash Equivalents**

As of 30 September 2021 and 31 December 2020, cash and cash equivalents are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Cash	25	25
Banks		
-Demand deposit	4.164.648	55.360.447
-Time deposit	12.313.685	--
<b>Total</b>	<b>16.478.358</b>	<b>55.360.472</b>

As of 30 September 2021 there is no account under any blockage or pledge (31 December 2020: None).

**5 Financial Investments**

As of 30 September 2021 and 31 December 2020, short term financial investments are as follows:

<b>Financial asset measured at fair value through profit or loss</b>	<b>30 September 2021</b>	<b>31 December 2020</b>
Bonds	69.915.335	60.066.775
Investment Funds (*)	47.591.620	41.367.807
<b>Total</b>	<b>117.506.955</b>	<b>101.434.582</b>

(\*) As of September 30, 2021, investment funds consists of Group's Hedef Portfolio hedge fund investments received through Hedef Portföy Yönetimi A.Ş. Concerned investments are recognized as financial assets measured at fair value through profit or loss. In the interim period ended on 30 September 2021, the Group recognized increase in value of the related funds amounting to TL 6.227.768 under income from investment activities. (30 September 2020: None).

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**6 Financial Borrowings**

As of 30 September 2021 and 31 December 2020, financial borrowings of The Group are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Short-Term Bank Loans	235.775.659	198.732.059
Short-Term Portion of Long-Term Loans	45.043.287	33.223.480
<b>Total</b>	<b>280.818.946</b>	<b>231.955.539</b>
Long-Term Loans	63.088.680	83.071.721
<b>Total Financial Liabilities</b>	<b>63.088.680</b>	<b>83.071.721</b>

**Bank Loans**

	<b>30 September 2021</b>		<b>31 December 2020</b>	
	<b>Effective Int. Rate %</b>	<b>TL Amount</b>	<b>Effective Int. Rate %</b>	<b>TL Amount</b>
<b>Short-Term Borrowings</b>	16,50-19,50%	235.775.659	16,95-17,5%	198.732.059
<b>Short-Term Portion of Long-Term Borrowings</b>	7,50-20,11%	45.043.287	11,5-16,5%	33.223.480
<b>Long-Term Borrowings</b>	7,50-20,11%	63.088.680	11,5-16,5%	83.071.721
<b>Total Borrowings</b>		<b>343.907.626</b>		<b>315.027.260</b>

As of 30 September 2021, The Group has provided TL 417 million as real estate mortgages and TL 24.926.745 customer cheques for the borrowings. (31 December 2020; TL 417 million as real estate mortgages and TL 12.955.000 worth of customer cheques).



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**7 Trade Receivables and Payables**

***Short-Term Trade Receivables***

As of 30 September 2021 and 31 December 2020, short-term trade receivables from non-related parties are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Customer Current Accounts	102.959.561	77.830.371
Notes Receivables	54.656.568	124.880.527
Direct Debiting System Receivables (*)	30.834.106	16.608.302
Accrued Income	--	75.612
Allowance for Doubtful Receivables (-)	(16.661.401)	(11.100.978)
<b>Total</b>	<b>171.788.834</b>	<b>208.293.834</b>

(\*) 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.

***Long-Term Trade Receivables***

As of 30 September 2021 and 31 December 2020, long-term trade receivables from non-related parties are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Notes Receivables	--	2.142.505
<b>Total</b>	<b>--</b>	<b>2.142.505</b>

***Short-Term Trade Payables***

As of 30 September 2021 and 31 December 2020, short-term trade payables to non-related parties are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Supplier Current Accounts	178.646.469	113.572.702
Notes Payables	37.883.143	47.457.084
Other	23.734	506.059
<b>Total</b>	<b>216.553.346</b>	<b>161.535.845</b>

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**8 Other Receivables and Payables**

***Other Short-Term Receivables***

As of 30 September 2021 and 31 December 2020, other short-term trade receivables from non-related parties are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Tax Receivables	23.254.661	4.631.849
Personnel Receivables	802.502	192.359
Deposits and Guarantees	289.212	670.203
Other	--	333.109
<b>Total</b>	<b>24.346.375</b>	<b>5.827.520</b>

***Other Long-Term Receivables***

As of 30 September 2021 and 31 December 2020, other long-term trade receivables from non-related parties are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Deposits and Guarantees	149.801	--
<b>Total</b>	<b>149.801</b>	<b>--</b>

***Other Short-Term Payables***

As of 30 September 2021 and 31 December 2020, other short-term trade payables to non-related parties are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Deposit and Guarantees	5.980.988	4.374.540
Overdue Tax Payables	5.347.407	--
Tax Payables	743.770	752.280
Others	6.355	30.900
<b>Total</b>	<b>12.078.520</b>	<b>5.157.720</b>

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**9 Inventories**

As of 30 September 2021 and 31 December 2020, details of Inventories are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Materials and Spare Parts	295.995.704	142.416.807
Finished Goods	96.216.384	15.779.760
Work in Progress	48.873.742	15.945.918
Goods in Transit	7.785.104	3.418.130
Merchandise	4.359.087	1.521.653
Other Inventories	3.268.270	853.951
Provision for Impairment (-)	(529.633)	(1.521.276)
<b>Total</b>	<b>455.968.658</b>	<b>178.414.943</b>

As of 30 September 2021 and 31 December 2020, there is no pledge or mortgage on inventories.

**10 Prepaid Expenses and Deferred Income**

**Prepaid Expenses**

*Short-Term Prepaid Expenses*

As of 30 September 2021 and 31 December 2020, prepaid expenses for future months from non-related parties in current assets are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Advances Given	45.454.911	20.934.187
Prepaid Expenses for Future Months	2.045.310	1.711.327
Personnel Advances	201.580	220.521
Job Advances	190.702	84.450
<b>Total</b>	<b>47.892.503</b>	<b>22.950.485</b>

**Deferred Income**

*Short-Term Deferred Income*

As of 30 September 2021 and 31 December 2020, deferred income from non-related parties are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Advances Received	42.758.370	40.521.146
<b>Total</b>	<b>42.758.370</b>	<b>40.521.146</b>

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## 11 Investment Property

As of 30 September 2021 and 30 September 2020, details of investment properties are as follows:

	1 January – 30 September 2021	1 January – 30 September 2020
<b>Net Carrying Value</b>		
Balance at 1 January	17.714.985	17.714.985
Current Period Depreciation Charge	--	--
<b>End of the Period Net Carrying Value</b>	<b>17.714.985</b>	<b>17.714.985</b>
<b>Cost</b>		
Cost	17.714.985	17.714.985
Accumulated Depreciation	--	--
<b>End of the Period Net Carrying Value</b>	<b>17.714.985</b>	<b>17.714.985</b>

## 12 Property, Plant and Equipment

For the periods ended 30 September 2021 and 30 September 2020; movement of property, plant and equipment is summarized below:

	1 January – 30 September 2021	1 January – 30 September 2020
<b>Net Carrying Value</b>		
Balance at 1 January	711.052.811	672.784.947
Additions	15.390.509	9.169.308
Disposals	--	(177.603)
Current Period Depreciation Charge	(39.261.065)	(18.319.674)
<b>End of the Period Net Carrying Value</b>	<b>687.182.255</b>	<b>663.456.978</b>
<b>Cost</b>		
Cost	760.968.249	710.133.365
Accumulated Depreciation	(73.785.994)	(46.676.387)
<b>End of the Period Net Carrying Value</b>	<b>687.182.255</b>	<b>663.456.978</b>

There is a TL 417 million mortgage related to bank loans on the fixed assets of The Group (31 December 2020: TL 417 million mortgage).

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**13 Intangible Assets**

Intangible assets consist development costs, rights and licenses, and accumulated depreciation. For the periods ended 30 September 2021 and 30 September 2020, movement of intangible assets are as follows:

	<b>1 January – 30 September 2021</b>	<b>1 January – 30 September 2020</b>
<b>Net Carrying Value</b>		
Balance at 1 January	4.989.435	5.338.211
Additions	4.893.383	310.539
Current Period Amortization Charge	(2.470.985)	(3.428.013)
<b>End of the Period Net Carrying Value</b>	<b>7.411.833</b>	<b>2.220.737</b>
<b>Cost</b>		
Cost	52.815.886	45.263.895
Accumulated Amortization	(45.404.053)	(43.043.158)
<b>End of the Period Net Carrying Value</b>	<b>7.411.833</b>	<b>2.220.737</b>

There is no account under any blockage or pledge on intangible assets of The Group.

**14 Provisions, Contingent Assets and Liabilities**

**a) Provisions**

As of 30 September 2021 and 31 December 2020, details of provisions are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Warranty Provisions	18.124.269	6.731.467
Provision for Litigation (*)	8.067.403	3.892.337
<b>Short-Term Provisions</b>	<b>26.191.672</b>	<b>10.623.804</b>

(\*) Movement of Litigation Provisions is as follows:

	<b>1 January – 30 September 2021</b>	<b>1 January – 30 September 2020</b>
Balance at 1 January	3.892.337	4.640.495
Current Period Change	4.175.066	(693.352)
<b>Balance at 30 September</b>	<b>8.067.403</b>	<b>3.947.143</b>

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**14 Provisions, Contingent Assets and Liabilities (continued)**

**b) Guarantee – Pledge – Mortgage - Warranty (“Collaterals”)**

As of 30 September 2021 and 31 December 2020 The Group’s guarantee/pledge/mortgage positions are as follows:

<b>Collaterals given by Group (TL Equivalent)</b>	<b>30 September 2021</b>	<b>31 December 2020</b>
A. The total amount of collaterals given on behalf of its own legal entity.	27.607.487	27.623.871
B. The total amount of collaterals given favor of the companies in the scope of full consolidation.	--	--
C. The total amount of collaterals given for the purpose of providing debt to third parties in the course of ordinary business activities. (*)	1.147.806.543	918.570.395
D. The total amount of other collaterals given		
i. The total amount of collaterals given in favor of the parent companies.	--	--
ii. The total amount of collaterals given in favor of other group companies which are not in the scope of B and C.	--	--
iii. The total amount of collaterals given in favor of third parties other than the parties stated in item C.	--	--
<b>Total</b>	<b>1.175.414.030</b>	<b>946.194.266</b>

Details regarding the letters of guarantee, pledges and mortgages in foreign currency are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Turkish Lira	1.164.899.912	946.039.814
USD (TL Equivalent)	--	135.000
EURO (TL Equivalent)	10.514.118	19.452
<b>Total</b>	<b>1.175.414.030</b>	<b>946.194.266</b>

(\*) 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 (“Customers”), 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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**15 Employee Benefits**

**Payables Related to the Employee Benefits**

As of 30 September 2021 and 31 December 2020, Payables Related to the Employee Benefits are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Wages and Salaries	3.591.786	2.776.534
Social Security Withholdings Payable	1.618.251	1.283.784
Staff Payroll Taxes	859.939	763.874
<b>Total</b>	<b>6.069.976</b>	<b>4.824.192</b>

**Short-Term Provisions for Employee Benefits**

As of 30 September 2021 and 31 December 2020, Short-Term Provisions for Employee Benefits are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Provision for Unused Vacation	3.097.937	2.252.768
<b>Total</b>	<b>3.097.937</b>	<b>2.252.768</b>

If labor contract has been terminated for any reason, The Group will be obliged to pay unused vacation payment to employee or beneficiaries based on the salary at the expire date. Provision for unused vacation is equal to which all employees have deserved and have not used them yet as of reporting date and have not been discounted, amount of total liability.

**Long-Term Provisions for Employee Benefits**

As of 30 September 2021 and 31 December 2020, Long-Term Provisions for Employee Benefits are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Provision for Employment Termination Benefits	7.058.943	5.790.880
<b>Total</b>	<b>7.058.943</b>	<b>5.790.880</b>

In accordance with the current Turkish Labor Law, The Group is obliged to pay a certain amount of termination indemnity to the personnel whose employment has been terminated due to retirement or the reasons except, reassignment or bad behavior; who has to terminate employment for military service and who had served at least one year at The Group. The amount payable consists of one month's salary for each year of working. This amount is limited to TL 8.285 as of 30 September 2021 and TL 7.117 as of 31 December 2020.

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**15 Employee Benefits** (continued)

**Long-Term Provisions for Employee Benefits** (continued)

Employee termination benefit liabilities are not subject to any funding and there are no legal requirements for funding of these liabilities. The provision has been calculated by estimating the present value of the future probable obligation of The Group arising from the retirement of the employees. TAS 19 (“Employee Benefits”) requires actuarial valuation methods to be developed to estimate the enterprise’s obligation under defined benefit plans.

Accordingly, the following actuarial assumptions were used in the calculation of total liabilities:

	30 September 2021	31 December 2020
Interest rate	13,20%	13,20%
The estimated wage increase rate	9,00%	9,00%
Net discount rate	3,85%	3,85%

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 September 2021, 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 September 2021	1 January - 30 September 2020
Balance at 1 January	5.790.880	3.946.890
Cost of Services	572.407	405.180
Interest Expense	698.835	389.698
Paid	(462.654)	(695.668)
Actuarial Loss	459.475	817.434
<b>Balance at 30 September</b>	<b>7.058.943</b>	<b>4.863.534</b>

**16 Other Assets and Liabilities**

As of 30 September 2021 and 31 December 2020, details of Other Assets and Liabilities are as follows:

	30 September 2021	31 December 2020
VAT	10.516.206	18.783.076
Other	167.369	39.791
<b>Total</b>	<b>10.683.575</b>	<b>18.822.867</b>



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**17 Capital, Reserves and Other Equity Components**

**Paid in Share Capital**

As of 30 September 2021 and 31 December 2020, capital structure of The Group are as follows:

	30 September 2021		31 December 2020	
	Share Rate %	Share Amount (TL)	Share Rate %	Share Amount (TL)
Ereğli Tekstil Shares Publicly	60,87%	70.000.000	60,87%	70.000.000
Open In Stock Exchange	28,69%	33.000.000	28,69%	33.000.000
Other	10,44%	12.000.000	10,44%	12.000.000
<b>Paid-in Capital</b>	<b>100%</b>	<b>115.000.000</b>	<b>100%</b>	<b>115.000.000</b>

All of The Group's capital has been paid in as of 30 September 2021 and comprises of 115.000.000 shares with a nominal value of TL 115.000.000 and each one worth TL 1 (31 December 2020: Capital: TL 115.000.000, each one with a value of TL 1, a total of 115.000.000 shares).

**Restricted Reserves**

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code, are not distributable to shareholders. According to Article 519 of the Turkish Commercial Code ("TTK") numbered 6102, the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

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

As of 30 September 2021 and 31 December 2020, other comprehensive income/expense not to be reclassified to profit or loss of The Group are as follows:

**Actuarial Differences**

	30 September 2021	31 December 2020
Actuarial Loss Arising from Defined Benefits Plan	(2.025.053)	(1.657.473)
<b>Total</b>	<b>(2.025.053)</b>	<b>(1.657.473)</b>

**Revaluation Fund**

	30 September 2021	31 December 2020
Revaluation Surplus	574.530.804	574.530.804
<b>Total</b>	<b>574.530.804</b>	<b>574.530.804</b>

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**18 Sales and Cost of Sales**

Sales and Cost of Sales for the periods ended 30 September 2021 and 2020 are as follows:

	<b>1 January- 30 September 2021</b>	<b>1 January- 30 September 2020</b>
Domestic Sales	832.426.531	439.970.308
Foreign Sales	24.316.477	13.077.774
Other Sales	--	470.972
<b>Gross Sales</b>	<b>856.743.008</b>	<b>453.519.054</b>
Sales Returns and Discounts (-)	(1.202.558)	(853.100)
<b>Net Sales</b>	<b>855.540.450</b>	<b>452.665.954</b>
Cost of Sales (-)	(654.808.486)	(348.654.098)
<b>Gross Profit</b>	<b>200.731.964</b>	<b>104.011.856</b>

The distribution of sales on product basis are as follows:

	<b>1 January- 30 September 2021</b>	<b>1 January- 30 September 2020</b>
Tractor Sales	764.570.192	382.740.174
Spare Part Sales	35.065.781	32.164.612
Agricultural Machinery Sales	14.076.331	--
Engine Sales	12.642.909	10.353.693
Equipment Sales	16.913.690	3.390.019
Construction Equipment Sales	3.181.752	1.262.518
Other	9.089.795	22.754.938
<b>Total Sales</b>	<b>855.540.450</b>	<b>452.665.954</b>

**19 Operating Expenses**

Operating expenses for the nine-month period ended 30 September 2021 and 2020 are as follows:

	<b>1 January- 30 September 2021</b>	<b>1 January- 30 September 2020</b>
Marketing Expenses	82.484.412	36.367.673
General and Administrative Expenses	19.242.834	17.705.713
Research and Development Expenses	15.549.029	21.909.582
<b>Total</b>	<b>117.276.275</b>	<b>75.982.968</b>

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**20 Finance Income and Expenses**

**Finance Income**

Finance income for the nine-month period ended 30 September 2021 and 2020 are as follows:

	1 January- 30 September 2021	1 January- 30 September 2020
Interest Income	12.533.566	3.004.711
Foreign Exchange Gain	--	18.379.804
<b>Total</b>	<b>12.533.566</b>	<b>21.384.515</b>

**Finance Expenses**

Finance expenses for the nine-month period ended 30 September 2021 and 2020 are as follows:

	1 January- 30 September 2021	1 January- 30 September 2020
Interest Expenses	46.111.589	45.354.307
Interest Expenses from Leasing Transactions	679.974	833.749
<b>Total</b>	<b>46.791.563</b>	<b>46.188.056</b>

**21 Taxation**

**Tax Expense**

With the Law No. 7316 published on April 22, 2021, the Law on Collection of Public Receivables was amended, and the corporate tax rate was increased to 25% for the 2021 financial year and to 23% for the 2022 financial year.

Tax expenses for the nine-month periods ended 30 September 2021 and 2020 are as follows:

	1 January – 30 September 2021	1 January – 30 September 2020
<b><u>Tax expense recognized in profit or loss</u></b>		
<b>Current tax expense:</b>		
Current tax expense	(19.287.447)	--
<b>Deferred tax income / (expense):</b>		
Arising from Tax Losses Carried Forward	1.909.287	(5.069.858)
Arising from Temporary Differences	4.431.828	4.524.081
	<b>(12.946.332)</b>	<b>(545.777)</b>
<b><u>Recognized in Comprehensive Income</u></b>		
<b>Deferred Tax Income/(Expense):</b>		
Tax Effects of Actuarial Differences	91.895	163.487
	<b>91.895</b>	<b>163.487</b>
<b>Total Tax Effect Income/ (Expense)</b>	<b>(12.854.437)</b>	<b>(382.290)</b>

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**21 Taxation (continued)**

**The Reconciliation of the Effective Tax Rate**

The tax provision is different from calculated value by using statutory tax rate via profit before tax for the nine-month periods ended 30 September 2021 and 2020. Related reconciliation details are as follows:

	<b>1 January – 30 September 2021</b>		<b>1 January – 30 September 2020</b>	
Profit for the Period	40.886.776		6.062.455	
Less: Current Period Tax (Expense)	(12.946.332)		(545.777)	
<b>Profit Before Tax</b>	<b>53.833.108</b>		<b>6.608.232</b>	
Calculated Corporate Tax Via Statutory Rate	25%	(13.458.277)	22%	(1.453.811)
Non-Deductible Expenses	3%	(1.737.711)	4%	(285.333)
Tax Losses Used	(3)%	1.828.452	--	--
Other	(1)%	421.204	(18)%	1.193.367
<b>Total Tax (Expense) Recognized in Profit or Loss</b>	<b>24%</b>	<b>(12.946.332)</b>	<b>8%</b>	<b>(545.777)</b>

**Deferred Tax**

*Deferred Tax Asset/Liabilities*

As of 30 September 2021 and 31 December 2020, the deferred tax assets and liabilities are as follows:

	<b>30 September 2021</b>	<b>31 December 2020</b>
Deferred Tax Liability	(66.916.737)	(73.349.747)
<b>Total</b>	<b>(66.916.737)</b>	<b>(73.349.747)</b>

The movement of Deferred Tax assets/liabilities are as follows:

	<b>1 January – 30 September 2021</b>		<b>1 January – 30 September 2020</b>	
Balance at 1 January	(73.349.747)		(49.006.881)	
Recognized in Profit or Loss	6.341.115		(545.777)	
Recognized in Other Comprehensive Income	91.895		163.487	
<b>Balance at 30 September</b>	<b>(66.916.737)</b>		<b>(49.389.171)</b>	

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**22 Earnings Per Share**

Earnings per share stated in the statement of profit or loss is calculated by dividing the net income to the weighted average number of ordinary shares outstanding during the year. Companies can increase their share capital by making a pro-rata distribution of shares ("Bonus Shares") to existing shareholders from statutory retained earnings and statutory revaluation surplus. For the purpose of earnings per share computations, the weighted average number of shares in existence during the year has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and each earlier year.

	<b>1 January- 30 September 2021</b>	<b>1 January- 30 September 2020</b>
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	40.886.776	6.062.455
<b>Gain Per Share (TL)</b>	<b>0,3555</b>	<b>0,0527</b>

## **23 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.

### **Risk Management Policies**

Risk management is implemented by finance department according to the policies approved by Board of Directors. The Group’s finance department provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of The Group through internal risk reports which analyses exposures by degree and magnitude of risks. The written procedures are formed by Board of Directors to manage the foreign currency risk, interest risk, credit risk, use of derivative and non-derivative financial instruments and the assessment of excess liquidity. There are not any changes in financial risk factors and credit risk management of The Group as compared to previous year.

### **Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company’s receivables from customers and other investments.

*Exposure to credit risk:*

The carrying amount of financial assets represents the maximum credit exposure.

### **Liquidity Risk**

Liquidity risk is the risk that The Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to The Group’s reputation.

### **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.

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**23 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 30 September 2021, the foreign currency denominated assets and liabilities of monetary and non-monetary items are as follows:

	30 September 2021			
	TL Equivalent	USD	EURO	GBP
1. Trade receivables	15.747.364	609.648	1.004.127	--
2a. Monetary assets (Including cash on hands and banks)	6.333.208	41.650	578.357	--
2b. Non-monetary financial assets	--	--	--	--
3. Other	39.979.749	1.194.391	2.852.076	210
<b>4. Current Assets (1+2+3)</b>	<b>62.060.321</b>	<b>1.845.689</b>	<b>4.434.560</b>	<b>210</b>
5. Trade receivables	--	--	--	--
6a. Monetary assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	--	--	--	--
<b>8. Non-Current Assets (5+6+7)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>9. Total Assets (4+8)</b>	<b>62.060.321</b>	<b>1.845.689</b>	<b>4.434.560</b>	<b>210</b>
10. Trade payables	46.477.802	780.960	3.836.868	--
11. Financial liabilities	--	--	--	--
12a. Other monetary financial liabilities	--	--	--	--
12b. Other non-monetary financial liabilities	9.010.720	273.621	639.066	--
<b>13. Short-Term Liabilities (10+11+12)</b>	<b>55.488.521</b>	<b>1.054.581</b>	<b>4.475.934</b>	<b>--</b>
14. Trade payables	--	--	--	--
15. Financial Liabilities	--	--	--	--
16a. Other monetary financial liabilities	--	--	--	--
16b. Other non-monetary financial liabilities	--	--	--	--
<b>17. Long-Term Liabilities (14+15+16)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>18. Total Liabilities (13+17)</b>	<b>55.488.521</b>	<b>1.054.581</b>	<b>4.475.934</b>	<b>--</b>
<b>19. Net asset /liability position of off-balance sheet derivatives (19a-19b)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>19a. Off-balance sheet foreign currency derivative assets</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>19b. Off balance sheet foreign currency derivative liabilities</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>20. Net foreign currency asset/liability position (9-18+19)</b>	<b>6.571.800</b>	<b>791.108</b>	<b>(41.374)</b>	<b>210</b>
<b>21. Net foreign currency asset/ liability position of non-monetary items (IFRS 7. B23) (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(24.397.229)</b>	<b>(129.662)</b>	<b>(2.254.384)</b>	<b>--</b>
<b>22. Fair value of foreign currency hedged financial assets</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>23. Hedged foreign currency assets</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>24. Hedged foreign currency liabilities</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

**Tümosan Motor ve Traktör Sanayi A.Ş. and its Subsidiaries**  
Notes to the Condensed Consolidated Interim Financial Statements  
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**23 Financial Instruments – Risk Management and Fair Value (continued)**

**Market Risk (continued)**

**(i) Currency Risk (continued)**

As of 31 December 2020, the foreign currency denominated assets and liabilities of monetary and non-monetary items are as follows:

	31 December 2020			
	TL Equivalent	USD	EURO	GBP
1. Trade receivables	20.092.437	456.092	1.802.347	51.201
2a. Monetary assets (Including cash on hands and banks)	1.000.154	5.602	106.466	--
2b. Non-monetary financial assets	--	--	--	--
3. Other	26.126.750	138.786	2.787.331	--
<b>4. Current Assets (1+2+3)</b>	<b>47.219.341</b>	<b>600.480</b>	<b>4.696.144</b>	<b>51.201</b>
5. Trade receivables	--	--	--	--
6a. Monetary assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	--	--	--	--
<b>8. Non-Current Assets (5+6+7)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>9. Total Assets (4+8)</b>	<b>47.219.341</b>	<b>600.480</b>	<b>4.696.144</b>	<b>51.201</b>
10. Trade payables	16.645.619	214.006	1.642.326	28.238
11. Financial liabilities	--	--	--	--
12a. Other monetary financial liabilities	3.973.526	229.937	253.741	--
12b. Other non-monetary financial liabilities	--	--	--	--
<b>13. Short-Term Liabilities (10+11+12)</b>	<b>20.619.145</b>	<b>443.943</b>	<b>1.896.067</b>	<b>28.238</b>
14. Trade payables	--	--	--	--
15. Financial Liabilities	--	--	--	--
16a. Other monetary financial liabilities	--	--	--	--
16b. Other non-monetary financial liabilities	--	--	--	--
<b>17. Long-Term Liabilities (14+15+16)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>18. Total Liabilities (13+17)</b>	<b>20.619.145</b>	<b>443.943</b>	<b>1.896.067</b>	<b>28.238</b>
<b>19. Net asset /liability position of off-balance sheet derivatives (19a-19b)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
19a. Off-balance sheet foreign currency derivative assets	--	--	--	--
19b. Off balance sheet foreign currency derivative liabilities	--	--	--	--
<b>20. Net foreign currency asset/liability position (9-18+19)</b>	<b>26.600.196</b>	<b>156.537</b>	<b>2.800.077</b>	<b>22.963</b>
<b>21. Net foreign currency asset/ liability position of non-monetary items (IFRS 7. B23) (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>473.446</b>	<b>17.750</b>	<b>12.746</b>	<b>22.963</b>
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**  
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**23 Financial Instruments – Risk Management and Fair Value (continued)**

**Market Risk (continued)**

**(i) Currency Risk (continued)**

*Currency Sensitivity*

A 10 percent strengthening of the TL against the following currencies at 30 September 2021 and 31 December 2020 would have increased / (decreased) equity and profit or loss, excluding tax effects, by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

<b>30 September 2021</b>		
	<b>Profit/(Loss)</b>	
	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	699.601	(699.601)
2- Part of hedged from USD risk (-)	--	--
<b>3- USD net effect (1+2)</b>	<b>699.601</b>	<b>(699.601)</b>
In the case of change of EUR at 10% ratio compared to TL		
4- EUR net asset / liability	(42.671)	42.671
5- Part of hedged from EUR risk (-)	--	--
<b>6- EUR net effect (4+5)</b>	<b>(42.671)</b>	<b>42.671</b>
In the case of change of GBP at 10% ratio compared to TL		
7- GBP net asset / liability	250	(250)
8- Part of hedged from GBP risk (-)	--	--
<b>9- GBP net effect (7+8)</b>	<b>250</b>	<b>(250)</b>
<b>TOTAL (3+6+9)</b>	<b>657.180</b>	<b>(657.180)</b>

<b>31 December 2020</b>		
	<b>Profit/(Loss)</b>	
	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	114.905	(114.905)
2- Part of hedged from USD risk (-)	--	--
<b>3- USD net effect (1+2)</b>	<b>114.905</b>	<b>(114.905)</b>
In the case of change of EUR at 10% ratio compared to TL		
4- EUR net asset / liability	2.522.281	(2.522.281)
5- Part of hedged from EUR risk (-)	--	--
<b>6- EUR net effect (4+5)</b>	<b>2.522.281</b>	<b>(2.522.281)</b>
In the case of change of GBP at 10% ratio compared to TL		
7- GBP net asset / liability	22.834	(22.834)
8- Part of hedged from GBP risk (-)	--	--
<b>9- GBP net effect (7+8)</b>	<b>22.834</b>	<b>(22.834)</b>
<b>TOTAL (3+6+9)</b>	<b>2.660.020</b>	<b>(2.660.020)</b>

**24 Subsequent Events**

None.