

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

Consolidated Financial Statements
and Independent Auditor's
Report for the Year Ended 31 December 2025

(CONVENIENCE TRANSLATION OF THE
REPORT AND THE FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)
INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Tümosan Motor ve Traktör Sanayi ve Ticaret Anonim Şirketi A.Ş.

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Tümosan Motor ve Traktör Sanayi ve Ticaret Anonim Şirketi ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2) Basis for Opinion

We conducted our audit in accordance with the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards accepted by regulations of the Capital Markets Board and published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (including Independence Standards) ("Code of Ethics") published by the POA, as applicable to audits of consolidated financial statements of public interest entities, together with the ethical requirements included in the regulations of the Capital Markets Board and other regulations that are relevant to audits of the consolidated financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matter

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

Key Audit Matters	How the matter was addressed in the audit
<p data-bbox="215 237 459 271">Revenue Recognition</p> <p data-bbox="215 282 786 421">The Group's main area of activity is the production of diesel engines, the production of tractors powered by diesel engines, and the provision of authorized service activities.</p> <p data-bbox="215 432 786 638">Due to its importance as a key measurement criterion for evaluating the results of the strategies implemented during the year and monitoring performance, and due to the inherent risks of fraud and error by its nature, "revenue recognition" has been identified as a key audit matter.</p> <p data-bbox="215 649 786 817">For the year ended 31 December 2025, the Group's revenue amounted to TRY 3,454,240,450, and disclosures regarding the accounting policies and amounts related to revenue are included in Note 2.5.i and Note 19.</p>	<p data-bbox="805 282 1428 353">During our audit, the following audit procedures were performed regarding revenue recognition.</p> <p data-bbox="805 365 1428 465">The Group's sales processes were understood, and the design and effectiveness of the controls related to the sales process were evaluated.</p> <p data-bbox="805 477 1428 750">For the sales transactions selected on a sample basis, the timing of the satisfaction of performance obligations was examined through the related sales documents, and it was tested whether revenue was recognized in accordance with the Group's accounting policies and TFRS 15, and whether it was recorded in the consolidated financial statements in the appropriate reporting period and at the correct amount.</p> <p data-bbox="805 761 1428 896">External confirmations were obtained for trade receivables selected on a sample basis, and their consistency with the consolidated financial statements was checked.</p> <p data-bbox="805 907 1428 978">Analytical procedures were performed to identify the existence of non-recurring transactions.</p> <p data-bbox="805 990 1428 1090">Journal entries related to revenue recorded by the Group during the period and after the reporting period were evaluated.</p> <p data-bbox="805 1102 1428 1236">In addition, the adequacy and appropriateness of the disclosures in the notes to the financial statements regarding the recognition of revenue were evaluated in accordance with TFRSs.</p>

Key Audit Matters	How the matter was addressed in the audit
<p data-bbox="215 1312 742 1384">Determination of the Fair Value of Investment Properties</p> <p data-bbox="215 1395 786 1500">As at 31 December 2025, investment properties amounting to TRY 11,104,483,570 constitute 45% of the Group's total assets.</p> <p data-bbox="215 1512 786 1617">The fair values of the Group's investment properties are determined by an independent valuation company.</p> <p data-bbox="215 1628 786 1796">As at 31 December 2025, as a result of the valuation performed by the independent valuation company, a total fair value increase of TRY 8,053,200,798 has been recognized under "income from investing activities" during the period.</p> <p data-bbox="215 1807 786 2013">Investment properties constitute a significant portion of the Group's consolidated financial statements, and the valuation methods involve significant estimates and assumptions. Therefore, the determination of the fair values of investment properties has been identified as a key audit matter</p>	<p data-bbox="805 1395 1428 1467">Our audit procedures in this area included the following:</p> <ul data-bbox="837 1478 1428 2013" style="list-style-type: none"> <li data-bbox="837 1478 1428 1583">• Evaluating the competence and objectivity of the real estate valuation experts appointed by the Group's management, <li data-bbox="837 1594 1428 1800">• Assessing the valuation methods used in the calculations and reports prepared by the valuation companies, as well as the consistency and appropriateness of the inputs and assumptions that have a significant impact on fair value, <li data-bbox="837 1812 1428 2013">• Evaluating the appropriateness and adequacy of the disclosures in the notes to the consolidated financial statements related to investment properties, including the disclosures regarding key estimates and assumptions, in accordance with TFRSs.

4) Other Matter

The Group's consolidated financial statements for the year ended 31 December 2024 were audited by another independent auditor, who expressed an unmodified opinion on those consolidated financial statements on 11 March 2025.

5) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

6) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the regulations of the Capital Markets Board and SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the regulations of the Capital Markets Board and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control).
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

6) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

B) Report on Other Legal and Regulatory Requirement

1) In accordance with paragraph four of the Article 398 of the Turkish Commercial Code No. 6102 ("TCC"), the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 11 March 2026.

2) In accordance with paragraph four of the Article 402 of TCC, nothing has come to our attention that may cause us to believe that the Group's set of accounts and financial statements prepared for the period 1 January-31 December 2025 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

3) In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation except for the activity report with respect to our audit.

The engagement partner on the audit resulting in this independent auditor's report is Nizam Kılıç.

Tenet Bağımsız Denetim Anonim Şirketi



Nizam Kılıç
Partner

11 March 2026
İstanbul, Türkiye

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

Consolidated Financial Statement of Financial Position

As at 31 December 2025

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 December 2025, unless otherwise specified)

	Note	Audited	Audited
ASSETS		31 December 2025	31 December 2024
Current Assets			
Cash and cash equivalents	4	168.988.009	211.296.164
Financial investments	5	1.281.534.840	1.319.974.520
Trade receivables			
-Trade receivables from related parties	3	863.547.568	737.432.615
-Trade receivables from non-related parties	7	540.030.424	2.007.430.142
Other receivables			
- Other receivables from related parties	3	21.565.271	4.513.713
- Other receivables from non-related parties	8	62.905.165	15.409.759
Inventories	9	3.451.904.523	3.893.818.816
Prepaid expenses	10	697.006.124	1.020.111.966
Current tax assets	26	6.114.995	41.969.367
Other current assets	17	214.308.780	349.714.122
Total Current Assets		7.307.905.699	9.601.671.184
Non-Current Assets			
Other receivables			
-Other receivables from non-related parties	8	178.488	222.624
Property, plant and equipment	12	5.416.396.959	6.158.344.649
Intangible assets	13	603.417.199	312.981.586
Investment property	11	11.104.483.570	141.312.496
Right of use assets	14	30.337.805	84.887.798
Total Non-Current Assets		17.154.814.021	6.697.749.153
Total Assets		24.462.719.720	16.299.420.337

The accompanying notes form an integral part of the consolidated financial statements.

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

Consolidated Financial Statement of Financial Position

As at 31 December 2025 (continued)

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 December 2025, unless otherwise specified)

	<i>Note</i>	Audited	Audited
LIABILITIES		31 December 2025	31 December 2024
Short Term Liabilities			
Short term borrowings	6	1.165.111.781	4.784.119.925
Liabilities from leasing transactions	14	2.230.250	3.992.281
Short term portion of long-term borrowings	6	103.193.417	76.302.386
Trade payables			
- Trade payables to related parties	3	28.909.063	23.005.507
- Trade payables to non-related parties	7	581.746.443	1.109.819.102
Payables related to employee benefits	16	61.403.520	61.369.176
Other payables			
- Other payables to non-related parties	8	11.660.201	11.926.047
Deferred income	10	300.508.510	314.280.864
Short term provisions			
- Short term provisions for employee benefits	16	17.028.956	23.364.630
- Other short term provisions	15	58.949.962	103.415.063
Total Short Term Liabilities		2.330.742.103	6.511.594.981
Long term borrowings	6	4.958.556.361	55.241.044
Liabilities from leasing transactions	14	25.402.842	22.442.981
Long term provisions			
- Long term provisions for employee benefits	16	82.884.173	52.438.704
Deferred tax liability	26	2.245.767.328	1.081.363.302
Total Long Term Liabilities		7.312.610.704	1.211.486.031
Total Liabilities		9.643.352.807	7.723.081.012
Paid-in share capital	18	115.000.000	115.000.000
Capital adjustment differences	18	2.080.046.190	2.080.046.190
Share premium		219.539.406	219.539.406
Accumulated other comprehensive income			
- Revaluation and remeasurement gain or loss	18	1.747.606.606	--
- Items will not to be reclassified in profit or loss	18	(65.476.146)	(35.752.251)
Restricted reserves		234.679.082	234.679.082
Retained earnings		5.962.826.898	6.559.742.029
Net profit for the period		4.525.144.877	(596.915.131)
Total Equity		14.819.366.913	8.576.339.325
Total Equity and Liabilities		24.462.719.720	16.299.420.337

The accompanying notes form an integral part of the consolidated financial statements.

Tümosan Motor ve Traktör Sanayi A.Ş. and Its Subsidiaries
Consolidated Financial Statement of Profit or Loss For the Year Ended
31 December 2025

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 December 2025, unless otherwise specified)

	<i>Note</i>	Audited	Audited
		1 January- 31 December 2025	1 April- 31 December 2025
Revenue	19	3.454.240.450	9.138.246.261
Cost of sales (-)	19	(3.095.752.407)	(7.277.807.774)
Gross profit		358.488.043	1.860.438.487
General administrative expenses (-)	20	(480.622.704)	(277.035.125)
Marketing expenses (-)	20	(1.262.224.736)	(1.449.282.838)
Research and development expenses (-)	20	(157.105.609)	(110.600.817)
Other operating income	22	129.320.234	227.444.534
Other operating expenses (-)	22	(167.326.911)	(202.596.026)
Operating profit		(1.579.471.683)	48.368.215
Incomes / (Expense) from investment activities	24	8.302.395.269	699.293.684
Operating profit before financial expenses, net		6.722.923.586	747.661.899
Financial income	23	816.985.069	--
Financial expenses (-)	23	(2.804.424.739)	(1.550.455.128)
Net monetary position gain /(loss)	25	381.437.419	250.092.271
Profit before tax		5.116.921.335	(552.700.958)
Tax expense			
- Current tax expense for the period	26	--	(96.821.195)
- Deferred tax income	26	(591.776.458)	52.607.022
Profit for the period		4.525.144.877	(596.915.131)
Distribution of net profit for the period			
Equity holders of the Company		4.525.144.877	(596.915.131)
Non-controlling interest		--	--
Number of shares	27	115.000.000	115.000.000
Earnings per share	27	39,35	(5,19)

The accompanying notes form an integral part of the consolidated financial statements.

Tümosan Motor ve Traktör Sanayi A.Ş. and Its Subsidiaries
Consolidated Financial Statement of Other Comprehensive Income
For the Year Ended 31 December 2025

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 December 2025, unless otherwise specified)

		Audited	Audited
	<i>Note</i>	1 January- 31 December 2025	1 April- 31 December 2025
Net Profit of the Period		4.525.144.877	(596.915.131)
Other Comprehensive Income			
<u>That will not be Reclassified as Profit or Loss</u>			
- Revaluation Increases of Property, Plant and Equipment	12	2.330.142.141	--
- Deferred Tax Income / (Expense)	26	(582.535.535)	--
- Actuarial Differences	16	(39.631.862)	(8.900.961)
- Deferred Tax Income	26	9.907.967	2.225.240
Total Other Comprehensive Income		1.717.882.711	(6.675.721)
Total Comprehensive Income		6.243.027.588	(603.590.852)
Distribution of Total Comprehensive Income			
Parent Company Shares		6.243.027.588	(603.590.852)
Non-controlling Shares		--	--

The accompanying notes form an integral part of the consolidated financial statements.

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

Consolidated Financial Statement of Change in Equity

For the Year Ended 31 December 2025

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 December 2025, 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	Revaluation Increases of Property, Plant and Equipment	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 2024	115.000.000	2.080.046.190	219.539.406	--	(29.076.530)	231.663.950	5.291.763.413	1.270.993.748	9.179.930.177	
Transfers	--	--	--	--	--	3.015.132	1.267.978.616	(1.270.993.748)	--	
Profit for the period	--	--	--	--	--	--	--	(596.915.131)	(596.915.131)	
Other comprehensive income	--	--	--	--	(6.675.721)	--	--	--	(6.675.721)	
<i>Actuarial differences</i>	--	--	--	--	<i>(6.675.721)</i>	--	--	--	<i>(6.675.721)</i>	
Balance at 31 December 2024	115.000.000	2.080.046.190	219.539.406	--	(35.752.251)	234.679.082	6.559.742.029	(596.915.131)	8.576.339.325	
Balance at 1 January 2025	115.000.000	2.080.046.190	219.539.406	--	(35.752.251)	234.679.082	6.559.742.029	(596.915.131)	8.576.339.325	
Transfers	--	--	--	--	--	--	(596.915.131)	596.915.131	--	
Profit for the period	--	--	--	--	--	--	--	4.525.144.877	4.525.144.877	
Other comprehensive income	--	--	--	1.747.606.606	(29.723.895)	--	--	--	1.717.882.711	
<i>Actuarial differences</i>	--	--	--	--	<i>(29.723.895)</i>	--	--	--	<i>(29.723.895)</i>	
<i>Revaluation and remeasurement gain</i>	--	--	--	<i>1.747.606.606</i>	--	--	--	--	<i>1.747.606.606</i>	
Balance at 31 December 2025	115.000.000	2.080.046.190	219.539.406	1.747.606.606	(65.476.146)	234.679.082	5.962.826.898	4.525.144.877	14.819.366.913	

The accompanying notes form an integral part of the consolidated financial statements.

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

Consolidated Financial Statement of Cash Flow

For the Year Ended 31 December 2025

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 December 2025, unless otherwise specified)

	<i>Note</i>	Audited	Audited
		1 January- 31 December 2025	1 January- 31 December 2024
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit / (loss) for the period		1,373,349,042	(360,906,777)
Reconciliation of net cash provided by operating activities to net profit:		4,525,144,877	(596,915,131)
		(5,036,365,992)	1,576,694,690
Adjustments for depreciation and amortization expense	12, 13, 14	574,116,731	501,663,047
Adjustments for impairment (reversals)			
- Adjustments for (reversal of) impairment on receivables	7	29,029,426	(12,932,357)
Adjustments for provisions			
- Adjustments for provision for employee termination benefits	16	40,457,877	27,728,314
- Adjustments for provision for unused vacation leave	16	(906,620)	8,792,331
- Adjustments for (reversal of) provisions for litigation	15	(3,667,604)	3,108,909
- Adjustments for (reversal of) warranty provisions	15	(18,473,563)	37,561,855
Adjustments for interest income and expenses	23		
- Adjustments for interest income		(816,985,069)	--
- Adjustments for interest expenses		2,804,424,739	1,550,455,128
Adjustments for fair value losses (gains)			
- Adjustments for fair value losses (gains) on investment properties	11	(8,053,200,798)	--
- Adjustments for fair value losses (gains) on financial assets	24	(249,194,471)	(699,293,684)
Adjustments for tax income and expenses	26	591,776,458	44,214,173
Adjustments for monetary gains and losses		66,256,902	115,396,974
Changes in working capital		1,894,330,119	(1,026,408,842)
Decrease (increase) in financial investments		287,634,151	343,987,319
Adjustments for decrease (increase) in trade receivables			
- Decrease (increase) in trade receivables from related parties		(126,114,953)	323,959,802
- Decrease (increase) in trade receivables from non-related parties		1,433,061,231	15,257,620
Adjustments for decrease (increase) in other receivables related to operations			
- Decrease (increase) in other receivables related to operations from related parties		(17,051,558)	(4,152,369)
- Decrease (increase) in other receivables related to operations from non-related parties		(47,451,270)	(7,209,085)
Adjustments for decreases (increases) in inventories		441,914,293	121,694,870
Adjustments for decrease (increase) in prepaid expenses		323,105,842	(652,835,445)
Adjustments for increase (decrease) in trade payables			
- Increase (decrease) in trade payables to related parties		(528,072,659)	(1,150,366,368)
- Increase (decrease) in trade payables to non-related parties		5,903,556	(17,524,461)
Increase (decrease) in liabilities related to employee benefits		34,344	(13,200,053)
- Increase/(decrease) in other liabilities related to operations to non-related parties		(265,846)	(29,809,523)
Adjustments for other increases (decreases) in working capital			
- Decrease (increase) in other assets related to operations		135,405,342	50,461,652
- Increase/(decrease) in other liabilities related to operations		(13,772,354)	(6,672,801)
Cash flows generated from operating activities		(9,759,962)	(314,277,494)
Tax refunds (payments)	26	35,854,372	(294,970,566)
Other cash inflows (outflows)	16	(36,936,712)	(11,366,777)
Lease payments	14	(8,677,622)	(7,940,151)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Cash inflows from the sale of property, plant and equipment	12	--	1,587,244
Cash outflows from the purchase of property, plant and equipment	12	(285,561,043)	(297,868,027)
Cash outflows from the purchase of intangible assets	13	(411,815,446)	(214,332,253)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities			
Changes in financial borrowings, net		1,311,198,204	2,241,009,550
Interest paid	23	(2,796,595,279)	(1,546,454,985)
Interest received	23	816,985,069	--
Other cash outflows (change in restricted deposits)	4	(17,705,326)	--
D. INFLATION EFFECT ON CASH AND CASH EQUIVALENTS		(49,868,702)	(172,305,644)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		(60,013,481)	(349,270,892)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	211,296,164	560,567,056
F. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	4	151,282,683	211,296,164

The accompanying notes form an integral part of the consolidated financial statements..

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

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 December 2025, unless otherwise specified)

1 Organization and Nature of Operation

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

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

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

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

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

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

Headquarters:

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

Factory:

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

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

	31 December 2025	31 December 2024
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 Consolidated Financial Statements for the Year Ended 31 December 2025

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 December 2025, unless otherwise specified)

1 Organization and Nature of Operation (continued)

As of 31 December 2025, The Company has 529 personnel (31 December 2024: 635)

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 31 December, 2025.

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

The condensed consolidated interim financial statements as of 31 December, 2025 prepared by fully consolidating the subsidiaries stated below to the Company.

Company	Rate of Control	
	31 December 2025	31 December 2024
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 Consolidated Financial Statements for the Year Ended 31 December 2025

(The amounts are expressed in terms of purchasing power of Turkish Lira ("TL") as of 31 December 2025, unless otherwise specified)

2 Principles of Presentation of the Financial Statement

2.1 Basis of Presentation

(a) Form and Preparation of the Financial Statements

As of December 31, 2025, the consolidated financial statements and notes thereto have been prepared in accordance with the provisions of the Capital Markets Board's ("CMB") Communiqué Serial II - 14.1 No: "Principles Regarding Financial Reporting in Capital Markets," published in the Official Gazette dated June 13, 2013 and numbered 28676 ("Communiqué"), as well as the Turkish Accounting Standards ("TAS") issued and enforced by the Public Oversight, Accounting and Auditing Standards Authority ("POA"). TAS comprises 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 Financial Statement Examples and Usage Guide published by the Capital Markets Board ("CMB") and the TFRS Taxonomies published by the Public Oversight, Accounting and Auditing Standards Authority ("POA").

(b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets measured at fair value, investment properties, and property, plant, and equipment. The methods used for fair value measurement are also disclosed in Note 2.5.

(c) Restatement of Financial Statements during High Inflation Periods

The financial statements and related amounts for previous periods have been restated for changes in the general purchasing power of the functional currency and, as a result, have been expressed in the measurement unit currency in effect at the end of the reporting period in accordance with TAS 29 "Financial Reporting in Hyperinflationary Economies."

TAS 29, including consolidated financial statements, is applicable to the financial statements of every entity, including consolidated financial statements, whose functional currency is the currency of a hyperinflationary economy. 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 currency in effect at the end of the reporting period.

As of the reporting date, since the cumulative change in the general purchasing power over the last three years, based on the Consumer Price Index ("CPI"), exceeds 100%, businesses operating in Türkiye are required to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" for reporting periods ending on or after December 31, 2025.

In accordance with the announcement issued by the Public Oversight, Accounting and Auditing Standards Authority ("POA") on November 23, 2024, regarding the adjustment of the financial statements of companies subject to independent audit for inflation, businesses applying Turkish Financial Reporting Standards are required to present their financial statements for annual reporting periods ending on or after December 31, 2025, adjusted for the effects of inflation in accordance with the relevant accounting principles set forth in TAS 29.

The Group has presented the financial statements of its subsidiaries, which have only the functional currency of Turkish Lira (TL), adjusted for the effects of inflation in accordance with the accounting principles specified in TAS 29, as of December 31, 2025.

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

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 December 2025, unless otherwise specified)

2 Principles of Presentation of the Financial Statement (continued)

2.1 Basis of Presentation (continued)

(c) Restatement of Financial Statements during High Inflation Periods (continued)

The relevant inflation rates calculated based on the Consumer Price Index ("CPI") published by the Turkish Statistical Institute ("TÜİK") for the respective years are provided in the table below:

Date	Index	Correction Coefficient	Cumulative Inflation Rates Over Three Years
31 December 2025	3.513,87	1,00000	211 %
31 December 2024	2.684,55	1,30892	291 %
31 December 2023	1.859,38	1,88981	268 %

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

- All items except those expressed in current purchasing power as of the reporting date are indexed using the respective adjustment coefficients. Amounts for past years have also been indexed in the same manner.
- Monetary assets and liabilities are not indexed since they are expressed in terms of current purchasing power as of the financial position statement date. Monetary items represent cash and items that are expected to be received or paid in cash.
- Non-current assets, investments, and similar assets are indexed based on their historical costs, provided that they do not exceed market values. Depreciation expenses are adjusted accordingly. Amounts within equity are reclassified based on the application of general price indices for the periods in which these amounts were included in or originated within the Company.
- All items in the income statement, except for those affected by the indexing of non-monetary items in the balance sheet, are indexed using the coefficients calculated based on the periods when income and expense accounts were initially reflected in the financial statements, excluding those affecting the income statement.
- The gains or losses arising from general inflation in the net monetary position are the difference between adjustments made in non-monetary assets, equity items, and income statement accounts. These gains or losses in the net monetary position are included in the income statement.

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

Restatement of the Statement of Financial Position

Restatement of the amounts in the statement of financial position is carried out for items that are not expressed in the measurement unit currency effective at the end of the reporting period. Accordingly, monetary items are not restated as they are expressed in the currency current at the reporting period end. Non-monetary items, however, need to be restated unless they are already presented at their current amounts at the end of the reporting period.

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

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

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 December 2025, unless otherwise specified)

2 Principles of Presentation of the Financial Statement (continued)

2.1 Basis of Presentation (continued)

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

Restatement of the Statement of Profit or Loss

Restatement of all items in the statement of profit or loss is carried out to express them in the measurement unit currency effective at the end of the reporting period. Therefore, all amounts have been restated by applying changes in the monthly general price index.

Depreciation and amortization expenses for property, plant, and equipment, as well as intangible assets, have been adjusted using the restated balances.

Restatement of the Cash Flow Statement

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

Consolidated Financial Statements

The financial statements of a subsidiary, which has the functional currency of a hyperinflationary economy, are restated by applying the general price index before being included in the consolidated financial statements prepared by the parent company. In the case of such a subsidiary being a foreign subsidiary, the restated financial statements are translated at the closing rate. When consolidating financial statements with different reporting period ends, all monetary or non-monetary items are restated in accordance with the measurement unit currency effective at the date of the consolidated financial statements.

(d) Functional Currency and Reporting Currency

The attached financial statements are presented in Turkish Lira (TL), which is the functional currency of the Group. All financial information is presented in TL unless otherwise indicated.

(e) Comparative information

The accompanying consolidated financial statements are prepared comparatively with the prior period in order to enable the determination of trends in the Group's financial position, performance, and cash flows. Comparative information is reclassified where necessary to ensure consistency with the presentation of the current period financial statements, and the related differences are disclosed in the relevant notes.

As of 31 December 2024, "Advances Given to Related Parties for Orders" amounting to TL 774,714,854, which was presented under Trade Receivables in the statement of financial position, has been reclassified and presented under Prepaid Expenses.

As of 31 December 2024, "Other Receivables from Related Parties" amounting to TL 774,714,854, which was presented under Trade Receivables in the statement of financial position, has been reclassified and presented under Other Receivables.

(f) Foreign currency

Foreign currency transactions are translated into the Group's functional currency at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the reporting date. The foreign exchange gain or loss on monetary items represents the difference between the amount translated at the beginning of the period using the effective interest rate and the amount translated at the end of the period using the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies and measured at fair value are translated into the functional currency at the exchange rates prevailing at the dates when the fair values were determined. Non-monetary items denominated in foreign currencies and measured at historical cost are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Exchange differences arising from the translation are recognized in profit or loss, except for differences arising from the effective portion of cash flow hedges recorded in other comprehensive income.

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

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 December 2025, unless otherwise specified)

2 Principles of Presentation of the Financial Statement (continued)

2.1 Basis of Presentation (continued)

(g) Principles of Consolidation

As of December 31, 2025, and December 31, 2024, the consolidated financial statements include the accounts of the Company and its subsidiaries.

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

The table below shows the percentage (%) of effective ownership and total voting rights of all subsidiaries included within the consolidation scope under the direct or indirect joint control of the Company as of December 31, 2025, and December 31, 2024:

Company	Rate of Control	
	31 December 2025	31 December 2024
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

Adjustments for non-controlling interests are calculated based on the proportional amount of the net assets of subsidiaries at the acquisition date. Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) Loss of Control

If the Group loses control over its subsidiaries, the assets and liabilities of the subsidiaries, as well as the non-controlling interests and other amounts related to the subsidiaries' equity, are removed from the Group's records. Any resulting gains or losses are recognized in profit or loss. The remaining interests in the former subsidiaries are measured at their fair values as of the date when control is lost.

(iv) Consolidation adjustments

During the preparation of the consolidated financial statements, intercompany balances, transactions, and unrealized gains and losses arising from intercompany transactions are eliminated reciprocally. Unrealized gains arising from transactions with investments accounted for using the equity method are eliminated to the extent of the Group's ownership interest in the investment. Similarly, unrealized losses are eliminated in the same manner as unrealized gains, provided that there is no impairment of value.

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

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 December 2025, unless otherwise specified)

2 Principles of Presentation of the Financial Statement (continued)

2.2 Statement of Compliance with TFRS

The attached consolidated financial statements have been prepared in accordance with TFRS, reflecting the principle of presenting a true and fair view of the financial position, performance, and cash flows of the Company and its subsidiaries through classification and adjustments based on their legal records.

The Company and its subsidiaries maintain 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 Turkish Lira (TL) accordingly.

The consolidated financial statements were approved by the Company's Board of Directors on March 11, 2025. The Company's General Assembly and certain regulatory authorities have the right to amend the financial statements after their publication.

2.3 Changes in Accounting Policies

Changes in accounting policies arising from the initial application of a new TFRS are applied retrospectively or prospectively in accordance with the transition provisions of that TFRS. Material accounting errors identified are applied retrospectively, and the financial statements of previous periods are restated. Changes in accounting estimates are applied prospectively if they relate to a single period. However, if they relate to future periods, they are applied both in the period of change and prospectively.

New and Revised Standards and Interpretations

Standards, amendments, and interpretations that are issued but not effective as of 31 December 2025:

A number of new accounting standards are effective for annual reporting periods beginning after 1 January 2025 and earlier application is permitted. However, the Group has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements.

a) TFRS 18 Presentation and Disclosure in Financial Statements

On 9 April 2024, IASB has issued IFRS 18 Presentation and Disclosure in Financial Statements that IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. POA issued the standard "TFRS 18 Presentation and Disclosure in Financial Statements" on 8 May 2025, announcing that with its effective date, the currently applied "TAS 1 Presentation of Financial Statements" will be superseded. The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements. In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. TFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and applies retrospectively. Early adoption is permitted.

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

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 December 2025, unless otherwise specified)

2 Principles of Presentation of the Financial Statement (continued)

2.3 Changes in Accounting Policies (continued)

a) TFRS 18 Presentation and Disclosure in Financial Statements (continued)

The Group is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for Management-defined performance measures. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

b) Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the Group's consolidated financial statements:

- *Classification and Measurement of Financial Instruments (Amendments to TFRS 9 and TFRS 7)c; and*
- *Contracts Referencing Nature-dependent Electricity (Amendments to TFRS 9 and TFRS 7).*
- *TFRS 19 Subsidiaries without Public Accountability: Disclosures*
- *Annual Improvements to TFRS Accounting Standards- Volume 11:*
- *TAS 21 – Translation to a Hyperinflationary Presentation Currency*

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Accounting and Auditing Standards Authority ("POA")

Amendments to the Classification and Measurement of Financial Instruments – Amendments to TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures

Classification of financial assets with contingent feature

The amendments introduce an additional SPPI (solely payment of principal and interest) test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g. where the cash flows change depending on whether the borrower meets an ESG (environmental, social, and governance) target specified in the loan contract. This contingent financial asset's classification will be determined by the SPPI test. The SPPI test determines whether the asset should be accounted for at amortized cost or fair value.

Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. Judgement will be required in determining whether the new test is met.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

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

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 December 2025, unless otherwise specified)

2 Principles of Presentation of the Financial Statement (continued)

2.3 Changes in Accounting Policies (continued)

Settlement by electronic payments

A company that settles its trade payable by using an electronic payment system generally derecognises its trade payable on settlement date. The amendments provide an exception for the derecognition of such financial liabilities. The exception allows the company to derecognise its trade payable before the settlement date when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

Other amendments

Contractually linked instruments (CLIs) and non-recourse features

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

Disclosures on investments in equity instruments

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of the Amendments to TFRS 9 and TFRS 7.

TFRS 19 Subsidiaries without Public Accountability: Disclosures

Subsidiaries of companies using TFRS Accounting Standards can substantially reduce their disclosures and focus more on users' needs following the release of TFRS 19.

A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date:

- it does not have public accountability;
- its parent produces consolidated financial statements under TFRS Accounting Standards.

A subsidiary applying TFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with TFRS Accounting Standards that TFRS 19 has been adopted.

The amendments apply for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of TFRS 19.

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

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 December 2025, unless otherwise specified)

2 Principles of Presentation of the Financial Statement (continued)

2.3 Changes in Accounting Policies (continued)

Annual Improvements to TFRS Accounting Standards- Volume 11 – Amendments to:

The annual improvements process aims to improve the clarity and internal consistency of IFRS Accounting Standards. In July 2024, the IASB issued “*Annual Improvements to IFRS Accounting Standards—Volume 11*” to make minor amendments to 5 standards. The related amendments were also issued by the POA on 27 September 2025 under the title “*Annual Improvements to TFRSs – Volume 11.*”

Transaction Price (Amendments to TFRS 9: Financial Instruments) The term "transaction price" used in TFRS 9, with a meaning that is not necessarily consistent with the definition in TFRS 15, has been updated to "the amount determined by applying TFRS 15" for consistency.

Lessee derecognition of lease liabilities (Amendments to TFRS 9: Financial Instruments): If a lease liability is derecognised, then the derecognition is accounted for under TFRS 9. However, when a lease liability is modified, the modification is accounted for under TFRS 16 Leases. The IASB’s amendment states that when lease liabilities are derecognised under TFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. Hedge Accounting by a First-time Adopter (Amendments to TFRS 1 First-time Adoption of International Financial Reporting Standards)

TFRS 1 is amended:

- to improve their consistency with the requirements in TFRS 9 for hedge accounting; and
- to improve the understandability.

A cross-reference to TFRS 9 in TFRS 1 “Exception to the retrospective application of other TFRSs” is added.

Gain or Loss on Derecognition (Amendments to TFRS 7 Financial Instruments: Disclosures): With this amendment, a statement is added clarifying that the guidance in TFRS 7 does not illustrate all the requirements regarding the accounting for gains and losses arising from derecognition. Additionally, the phrase “inputs that were not based on observable market data” is adjusted to “unobservable inputs” to align with TFRS 13 terminology.

Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to TFRS 7 Financial Instruments: Disclosures): The statement that was not amended after the publication of IFRS 13 in May 2011 is clarified and simplified with this change, explaining that the transaction price at initial recognition may differ from the fair value. Fair value is not supported by a quoted price in an active market for an identical asset or liability (Level 1 input) nor by a valuation technique relying solely on observable market data. (In these circumstances, the difference will be recognised in profit or loss in subsequent periods in accordance with TFRS 9.)

Credit Risk Disclosures (Amendments to TFRS 7 Financial Instruments: Disclosures): The IG1 paragraph has been revised to provide clarity, explaining that not all requirements in the referenced paragraphs of TFRS 7 are necessarily illustrated.

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

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 December 2025, unless otherwise specified)

2 Principles of Presentation of the Financial Statement (continued)

2.3 Changes in Accounting Policies (continued)

Annual Improvements to TFRS Accounting Standards- Volume 11 – Amendments to:
(continued)

Determination of a 'De Facto Agent' (Amendments to TFRS 10 Consolidated Financial Statements)

When determining an investor whether another party is acting on its behalf, TFRS 10 is amended to use conclusive language when the parties that direct the activities of the investor have the ability to direct that party to act on the investor's behalf, judgement is required to determine whether a party is acting as a de facto agent.

Cost Method (Amendments to TAS 7): Following the removal of the term "cost method" in previous amendments, the statement in TAS 7 is adjusted from "cost method" to "accounted at cost".

Contracts Referencing Nature-dependent Electricity – Amendments to TFRS 9 and TFRS 7

In December 2024, The International Accounting Standards Board (IASB) has now amended IFRS 9 to address challenges in applying IFRS 9 to contracts referencing nature-dependent electricity – sometimes referred to as renewable power purchase agreements ("PPAs"). The relevant amendments were also published by the POA on 10 August 2025, under the title "Contracts Referencing Nature-dependent Electricity" (Amendments to TFRS 9 and TFRS 7)." The amendments include guidance on:

- the 'own-use' exemption for purchasers of electricity under such PPAs; and
- hedge accounting requirements for companies that hedge their purchases or sales of electricity using PPAs.
- new disclosure requirements for certain PPAs to TFRS 7 Financial Instruments: Disclosures and TFRS 19 Subsidiaries without Public Accountability: Disclosures.

The amendments apply for reporting periods beginning on or after 1 January 2026. Early application is permitted.

Own-use Exemption for PPAs

If the own-use exemption does not apply under TFRS 9 when purchasing electricity through PPAs, PPAs are treated as derivatives, measured at FVTPL, potentially causing significant volatility in the income statement over time, especially as PPAs are often long-term agreements.

To apply the own-use exemption to a PPA, TFRS 9 currently requires companies to assess whether the contract is for receipt of electricity in line with the company's expected purchase or usage requirements – e.g. the company expects to consume the purchased electricity. Due to electricity's unique characteristics, its inability to be stored and the requirement to sell unused electricity back to the market within a short period and these sales occur due to market conditions rather than short-term price speculation, a clarification of application of own-use exemption under existing requirements was needed. The amendments allow companies to apply the own-use exemption to PPAs if they have been, and expect to continue being, net purchasers of electricity during the contract period.

These amendments apply retrospectively based on the facts and circumstances at the start of the reporting period of initial application, without requiring restatement of prior periods.

Hedge accounting requirements for PPAs

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

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 December 2025, unless otherwise specified)

2 Principles of Presentation of the Financial Statement (continued)

2.3 Changes in Accounting Policies (continued)

Contracts Referencing Nature-dependent Electricity – Amendments to TFRS 9 and TFRS 7 (continued)

Since virtual PPAs (contracts for differences) and PPAs that do not meet the own-use exemption are accounted for as derivatives and measured at FVTPL, the hedge accounting requirements in TFRS 9 have been amended to allow applying hedge accounting for PPAs, to reduce profit or loss volatility:

- It permits companies to designate a variable nominal volume of forecasted sales or purchases of renewable electricity as the hedged transaction, rather than a fixed volume.
- It allows the measurement the hedged item using the same volume assumptions as those used for the hedging instrument.

The amendments apply prospectively to new hedging relationships designated on or after the date of initial application. They also allow companies to discontinue an existing hedging relationship, if the same hedging instrument (i.e. the nature-dependent electricity contract) is designated in a new hedging relationship applying the amendments.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of TFRS 9 and TFRS 7.

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Accounting and Auditing Standards Authority (“POA”)

IAS 21 – Translation to a Hyperinflationary Presentation Currency

The IASB has issued amendments to *IAS 21 The Effects of Changes in Foreign Exchange Rates* to provide a consistent and straightforward translation method and to address issues related to the ever-growing foreign currency translation balances. The amendments clarify the following regarding the translation of a company’s financial statements from the currency of a non-hyperinflationary economy into a hyperinflationary presentation currency:

- The company with a non-hyperinflationary functional currency uses the closing rate at the latest reporting date when translating all financial statement amounts (including comparatives) into its presentation currency; and
- When translating all amounts (except comparative amounts) of a foreign operation with a non-hyperinflationary functional currency, the company uses the closing rate at the latest reporting date, while comparative amounts shall be restated using the general price index.

The amendments apply retrospectively from annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IAS 21

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2 Principles of Presentation of the Financial Statement (continued)

2.4 Changes and Errors in Accounting Estimates

Significant changes in accounting policies and significant accounting errors identified are applied retrospectively, and the financial statements of previous periods are restated. Changes in accounting estimates are applied prospectively; if they relate to only one period, they are applied in the current period in which the change is made, and if they relate to future periods, they are applied both in the period of the change and in future periods. There have been no significant changes in the company's accounting estimates.

2.5 Summary of Significant Accounting Policies

(a) Financial Instruments

(i) Financial Assets

Classification

The company accounts for its financial assets in three categories: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss. Classification is based on the business model the company uses for managing financial assets and the contractual cash flow characteristics of the financial asset.

The company classifies its financial assets at the date of initial recognition. Financial assets are not reclassified after initial recognition except in cases where there is a change in the company's business model; in such cases, financial assets are reclassified on the first day of the reporting period following the change.

Accounting and Measurement

"Financial assets measured at amortized cost" are non-derivative financial assets held within a business model whose objective is to hold assets to collect contractual cash flows, and those cash flows represent solely payments of principal and interest on the principal amount outstanding on specified dates in the contract terms. The company's financial assets measured at amortized cost include "cash and cash equivalents," "trade receivables," "other receivables," and "financial investments." These assets are initially recognized in the financial statements at their fair values and subsequently measured at amortized cost using the effective interest rate method. Gains and losses arising from the measurement of financial assets measured at amortized cost and classified as non-derivative financial assets are recognized in the profit or loss statement.

Financial assets measured at fair value through other comprehensive income" are non-derivative financial assets held within a business model whose objective is both to collect contractual cash flows and to sell financial assets, and those cash flows represent solely payments of principal and interest on the principal amount outstanding on specified dates in the contract terms. Gains or losses arising from these financial assets, excluding impairment gains or losses and foreign exchange gains or losses, are reflected in other comprehensive income.

The company may choose, at initial recognition, to irrevocably designate subsequently arising changes in fair value of equity investments as other comprehensive income. In such cases, dividends received from such investments are recognized in the profit or loss statement.

Financial assets measured at fair value through profit or loss" comprise financial assets other than those measured at amortized cost and those measured at fair value through other comprehensive income. Gains and losses arising from the valuation of these assets are recognized in the profit or loss statement.

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2 Principles of Presentation of the Financial Statement (continued)

2.5 Summary of Significant Accounting Policies (continued)

(a) Financial Instruments (continued)

Exclusion from Financial Statements

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset are transferred in a transaction. Any rights created or retained by the company in transferring financial assets are separately recognized as assets or liabilities.

Impairment

Financial assets and contract assets are assessed for impairment using the "Expected Credit Loss" (ECL) model. The impairment model is applied to both amortized cost financial assets and contract assets. Loss allowances are measured based on the following:

- 12-month ECLs: ECLs resulting from possible default events within the 12 months after the reporting date.
- Lifetime ECLs: ECLs resulting from possible default events over the expected lifetime of a financial instrument.

Lifetime ECL measurement is applied when there is a significant increase in credit risk of a financial asset after initial recognition of credit risk on the reporting date. In other cases where such an increase does not occur, 12-month ECL calculation is applied. The entity may determine that if a financial asset has low credit risk at the reporting date, the credit risk of the financial asset has not significantly increased. However, lifetime ECL measurement (simplified approach) is always applicable for trade receivables and contract assets without a significant financing component.

Trade receivables

The trade receivables arising from the provision of goods or services to customers are recognized at the original invoice amount and subsequently measured at the present value of the estimated future cash flows using the effective interest method. Short-term receivables without a stated interest rate are recognized at the invoice amount unless the effect of discounting the cash flows is immaterial.

In the financial statements, for trade receivables accounted for at amortized cost and not containing a significant financing component (short-term, less than 1 year), a simplified approach is applied for impairment calculations. Under this approach, if there is no impairment loss for trade receivables due to specific reasons (excluding incurred impairment losses), impairment allowances for trade receivables are measured at an amount equal to lifetime expected credit losses.

Following the allocation of impairment allowances, if all or a portion of the impaired receivable amount is collected, the collected amount is deducted from the allocated impairment allowance and recorded as other income from operating activities.

Income or expenses related to maturity differences in commercial transactions and gains or losses from foreign exchange are accounted for within the "Other Income/Expenses from Operating Activities" account in the profit or loss statement.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, and other short-term investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank deposits with maturities longer than three months but less than one year are classified under short-term financial investments.

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2 Principles of Presentation of the Financial Statement (continued)

2.5 Summary of Significant Accounting Policies (continued)

(a) Financial Instruments (continued)

(ii) Financial Liabilities

Financial liabilities are measured at fair value at initial recognition. Transaction costs that are directly attributable to the acquisition of the financial liability are added to this fair value. Financial liabilities are classified as either equity-based financial instruments or other financial liabilities.

Equity-Based Financial Instruments

Financial liabilities related to purchase options granted to non-controlling interests are reflected in the financial statements at their discounted value in accordance with the amortization schedule of the respective option.

Other Financial Liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, which includes interest expense calculated at the effective interest rate. The effective interest method is a way of calculating the amortized cost of a financial liability and allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial instrument, or a shorter period if appropriate, to the net present value of the financial liability.

Trade payables

Trade payables represent obligations to pay for goods and services acquired from suppliers in the ordinary course of business. Trade payables are initially measured at fair value and subsequently measured at amortized cost using the effective interest method.

(b) Property, Plant and Equipment

(i) Recognition and Measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any, except for land and buildings. Cost includes expenditures that are directly attributable to the acquisition of the asset.

The Group has elected to apply the revaluation model as its accounting policy in accordance with IAS 16 Property, Plant and Equipment. The revalued amount represents the fair value at the date of revaluation less subsequent accumulated depreciation and subsequent accumulated impairment losses.

Increases arising from the revaluation of land, land improvements, buildings and plant, machinery and equipment are recognized in equity under the revaluation surplus, net of deferred tax effects. Decreases arising from the revaluation of land and buildings are recognized in profit or loss to the extent that they exceed any balance existing in the revaluation surplus related to the previous revaluation of the same asset.

If the parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate components (major components) of property, plant and equipment.

Gains or losses arising from the disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the asset and are recognized in profit or loss under “income from investing activities” or “expenses from investing activities.”

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(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 December 2025, unless otherwise specified)

2 Principles of Presentation of the Financial Statement (continued)

2.5 Summary of Significant Accounting Policies (continued)

(b) Property, Plant and Equipment (continued)

(ii) Subsequent Expenses

Subsequent costs incurred for replacing a component of property, plant and equipment are capitalized if it is probable that the future economic benefits embodied within the part will flow to the Group and the cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Items of property, plant and equipment, other than those measured under the revaluation model, are depreciated from the date they are available for use, or in the case of assets constructed by the Group, from the date they are completed and ready for use.

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its estimated residual value, using the straight-line method over the estimated useful lives of the assets. Depreciation is generally recognized in profit or loss unless it is included in the carrying amount of another asset.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership of the asset by the end of the lease term.

Land is not depreciated.

Estimated useful lives of significant property, plant and equipment are as follows:

Description	Useful Life (Years)
Land Improvements	7-14
Buildings	34-50
Plant, Machinery and Equipment	1-25
Vehicles	1-10
Furniture and Fixtures	1-50
<u>Leasehold Improvements</u>	<u>3-18</u>

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(c) Intangible assets

(i) Recognition and Measurement

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses, if any.

(ii) Subsequent Expenditures

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the related intangible asset. All other expenditures, including internally generated goodwill and brands, are recognized in profit or loss as incurred.

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2 Principles of Presentation of the Financial Statement (continued)

2.5 Summary of Significant Accounting Policies (continued)

(c) Intangible assets (continued)

(iii) Amortization

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets other than goodwill, from the date that they are available for use.

Estimated useful lives for the current period are as follows:

<u>Description</u>	<u>Useful Life (Years)</u>
Rights	1-15
Development Costs	1-10

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(d) Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation. They are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at their fair values as of the reporting date in accordance with IAS 40 Investment Property. Changes in fair value are recognized in profit or loss in the period in which they arise.

Investment properties are derecognized when they are disposed of or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. Any gain or loss arising from the retirement or disposal of an investment property is recognized in the statement of profit or loss in the period in which it arises.

Transfers are made when there is a change in the use of the property. For a transfer from investment property carried at fair value to owner-occupied property, the deemed cost for subsequent accounting is the fair value of the property at the date of change in use. When an owner-occupied property becomes an investment property to be carried at fair value, the Group applies the accounting policy applicable to property, plant and equipment until the date of change in use.

(e) Impairment of assets

Non-Financial Assets

The Group evaluates whether there are indicators of impairment for non-financial assets other than inventories and deferred tax assets at each reporting date. If such indicators exist, the recoverable amount of the asset is estimated. For goodwill and indefinite-life intangible assets, the recoverable amount is estimated annually at the same time. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit ("CGU") exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the higher of its fair value less costs to sell and its value in use. Value in use is determined by discounting the estimated future cash flows to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Assets that cannot be individually tested for impairment are grouped for impairment testing, into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. Goodwill allocated to CGUs is tested for impairment by distributing the goodwill impairment loss expected to be allocated to the CGUs deriving from a corporate merger.

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2 Principles of Presentation of the Financial Statement (continued)

2.5 Summary of Significant Accounting Policies (continued)

(e) Impairment of assets (continued)

Impairment losses are recognized in profit or loss. Impairment losses recognized on CGUs are firstly allocated to reduce the carrying amount of any goodwill allocated to the CGUs and then to other assets within the CGUs (groups of CGUs) on a pro-rata basis.

Impairment losses on goodwill are not reversed. For other assets, previously recognized impairment losses are reversed to the extent that the recoverable amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment losses been recognized for the asset in prior periods.

(f) Inventories

Inventory consists of raw materials, products manufactured in production facilities, and merchandise owned by the Company as of the reporting date. The related raw materials, products, and merchandise are held for internal consumption, production, and sales purposes. Goods in transit are included in inventory if the right of use and ownership have passed to the Company as of the reporting date.

Finished goods are held for sale as part of the normal course of business. They comprise assets produced in the Company's production facilities, acquired from subsidiaries and third parties, and are readily marketable at their current state.

Inventories are valued at the lower of cost and net realizable value.

Net realizable value represents the estimated selling price in the ordinary course of business, less the estimated completion costs and the estimated selling expenses necessary to make the sale.

The cost of inventories includes all acquisition costs, conversion costs, and other costs incurred in bringing the inventories to their present location and condition.

(g) Employee benefits

(i) Provision for employee termination

According to the current Turkish Labor Law, the Group is obliged to make certain payments to employees leaving their jobs due to retirement. The provision for termination benefits represents the present value of the Group's estimated future obligation if its employees were to retire. The provision for termination benefits is accrued in the financial statements as if all employees were entitled to such payment. The provision for termination benefits is calculated based on the severance pay ceiling announced by the Government. As of December 31, 2025, and 2024, the severance pay ceilings are 64,949 TL and 46,655 TL, respectively.

According to Turkish Financial Reporting Standards, companies are required to calculate certain benefit plans using actuarial valuation methods. The basic statistical assumptions used to calculate retirement estimates, to determine the total obligation in the financial statements, are disclosed in Note 16 as of December 31, 2025, and 2024.

All changes in the provision for termination benefits, excluding actuarial gains and losses, are recognized in profit or loss. Actuarial gains and losses are recognized in the statement of other comprehensive income within the "Actuarial gain/(loss)" account and are presented directly under equity.

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2 Principles of Presentation of the Financial Statement (continued)

2.5 Summary of Significant Accounting Policies (continued)

(g) Employee benefits (continued)

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured without discounting and expensed as services are provided. Short-term liabilities for cash bonuses or profit-sharing plans expected to be paid under legal or constructive obligations as a result of employees' past service are recognized. Short-term provisions for employees include provisions for bonuses and accrued unused leave entitlements.

(h) Subsequent Events

Events occurring after the reporting period encompass all events between the end of the reporting period and the date when the financial statements are authorized for issue, even if they arise after the announcement of any profit-related information or other selected financial data to the public.

If events requiring adjustments after the balance sheet date are identified, the Group corrects the amounts recognized in the financial statements to reflect the new circumstances. Events that do not require adjustments after the balance sheet date, but are significant, are disclosed in the notes to the financial statements.

(i) Provisions

Provisions are recognized when there is a present obligation arising from past events, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably measured. Provisions are determined by discounting the estimated future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks associated with the liability. The amount of discount is recognized as a financial expense.

(i) Recognition of Revenue

When the Group transfers a promised good or service to a customer and satisfies its performance obligation, it records the revenue in its financial statements. A good or service is considered transferred when control of the asset is transferred to the customer (or as it is transferred)

The Group recognizes revenue in its financial statements based on the following fundamental principles:

- (a) Identification of contracts with customers
- (b) Determination of performance obligations in the contract
- (c) Determination of the transaction price in the contract
- (d) Allocation of the transaction price to the performance obligations in the contract
- (e) Recognition of revenue when each performance obligation is satisfied

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2 Principles of Presentation of the Financial Statement (continued)

2.5 Summary of Significant Accounting Policies (continued)

(i) Recognition of Revenue

The Group recognizes a contract with a customer as revenue when all of the following conditions are met:

- (a) The parties to the contract have approved the contract (in writing, orally, or based on other commercial practices) and are committed to performing their respective obligations.
- (b) The Group can identify each party's rights regarding the goods or services to be transferred.
- (c) The Group can identify the payment terms for the goods or services to be transferred.
- (d) The contract has commercial substance.
- (e) It is probable that the Group will collect the consideration to which it is entitled in exchange for the goods or services to be transferred to the customer.

When assessing the collectability of consideration, the business considers only the customer's ability to pay the amount when due and their intention to do so.

Service revenues are recognized in the period in which the service is provided. Revenues from long-term maintenance and repair contracts are recognized by spreading them evenly over the contract periods, and amounts attributable to future periods are deferred and reflected as deferred revenue in the financial statements.

If significant financing is involved in sales, the reasonable price is determined by discounting future collections using the implicit interest rate included in the financing cost. The difference between their fair values and nominal values is considered interest income on an accrual basis.

Interest income is accrued for the period based on the effective interest rate, which discounts the estimated cash inflows from the relevant financial asset over its expected life to the carrying amount of the asset, representing the remaining principal balance.

(j) Government Incentives

Unconditional government grants are recognized as income when the grant becomes receivable. Other government grants are recognized at fair value when there is reasonable assurance that the necessary conditions will be met and the grant will be received, and they are deferred and recognized as income systematically over the useful life of the related asset.

Incentives received related to costs incurred by the Group are systematically recognized as income in profit or loss in the periods in which the costs are incurred.

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2 Principles of Presentation of the Financial Statement (continued)

2.5 Summary of Significant Accounting Policies (continued)

(k) Related Parties

A party is considered related to the Group if one of the following criteria applies:

(a) The party directly or indirectly through one or more intermediaries::

i Controls the Group, is controlled by the Group, or is under common control with the Group (including parent entities, subsidiaries, and joint ventures in the same line of business)

ii Holds a significant portion of the Group's voting power, or

iii Shares joint control over the Group;

(b) The party is an investee of the Group;

(c) The party is a joint venture in which the Group is a joint venturer;

(d) The party is a member of the key management personnel of the Group or its parent entity;

(e) The party is a close family member of any individual mentioned in (a) or (d);

(f) The party is an entity controlled, jointly controlled, or significantly influenced by any individual mentioned in (d) or (e) who holds significant voting power directly or indirectly;

(g) The party provides benefit plans to employees of the entity or an entity related to the entity after termination of employment.

Transactions with related parties involve the transfer of resources, services, or obligations between related parties, regardless of whether there is a consideration.

Certain business relationships with related parties may occur as part of normal operations.

(l) Finance income and expense

Finance income includes interest income earned from cash and cash equivalents and income earned from financial instruments held for risk management purposes and accounted for in profit or loss. Interest income is recognized in profit or loss on an accrual basis using the effective interest method.

Finance costs include interest expenses on borrowings and interest expenses from lease arrangements.

Borrowing costs that are not directly attributable to the acquisition, construction, or production of a qualifying asset are recognized in profit or loss using the effective interest method. Exchange differences on financial assets and liabilities are reported net in finance income or finance costs based on the net position of exchange rate movements.

(m) Tax

The income tax expense on profit for the period includes both current and deferred taxes. Current and deferred taxes related to items recognized in equity or other comprehensive income are recognized in profit or loss excluding tax effects in the income statement.

(i) Current tax

The current tax is the expected tax liability or asset for the current year calculated based on tax rates enacted or substantively enacted as of the end of the reporting period, applied to the taxable income or loss for the year. It includes adjustments for tax liabilities related to prior years. The current tax liability also includes tax liabilities arising from dividend distribution notifications. Further details on the application in Türkiye are provided in Note 26.

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2 Principles of Presentation of the Financial Statement (continued)

2.5 Summary of Significant Accounting Policies (continued)

(m) Tax (continued)

(ii) Deferred tax

Deferred tax is calculated on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their tax bases. Deferred tax is not recognized for temporary differences arising in the following circumstances:

- Temporary differences arising from the initial recognition of assets or liabilities resulting from transactions that neither affect accounting profit nor taxable profit or loss from an entity merger;
- Temporary differences related to investments in subsidiaries, associates, and jointly controlled entities where it is probable that the reversal will not occur in the foreseeable future, and the Group can control the timing of the reversal.
- Taxable temporary differences arising from the initial recognition of goodwill.
- The Group measures deferred tax liabilities and deferred tax assets consistently with the expectations of how they will recover their assets' carrying amounts or settle their liabilities at the end of the reporting period, considering the tax consequences. For investment properties measured using the fair value method, it is assumed that the carrying amount of the investment property will be recovered through sale unless there is evidence to the contrary.
- Deferred tax is measured using the tax rates that are expected to apply at the time when the temporary differences will reverse, based on the tax rates that are enacted or substantively enacted at the end of the reporting period.
- Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or different taxable entities intend to settle their current tax assets and liabilities on a net basis or simultaneously.
- Deferred tax assets are recognized for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the tax losses and credits can be utilized in future periods. Deferred tax assets are reviewed at each reporting date, and the portion of deferred tax assets that is unlikely to be realized is reduced.

(iii) Tax Risk

When determining the amounts of current tax expense and deferred tax expense, the Group takes into account uncertain tax positions and whether there will be additional tax and interest liabilities to be paid. This assessment may involve many professional judgments related to future events and is based on estimates and assumptions. If new information arises that would change the Group's professional judgment regarding the adequacy of its current tax liabilities, any changes in tax liability will affect the tax expense for the period in which the change is identified.

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2 Principles of Presentation of the Financial Statement (continued)

2.5 Summary of Significant Accounting Policies (continued)

(n) Cash flow statement

In the cash flow statement, cash flows for the period are classified and reported based on operating, investing, and financing activities. Cash flows from operating activities represent the cash flows related to the Group's operating activities. The Group presents cash flows from operating activities using the indirect method, where cash flows from operating activities are adjusted for the effects of non-cash transactions, past or future transactions of non-cash items related to net profit/loss, accruals or deferrals of cash inflows and outflows, and the effects of income or expense items related to investing or financing activities.

Cash flows related to investing activities show the cash flows used and generated by the Group in investment activities, including investments in tangible and intangible assets and financial investments.

Cash flows related to financing activities depict the sources used by the Group in financing activities and the repayments of these sources.

Cash and cash equivalents represent short-term, highly liquid investments with a maturity of less than three months at the time of acquisition, which are held in cash and banks and have no significant risk of value fluctuations.

(o) Dividends

Dividend receivables are recorded as income when declared. Dividend liabilities, as a component of profit distribution, are recognized in the financial statements when the decision for profit distribution is made at the General Assembly.

(p) Segmental Reporting of Financial Information

Due to the absence of distinct operating segments with different risk and return characteristics in the Group's product or service offerings, and the absence of identifiable operating segments with distinct geographical areas having different risk and return characteristics, reporting by segments has not been performed.

(r) Income and Expenses from Investment Activities

Income from investment activities consists of gains from investment fund appreciation and interest income from financial bonds.

There are no expenses from investment activities.

(s) Other income and expense from main operations

Other income from core activities includes income from doubtful receivables or provision reversals, proceeds from the sale of fixed assets, revenue from scrap and raw material sales, rental income, and other income related to activities other than the main operations.

Other expenses from core activities consist of donations, exchange rate losses arising from items not related to financial statements other than debt instruments, rediscount interest expenses, and other expenses related to activities other than the main operations.

Exchange rate gains or losses are presented as net amounts within other income from core activities or other expenses from core activities, depending on whether the exchange rate movements result in a net gain or loss for the company.

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2 Principles of Presentation of the Financial Statement (continued)

2.5 Summary of Significant Accounting Policies (continued)

(t) Determination of fair value

Group's various accounting policies and disclosures require the determination of fair values for both financial and non-financial assets and liabilities. Fair values are determined using the following methods for measurement and disclosure purposes. Additional information regarding the assumptions used in determining fair values is provided in the specific notes to the assets or liabilities, where applicable.

(i) Trade and other receivables

Commercial and other receivables are estimated to have fair values determined by discounting the future cash flows at the market interest rates at the measurement date. Short-term receivables without a specified interest rate are valued at their original invoice amount if the discounting effect is deemed immaterial. These fair values are determined at initial recognition and at the end of each reporting period for disclosure purposes.

(ii) Other non-derivative financial liabilities

The fair values of other non-derivative financial liabilities are determined at initial recognition and at the end of each reporting period for disclosure purposes. Fair value is calculated by discounting the future cash flows of principal and interest payments at the market interest rates at the measurement date. For the liability component of convertible securities, the market interest rate is determined with reference to similar liabilities without conversion options. For financial lease transactions, the market interest rate is determined based on similar lease agreements.

2.6 Significant Accounting Estimates, Judgments, and Assumptions

Preparation of financial statements in accordance with TFRS requires management to make decisions, estimates, and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates

The significant judgments made by management in the application of the Group's accounting policies and the key sources of estimation uncertainty were consistent with those applied in the financial statements for the year ended December 31, 2025.

Estimates and the underlying assumptions are continually reviewed. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The information regarding significant estimates that have a material effect on the amounts recognized in the financial statements is disclosed in the footnotes as specified below:

- Note 2.5 (b, c) Useful lives of property, plant and equipment and intangible assets
- Note 7 Allowance for impairment of trade receivables
- Note 11 Fair values of investment properties
- Note 12 Fair values of land, land, buildings, plant, machinery, and equipment
- Note 15 Provisions, contingent assets and liabilities
- Note 16 Assumptions used for provisions for termination benefits
- Note 26 Tax assets and liabilities
- Note 28 Determination of fair values

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

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025

(The amounts are expressed in terms of purchasing power of Turkish Lira ("TL") as of 31 December 2025, unless otherwise specified)

3 Related Party Disclosures

In the financial statements, shareholders, key management personnel, and board members, along with their families and the companies they control or are affiliated with, as well as associates and jointly controlled entities, are considered related parties. Various transactions have been conducted with related parties in the course of the Group's normal operations.

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.

Related Party	Definition
Ereğli Tekstil Turizm San. ve Tic. A.Ş. ("Ereğli Tekstil")	Shareholder
Ahmet Albayrak	Shareholder
Bayram Albayrak	Shareholder
Kazım Albayrak	Shareholder
Mustafa Albayrak	Shareholder
Muzaffer Albayrak	Shareholder
Nuri Albayrak	Shareholder
Ağa Maden İşletmeciliği Turizm Sanayi ve Ticaret Ltd. Şti. ("Ağa Maden")	Related Party
Albayrak Agro-Business-Sarlu. ("Albayrak Agro - Business - Sarlu")	Related Party
Albayrak Construction Sarlu. ("Albayrak Construction Sarlu")	Related Party
Albayrak Holding A.Ş. ("Albayrak Holding")	Related Party
Albayrak Turizm Seyahat İnşaat Tic. A.Ş. ("Albayrak İnşaat")	Related Party
Albayrak Vakfı ("Albayrak Vakfı")	Related Party
Albayrak92 Private Ltd. ("Albayrak92")	Related Party
Albil Merkezi Hizmetler ve Ticaret A.Ş. ("Albil")	Related Party
Alport Conakry S.A. ("Alport Conakry")	Related Party
Asist Oto Kiralama Turizm Ticaret A.Ş. ("Asist Oto")	Related Party
Bayfa Geri Dön. Tur. Taş. San. ve Tic. Ltd. Şti ("Bayfa")	Related Party
Bayha Atık Yönetimi ve Taşımacılık A.Ş. ("Bayha")	Related Party
Bayteks Giyim San. ve Tic. Ltd. Şti. ("Bayteks Giyim")	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
Free Lojistik Akaryakıt Paz. ve Tic. Ltd. Şti. ("Free Lojistik")	Related Party
Güneş Turizm Sanayi İnşaat ve Tic. A.Ş. ("Güneş Turizm")	Related Party
Kademe Atık Teknolojileri San. A.Ş. ("Kademe")	Related Party
Kaist Geri Dönüşüm A.Ş. ("Kaist Geri Dönüşüm")	Related Party
Karnawall Maroc SA ("Karnawall")	Related Party
Ketebe Kitap ve Dergi Yayıncılığı A.Ş. ("Ketebe")	Related Party
Mezra Ziraat A.Ş. ("Mezra Ziraat")	Related Party
Mogadishu Alport ("Mogadishu")	Related Party
Nakil Lojistik A.Ş. ("Nakil")	Related Party
Piri Medya A.Ş. ("Piri Medya")	Related Party
Plaket Yapı Turizm San. ve Tic. A.Ş. ("Plaket Yapı")	Related Party
Platform Tur. Taş. Gıda İnş. Tem. Hiz. San. ve Tic. A.Ş. ("Platform Turizm")	Related Party
Reklam Piri Medya İletişim A.Ş. ("Reklam Piri")	Related Party
Safe Harbor Bilgi Ve Güvenlik Teknolojileri A.Ş. ("Safe Harbor")	Related Party
Sukkar Şeker Üretim A.Ş. ("Sukkar")	Related Party
Trabzon Liman İşletmeciliği A.Ş. ("Trabzon Liman")	Related Party
Transbaş Trabzon Serbest Bölge İşletmeciliği A.Ş. ("Transbaş")	Related Party
UCH Nokta Limited ("Uch Nokta")	Related Party
Varaka Kağıt Sanayi A.Ş. ("Varaka Kağıt")	Related Party
Verzukna İnşaat Proje Müşavirlik A.Ş. ("Verzukna İnşaat")	Related Party
Yaşam Tekstil Turizm Sanayi ve Tic. Ltd. Şti. ("Yaşam Tekstil")	Related Party
Yeşil Adamlar Atık Yönetimi ve Taşımacılık A.Ş. ("Yeşil Adamlar")	Related Party

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

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(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 December 2025, unless otherwise specified)

3 Related Party Disclosures (continued)

As of 31 December 2025, details regarding the related parties and significant balances are as follows:

31 December 2025	Receivables		Prepaid Expenses	Payables
	Short-Term		Advances Paid (Note 10)	Short-Term
	Trade	Other		Trade
Albayrak İnşaat	562.170.967	--	74.242.593	--
Kademe Atık	272.601.791	20.774.984	319.353.787	1.259
Alport Conakry	16.061.735	--	--	--
Karnawall	2.822.471	--	--	--
Albayrak Agro - Business - Sarlu	2.753.811	--	--	--
Varaka Kağıt	2.638.577	--	11.228.794	--
Albayrak Construction Sarlu	1.539.243	--	--	--
Sukkar	930.000	647.818	--	--
Ağa Maden	915.616	--	--	--
Mogadishu	678.602	--	--	--
Yeşil Adamlar	263.046	--	--	--
Asist Oto	156.350	--	--	633.675
Ereğli Tekstil	15.359	--	--	--
Kaist Geri Dönüşüm	--	142.469	--	--
Albil	--	--	87.569.361	12.662.030
Free Lojistik	--	--	6.336.170	231.441
Dolu Akaryakıt	--	--	413.748	--
Nakil Lojistik	--	--	--	10.024.871
Yaşam Tekstil	--	--	--	3.133.067
Birlikte Dağıtım	--	--	--	1.134.375
Platform Turizm	--	--	--	709.226
Reklam Piri	--	--	--	175.119
Verzükna İnşaat	--	--	--	122.400
Safe Harbor	--	--	--	81.600
Total	863.547.568	21.565.271	499.144.453	28.909.063

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

31 December 2024	Receivables		Prepaid Expenses	Payables
	Short-Term		Advances Paid (Note 10)	Short-Term
	Trade	Other		Trade
Albayrak İnşaat	697.836.476	--	--	--
Free Lojistik	20.270.365	--	--	--
Alport Conakry	12.476.377	--	--	--
Kademe Atık	3.711.137	3.665.770	658.227.199	1.400.660
Albayrak Construction Sarlu	882.115	--	--	--
Albayrak Agro - Business - Sarlu	860.057	--	--	--
Ereğli Tekstil	787.171	--	--	--
Yeşil Adamlar	278.339	--	--	--
Asist Oto	204.650	--	--	273.315
Ketebe	66.046	--	--	--
Nakil Lojistik	48.064	--	--	2.964.525
Transbaş	10.308	--	--	--
Trabzon Liman	1.510	--	--	--
Sukkar	--	847.943	--	--
Albil	--	--	96.493.704	16.501.185
Varaka Kağıt	--	--	19.603.566	--
Dolu Akaryakıt	--	--	390.384	--
Platform Turizm	--	--	--	877.170
Birlikte Dağıtım	--	--	--	452.692
Piri Medya	--	--	--	400.095
Reklam Piri	--	--	--	135.538
Mezra Ziraat	--	--	--	327
Total	737.432.615	4.513.713	774.714.853	23.005.507

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3 Related Party Disclosures (continued)

Purchases and Expenses

For the periods 1 January – 31 December 2025 and 1 January – 31 December 2024, purchases from the related parties are as follows:

Purchase	1 January- 31 December 2025			1 January- 31 December 2024		
	Purchase of Goods and Service	Rent	Other	Purchase of Goods and Service	Rent	Other
Kademe Atık	206.967.896	--	43.450	1.110.155.409	--	--
Albil	57.759.974	296.920	3.553.370	87.309.012	628.312	9.476.686
Albayrak İnşaat	56.109.097	--	--	18.348	--	--
Nakil Lojistik	27.695.922	--	--	83.005.619	--	--
Yaşam Tekstil	12.559.343	--	--	18.865.761	--	--
Free Lojistik	11.590.193	--	--	10.730.499	--	--
Birlikte Dağıtım	5.695.774	--	--	9.713.497	--	--
Reklam Piri	5.109.977	--	--	7.646.821	--	--
Asist Oto	3.043.280	--	465.989	249.057	--	341.717
Varaka Kağıt	579.964	--	3.579.603	72.171.847	--	--
Safe Harbor	392.059	--	--	--	--	--
İntrotema	202.560	--	--	--	--	--
Piri Medya	71.484	--	547.272	548.538	--	--
Albayrak Holding	--	8.677.622	--	--	10.030.224	--
Platform Turizm	--	2.286.335	--	595.322	649.123	--
Bayteks Giyim	--	--	357.425	--	--	--
Verzunka İnşaat	--	--	120.000	--	--	--
Dolu Akaryakıt	--	--	--	4.630.450	--	--
Mezra Ziraat	--	--	--	3.180.864	--	--
Birun Ada	--	--	--	2.645.614	--	--
Toplam	387.777.523	11.260.877	8.667.109	1.411.466.658	11.307.659	9.818.403

Sales and Income

For the periods 1 January – 31 December 2025 and 1 January – 31 December 2024 sales to the related parties are as follows:

Sale	1 January- 31 December 2025			1 January- 31 December 2024		
	Purchase of Goods and Service	Interest	Rent	Other	Purchase of Goods and Service	Rent
Kademe Atık	34.417.610	302.754.658	10.438.191	27.728.607	697.128.699	11.276.480
Mezra Ziraat	27.171.107	--	--	--	35.588.852	--
Albayrak Turizm	14.716.414	514.230.411	--	27.023	--	--
Ereğli Tekstil	3.362.091	--	--	13.038	30.227.763	--
Alport Conakry	3.043.521	--	--	--	--	--
Albayrak Agro	1.716.729	--	--	--	692.932	--
Mogadishu	736.685	--	--	--	--	--
Albayrak Construction	650.681	--	--	--	--	--
Asist Oto	299.936	--	--	--	246.225	--
Trabzon Liman	77.768	--	--	--	3.473.187	--
Nakil Lojistik	--	--	649.075	--	200.104	693.937
Ketebe	--	--	635.829	--	--	691.669
Kaist Geri Dönüşüm	--	--	579.532	--	--	--
Varaka Kağıt	--	--	--	2.427.204	4.100.794	--
Karnawall	--	--	--	1.399.280	--	--
Yaşam Tekstil	--	--	--	21.034	147.995	--
Albil	--	--	--	17.845	46.649	--
Albayrak İnşaat	--	--	--	--	508.362.397	--
Birlikte Dağıtım	--	--	--	--	1.545.598	--
Platform Turizm	--	--	--	--	59.502	--
Toplam	86.192.542	816.985.069	12.302.627	31.634.031	1.281.820.697	12.662.086

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3 Related Party Disclosures (continued)

Benefits Provided to Senior Management

The total benefits provided to senior management for the year ended 31 December 2025 amounted to 19,763,569 TL (2024: 21,124,849 TL).

4 Cash and Cash Equivalent

As of 31 December 2025 and 31 December 2024, cash and cash equivalents are as follows::

	31 December 2025	31 December 2024
Banks		
-Demand Deposit	147.159.427	211.296.164
-Time Deposits	21.828.582	--
Total	168.988.009	211.296.164
Blocked Deposits (*)	(17.705.326)	--
Basis for Cash Flow Statement	151.282.683	211.296.164

As of 31 December 2025, the Group's term deposits mature on 2 January 2026 with an interest rate of 36% (31 December 2024: None).

As of 31 December 2025, TL 17,705,326 of the Group's deposits are blocked (31 December 2024: None).

The Group discloses the interest rate risk, foreign currency risk, and related sensitivity analyses to which it is exposed in respect of its financial assets and liabilities in Note 28

5 Financial Investments

As of 31 December 2025 and 31 December 2024, short term financial investments are as follows:

	31 December 2025	31 December 2024
Investment Funds (*)	1.281.534.840	1.319.974.520
Total	1.281.534.840	1.319.974.520

(*) As of 31 December 2025, the investment funds consist of Hedef Investment Liquid Funds and Kuveyt Türk Liquid Funds held by the Group through Hedef Portfolio Management Inc. These investments are accounted for as financial assets at fair value through profit or loss.

6 Financial Borrowings

Bank Loans

As of 31 December 2025 and 31 December 2024, financial borrowings of The Group are as follows:

	31 December 2025	31 December 2024
Short Term Financial Borrowings		
Short Term Bank Loans	250.455.378	4.784.119.925
Short Term Portion of Long Term Loans	103.193.417	76.302.386
Liabilities From Lease Certificates	914.656.403	--
Total	1.268.305.198	4.860.422.311
Long-Term Financial Borrowings		
Long-Term Bank Loans	4.958.556.361	55.241.044
Total	4.958.556.361	55.241.044

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6 Financial Borrowings (continued)

Bank Loans (continued)

As of 31 December 2025 and 31 December 2024, the maturity and terms of outstanding loans are as follows:

	31 December 2025		31 December 2024	
	Effective Int. Rate %	TL Equivalent	Effective Int. Rate %	TL Equivalent
Short-Term Loans				
- Turkish Lira	30-TL Ref%	250.455.378	30-TL Ref%	4.779.183.376
- USD	--	--	8-12%	4.936.549
Short-Term Portion of Long-Term Loans				
- Turkish Lira	30- TL Ref %	88.501.901	30- TL Ref %	43.477.391
- USD	8-12%	14.691.516	8-12%	32.824.995
Long-Term Loans				
- Turkish Lira	30- TL Ref %	4.958.556.361	30- TL Ref %	41.055.880
- USD	--	--	8-12%	14.185.164
Total Loans		5.312.205.156		4.915.663.355

As of 31 December 2025, the Group has TL 6,200,000,000 of real estate mortgages pledged for its borrowings (31 December 2024: TL 8,115,324,356).

7 Trade Receivables and Payables

Short Term Trade Receivables

As of 31 December 2025 and 31 December 2024, short-term trade receivables from non-related parties are as follows:

	31 December 2025	31 December 2024
Receivables	238.085.498	521.967.829
Direct Debiting System Receivables (*)	187.385.746	833.716.522
Notes Receivables	150.314.447	663.780.693
Provision for Doubtful Receivables (**)	(35.755.267)	(12.034.902)
Total	540.030.424	2.007.430.142

(*) 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.

(**) The table below presents the movements in the Group's provision for doubtful trade receivables:

	1 January – 31 December 2025	1 January – 31 December 2024
1 January Opening Balance	(12.034.902)	(36.951.522)
Increase/(Decrease) during the Period	(29.029.426)	12.932.357
Monetary Loss/(Gain)	5.309.061	11.984.263
31 December Closing Balance	(35.755.267)	(12.034.902)

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

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7 Trade Receivables and Payables (continued)

Short Term Trade Payables

As of 31 December 2025 and 31 December 2024, short-term trade payables to non-related parties are as follows:

	31 December 2025	31 December 2024
Sellers	338.363.534	841.513.655
Notes Payables	243.382.909	268.305.447
Total	581.746.443	1.109.819.102

8 Other Receivables and Payables

Other Short Term Receivables

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

	31 December 2025	31 December 2024
Refundable Taxes	51.330.905	2.485.067
Receivables from Personnel	11.329.353	12.176.663
Deposits and Guarantees Given	244.907	748.029
Total	62.905.165	15.409.759

Other Long Term Receivables

As of 31 December 2025 and 31 December 2024, other long-term receivables from non-related parties are as follows:

	31 December 2025	31 December 2024
Deposits and Guarantees Given	178.488	222.624
Total	178.488	222.624

Other Short Term Payables

As of 31 December 2025 and 31 December 2024, other short-term payables to non-related parties are as follows:

	31 December 2025	31 December 2024
Refundable Deposit and Guarantees	6.951.854	6.209.786
Payables to Tax Office	2.586.055	5.542.002
Others Payables	2.122.292	174.259
Total	11.660.201	11.926.047

9 Inventories

As of 31 December 2025 and 31 December 2024, details of inventories are as follows:

	31 December 2025	31 December 2024
Materials and Spare Parts	1.904.623.110	1.883.737.707
Semi-Finished Goods	147.378.430	272.717.235
Goods	1.363.673.980	1.662.576.083
Commercial Goods	23.537.387	55.804.421
Goods in Transit	11.360	540.253
Other Inventories	12.680.256	18.443.117
Total	3.451.904.523	3.893.818.816

As of 31 December 2025 and 31 December 2024, there are no pledges or mortgages on the inventories.

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Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025

(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 December 2025, unless otherwise specified)

10 Prepaid Expenses and Deferred Income

Short Term Prepaid Expenses

As of 31 December 2025 and 31 December 2024, the amount of short-term prepaid expenses from unrelated parties remaining in the current assets section consists of the following items;

	31 December 2025	31 December 2024
Advances Given	141.083.726	165.414.100
Prepaid Expenses	55.933.030	78.986.034
Employee Advances	844.915	996.979
Advances Given to Related Parties (Note 3)	499.144.453	774.714.853
Total	697.006.124	1.020.111.966

Short Term Deferred Incomes

	31 December 2025	31 December 2024
Advances Received	300.508.510	314.280.864
Total	300.508.510	314.280.864

11 Investment Properties

As of 31 December 2025 and 31 December 2024, details of investment properties are as follows::

	1 January- 31 December 2025	1 January- 31 December 2024
Cost Value		
1 January Opening Balance	141.312.496	141.312.496
Valuation (*) (Note 24)	8.053.200.798	--
Transfer	2.909.970.276	--
31 December Balance	11.104.483.570	141.312.496
Net Book Value of Beginning of the Period	141.312.496	141.312.496
Net Book Value of end of the Period	11.104.483.570	141.312.496

(*) The fair value of the Group's investment properties has been determined by Çelen Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş., authorized by the CMB, using the market value method.

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12 Property, Plant and Equipment

For the periods ended 31 December 2025 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 2025 Cost	3.523.507.830	85.657.020	770.066.210	2.557.162.731	252.000.482	438.816.360	169.624.771	152.593.783	7.949.429.187
Additions	--	288.255	--	73.370.654	37.862.628	7.734.427	166.176.070	129.009	285.561.043
Transfer	(2.909.970.276)	--	--	--	--	--	--	--	(2.909.970.276)
Valuation (*)	1.737.993.690	--	530.365.540	--	--	--	--	--	2.268.359.230
Disposals	--	--	--	--	(1.468.701)	(67.658)	--	--	(1.536.359)
31 December 2025 Balance	2.351.531.244	85.945.275	1.300.431.750	2.630.533.385	288.394.409	446.483.129	335.800.841	152.722.792	7.591.842.825
Less: Accumulated Depreciation									
1 January 2025 Opening	--	(20.981.181)	(67.409.175)	(1.041.038.557)	(166.209.660)	(343.647.294)	--	(151.798.671)	(1.791.084.538)
Current Period Depreciation	--	(6.069.332)	(17.744.686)	(357.642.656)	(34.958.058)	(30.869.079)	--	(396.787)	(447.680.598)
Valuation (*)	--	--	61.782.911	--	--	--	--	--	61.782.911
Disposals	--	--	--	--	1.468.701	67.658	--	--	1.536.359
31 December 2025 Balance	--	(27.050.513)	(23.370.950)	(1.398.681.213)	(199.699.017)	(374.448.715)	--	(152.195.458)	(2.175.445.866)
1 January 2025 Net Book Value	3.523.507.830	64.675.839	702.657.035	1.516.124.174	85.790.822	95.169.066	169.624.771	795.112	6.158.344.649
31 December 2025 Net Book Value	2.351.531.244	58.894.762	1.277.060.800	1.231.852.172	88.695.392	72.034.414	335.800.841	527.334	5.416.396.959

The Group has mortgages totaling 6,200,000,000 TL on property, plant and equipment (31 December 2024: 8,115,324,356 TL).

(*)The land and buildings of the Group were valued using the market value method by Çelen Kurumsal Gayrimenkul Değerleme ve Danışmanlık A.Ş., an independent valuation company licensed by the Capital Markets Board (CMB) and not related to the Group.

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Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025

(The amounts are expressed in terms of purchasing power of Turkish Lira ("TL") as of 31 December 2025, unless otherwise specified)

12 Property, Plant and Equipment (continued)

For the periods ended 31 December 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	3.520.585.083	73.931.358	764.840.372	2.282.536.557	257.083.211	403.888.134	201.676.592	152.248.778	7.656.790.085
Additions	2.922.747	--	5.225.838	118.411.805	146.196	34.928.226	135.888.210	345.005	297.868.027
Transfer	--	11.725.662	--	156.214.369	--	--	(167.940.031)	--	--
Disposals	--	--	--	--	(5.228.925)	--	--	--	(5.228.925)
31 December 2024 Balance	3.523.507.830	85.657.020	770.066.210	2.557.162.731	252.000.482	438.816.360	169.624.771	152.593.783	7.949.429.187
Less: Accumulated Depreciation									
1 January 2024 Opening	--	(16.313.655)	(57.027.731)	(697.966.294)	(124.649.544)	(323.824.099)	--	(151.128.582)	(1.370.909.905)
Current Period Depreciation	--	(4.667.526)	(10.381.444)	(343.072.263)	(45.201.797)	(19.823.195)	--	(670.089)	(423.816.314)
Disposals	--	--	--	--	3.641.681	--	--	--	3.641.681
31 December 2024 Bakiyesi	--	(20.981.181)	(67.409.175)	(1.041.038.557)	(166.209.660)	(343.647.294)	--	(151.798.671)	(1.791.084.538)
1 January 2024 Net Book Value	3.520.585.083	57.617.703	707.812.641	1.584.570.263	132.433.667	80.064.035	201.676.592	1.120.196	6.285.880.180
31 December 2024 Net Book Value	3.523.507.830	64.675.839	702.657.035	1.516.124.174	85.790.822	95.169.066	169.624.771	795.112	6.158.344.649

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13 Intangible Assets

The movements of intangible assets for the year ended 31 December 2025 are summarized as follows:

	Intangible Rights	Development Expenses	Total
Balance at 1 January	238.150.686	839.496.379	1.077.829.533
Additions	84.684.093	327.131.353	411.815.446
31 December Balance	322.834.779	1.166.627.732	1.489.644.979
Less: Accumulated Amortization			
Balance at 1 January	(208.394.786)	(556.270.693)	(764.847.947)
Current Period Amortization	(8.380.504)	(112.999.329)	(121.379.833)
31 December Balance	(216.775.290)	(669.270.022)	(886.227.780)
1 January Net Book Value	29.755.900	283.225.686	312.981.586
31 December Net Book Value	106.059.489	497.357.710	603.417.199

There are no pledges or mortgages on the Group's intangible assets (31 December 2024: None).

The movements of intangible assets for the year ended 31 December 2024 are summarized as follows:

	Intangible Rights	Development Expenses	Total
Balance at 1 January	230.081.867	633.232.945	863.497.280
Additions	8.068.819	206.263.434	214.332.253
31 December Balance	238.150.686	839.496.379	1.077.829.533
Less: Accumulated Amortization			
Balance at 1 January	(201.437.208)	(497.071.954)	(698.691.630)
Current Period Amortization	(6.957.578)	(59.198.739)	(66.156.317)
31 December Balance	(208.394.786)	(556.270.693)	(764.847.947)
1 January Net Book Value	28.644.659	136.160.991	164.805.650
31 December Net Book Value	29.755.900	283.225.686	312.981.586

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(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 December 2025, unless otherwise specified)

14 Leasing Transactions

Right of Use Assets

The movements in right-of-use assets for the years ended 31 December 2025 and 31 December 2024 are as follows:

	1 January 2025	Additions	Disposals	31 December 2025
<u>Value of Cost</u>				
Buildings	145.247.793	35.394.105	(145.247.793)	35.394.105
Total	145.247.793	35.394.105	(145.247.793)	35.394.105
<u>Accumulated Depreciation</u>				
Buildings	(60.359.995)	(5.056.300)	60.359.995	(5.056.300)
Total	(60.359.995)	(5.056.300)	60.359.995	(5.056.300)
Carrying Amount	84.887.798	30.337.805	(84.887.798)	30.337.805

	1 January 2024	Additions	31 December 2024
<u>Value of Cost</u>			
Buildings	132.221.010	13.026.783	145.247.793
Total	132.221.010	13.026.783	145.247.793
<u>Accumulated Depreciation</u>			
Buildings	(48.669.579)	(11.690.416)	(60.359.995)
Total	(48.669.579)	(11.690.416)	(60.359.995)
Carrying Amount	83.551.431	1.336.367	84.887.798

Liabilities from Leasing Transaction

The balances of lease liabilities from leasing transactions as of 31 December, 2025, and 31 December 2024, are as follows;

	31 December 2025	31 December 2024
Liabilities from Leasing Transaction (Short term)	2.230.250	3.992.281
Liabilities from Leasing Transaction (Long term)	25.402.842	22.442.981
Total	27.633.092	26.435.262

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14 Leasing Transactions (continued)

Right of Use Assets (continued)

Liabilities from Leasing Transaction (continued)

The movements of lease liabilities for the years ended 31 December 2025 and 31 December 2024 are as follows:

	31 December 2025	31 December 2024
Opening Balance	26.435.262	27.629.377
Net Change During The Period	(49.493.693)	13.026.783
Payments	(8.677.622)	(7.940.151)
Interest Expense (Note 21)	7.829.460	4.000.143
Monetary Loss / Gain	51.539.685	(10.280.890)
Balance of end of the period	27.633.092	26.435.262

15 Provisions, Contingent Assets and Liabilities

a) Provisions

As of 31 December 2025 and 31 December 2024 The Group's provisions are as follows:

	31 December 2025	31 December 2024
Warranty Provisions	54.584.332	93.351.895
Litigation Provision	4.365.630	10.063.168
Short Term Provisions	58.949.962	103.415.063

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

	1 January- 31 December 2025	1 January- 31 December 2024
1 January Balance	93.351.895	87.533.218
Increase/ (Decrease) During The Period	(18.473.563)	37.561.855
Monetary Loss/ Gain	(20.294.000)	(31.743.178)
Balance of end of the period	54.584.332	93.351.895

The movements of the litigation provision over the periods are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
1 January Balance	10.063.168	10.618.545
Increase/ (Decrease) During The Period	(3.667.604)	3.108.909
Monetary Loss/ Gain	(2.029.934)	(3.664.286)
Balance of end of the period	4.365.630	10.063.168

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15 Provisions, Contingent Assets and Liabilities (continued)

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

As of 31 December 2025 and 31 December 2024 The Group’s guarantee/pledge/mortgage positions are as follows:

GPM given by Group (TL Equivalents)	31 December 2025	31 December 2024
A. The total amount of GPM given on behalf of its own legal entity.	466.734.389	314.637.733
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. (*)	6.206.570.000	8.261.759.468
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	6.673.304.389	8.576.397.201

As of 31 December, 2025, the monetary positions of the GPM provided by the Group are shown below;

	31 December 2025	31 December 2024
Turkish Lira	6.620.738.167	8.463.591.713
USD	39.994.747	100.784.271
EURO	12.571.475	12.021.217
Total	6.673.304.389	8.576.397.201

(*) 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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(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 December 2025, unless otherwise specified)

16 Employee Benefits

Payables Related to the Employee Benefits

As of 31 December 2025 and 31 December 2024, short-term payables related to the employee benefits are as follows:

	31 December 2025	31 December 2024
Wages and Salaries Payable	34.088.225	32.596.787
Social Security Withholdings Payable	15.273.127	18.984.839
Funds and Taxes Payable	12.042.168	9.787.550
Total	61.403.520	61.369.176

Short Term Provisions for Employee Benefits

As of 31 December 2025 and 31 December 2024, short-term provisions related to the employee benefits are as follows:

	31 December 2025	31 December 2024
Provision for Unused Vacation	17.028.956	23.364.630
Total	17.028.956	23.364.630

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

	1 January- 31 December 2025	1 January- 31 December 2024
Beginning of the Period	23.364.630	22.674.151
Provision Allocated During the Period	(906.620)	8.792.331
Monetary Loss/Gain	(5.429.054)	(8.101.852)
End of the Period	17.028.956	23.364.630

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 31 December 2025 and 31 December 2024, long-term provisions for employee benefits are as follows:

	31 December 2025	31 December 2024
Provision for Employment Termination	82.884.173	52.438.704
Total	82.884.173	52.438.704

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 64.949 TL as of 1 January 2025 and 41.828 TL as of 31 December 2024.

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

Interest Rate	31 December 2025	31 December 2024
Interest rate	29,29%	28,70%
Expected inflation rate	23,87%	23,33%
Net discount rate	4,37 %	3,50%

The principal assumption is that the maximum liability for each year of service will increase parallel with the inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2025, the provision is calculated by estimating the present value of the future probable obligation of The Group arising from the retirement of the employees.

Movements of employee termination benefits provisions are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Balance at 1 January	52.438.704	42.278.933
Cost of Services	13.664.058	10.453.673
Interest Expense	26.793.819	17.274.641
Actuarial Loss /Gain	39.631.862	8.900.961
Payments	(36.936.712)	(11.366.777)
Monetary Loss /Gain	(12.707.558)	(15.102.727)
Balance at 31 December	82.884.173	52.438.704

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Notes to the Consolidated Financial Statements for the Year Ended 31 December 2025

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17 Other Assets and Liabilities

As of 31 December 2025 and 31 December 2024, details of other assets and liabilities are as follows:

	31 December 2025	31 December 2024
Deferred VAT	214.091.934	349.444.896
Other	216.846	269.226
Total	214.308.780	349.714.122

18 Capital, Reserves and Other Equity Items

Paid in Capital

As of 31 December 2025 and 31 December 2024, capital structure of The Group are as follows:

	31 December 2025		31 December 2024	
	Share Rate %	Share Amount (TL)	Share Rate %	Share Amount (TL)
Ereğli Tekstil	60,87%	70.000.000	60,87%	70.000.000
Public Listed	28,69%	32.998.715	28,69%	32.998.715
Other	10,44%	12.001.285	10,44%	12.001.285
Paid in Capital	100%	115.000.000	100%	115.000.000
Differences of Capital Adjustment		2.080.046.190		2.080.046.190
Total		2.195.046.190		2.195.046.190

All of The Group's capital has been paid in as of 31 December 2025 and comprises of 115,000,000 shares with a nominal value of TL 115,000,000 and each one worth TL 1 (31 December 2024: Capital: TL 115,000,000, each one with a value of TL 1, a total of 115,000,000 shares).

Restricted Reserves Appropriated from Profit

According to Article 519 of the Turkish Commercial Code (TCC No. 6102), companies allocate 5% of their annual profit to the general statutory reserve until it reaches 20% of their paid-in capital. If the company has losses from prior years, these are deducted when calculating the 5%. Pursuant to subparagraph (c) of Article 519 of the TCC, after distributing a 5% dividend to shareholders, 10% of the portion of profit decided to be distributed to shareholders and other participants in profit is added to the general statutory reserve.

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

As of 31 December 2025 and 31 December 2024, other comprehensive income/expense not to be reclassified to profit or loss of The Group are as follows:

Actuarial Differences

	31 December 2025	31 December 2024
Defined Benefit Plans		
Remeasurements (Losses) Gains	(65.476.146)	(35.752.251)
Total	(65.476.146)	(35.752.251)

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18 Capital, Reserves and Other Equity Items (continued)

	31 December 2025	31 December 2024
Revaluation Surplus	1.747.606.606	--
Toplam	1.747.606.606	--

Comparison of the Group's equity items in the consolidated financial statements as of 31 December 2025, adjusted for inflation, with the amounts prepared in accordance with the statutory regulations:

	Inflation- adjusted amounts in the financial statements prepared in accordance with statutory regulations	Inflation- adjusted amounts in the financial statements prepared in accordance with IFRS	Difference recognized in prior years' profits
Capital Adjustment Differences	2.314.241.618	2.080.046.190	234.195.428
Restricted Reserves Appropriated from Profit	250.043.341	234.679.082	15.364.259

Comparison of the Group's equity items in the consolidated financial statements as of 31 December 2024, adjusted for inflation, with the amounts prepared in accordance with the statutory regulations:

	Inflation- adjusted amounts in the financial statements prepared in accordance with statutory regulations	Inflation- adjusted amounts in the financial statements prepared in accordance with IFRS	Difference recognized in prior years' profits
Capital Adjustment Differences	2.314.241.618	2.080.046.190	234.195.428
Restricted Reserves Appropriated from Profit	250.043.341	234.679.082	15.364.259

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19 Revenue

Sales and Cost of Sales for the periods as of 1 January- 31 December 2025 and 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Domestic Sales	3.414.181.672	9.084.120.628
Foreign Sales	76.571.536	62.321.005
Gross Sales	3.490.753.208	9.146.441.633
Sales Returns and Discounts (-)	(36.512.758)	(8.195.372)
Net Sales	3.454.240.450	9.138.246.261

Cost of Sales (-)	1 January- 31 December 2025	1 January- 31 December 2024
Cost of Production Sold	(2.766.165.079)	(6.874.654.778)
- Raw Material and Supplies		
Expenses	(1.364.439.680)	(4.755.369.809)
- Employee Benefits	(437.760.628)	(502.168.167)
- Depreciation Expenses	(423.892.301)	(406.049.010)
- Other Expenses	(540.072.470)	(1.211.067.792)
Cost of Commercial Goods Sold	(327.113.802)	(399.056.409)
Cost of Other Sales	(2.473.526)	(4.096.587)
Cost of Sales	(3.095.752.407)	(7.277.807.774)
Gross Profit	358.488.043	1.860.438.487

The revenue of sales on product basis are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Tractor Sales	2.360.978.679	8.091.047.819
Spare Part Sales	658.835.103	699.342.999
Engine Sales	96.435.686	100.569.887
Construction Equipment Sales	41.134.952	33.536.442
Agricultural Machinery Sales	11.232.717	17.431.384
Other	285.623.313	196.317.730
Total Revenue	3.454.240.450	9.138.246.261

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20 Operating Expense

General Administrative Expenses

The Group's general administrative expenses for the years ended 31 December 2025 and 31 December 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Employee Benefits	321.612.114	127.312.580
Depreciation and Amortization Expenses	71.102.872	74.155.677
IT Supplies Expenses	35.963.411	24.618.047
Financial and Legal Consultancy Expenses	9.861.924	7.832.278
Maintenance and Repair Expenses	7.021.855	5.128.339
Travel and Accommodation Expenses	5.486.956	7.841.271
Energy, Fuel and Water Expenses	4.399.861	5.964.059
Other	25.173.711	24.182.874
Total	480.622.704	277.035.125

Marketing, Sales and Distribution Expenses

The Group's marketing, sales and distribution expenses for the years ended 31 December 2025 and 31 December 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Premium and Commission Expenses	711.782.931	768.277.973
After-Sales Service Warranty Expenses	229.833.909	266.505.910
Advertising and Promotion Expenses	132.968.869	105.288.263
Employee Benefits	105.283.858	97.948.248
Accommodation Expenses	20.163.272	15.268.533
Depreciation and Amortization Expenses	9.240.036	7.213.656
Transportation Expenses	6.002.801	8.740.033
Maintenance and Repair Expenses	3.260.774	1.728.853
Other	43.688.286	178.311.369
Total	1.262.224.736	1.449.282.838

Research and Development Expenses

The Group's research and development expenses for the years ended 31 December 2025 and 31 December 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Depreciation and Amortization Expenses	69.881.522	14.244.704
Employee Benefits	44.390.222	57.623.060
IT Supplies Expenses	8.021.447	21.024.754
Project and Feasibility Study Expenses	7.385.793	1.809.490
Accommodation Expenses	6.379.120	4.001.534
Raw Materials and Supplies Expenses	5.861.454	4.810.413
Financial and Legal Consultancy Expenses	5.455.779	4.352.739
Other Expenses	9.730.272	2.734.123
Toplam	157.105.609	110.600.817

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21 Expenses Classified by Nature

The Group's employee benefits for the years ended 31 December 2025 and 31 December 2024 are as follows:

Employee Benefits	1 January- 31 December 2025	1 January- 31 December 2024
Cost of Sales (Note 19)	437.760.628	502.168.167
General Administrative Expenses (Note 20)	321.612.114	127.312.580
Marketing, Sales and Distribution Expenses (Note 20)	105.283.858	97.948.248
Research and Development Expenses (Note 20)	44.390.222	57.623.060
Total	909.046.822	785.052.055

The Group's depreciation and amortization expenses for the years ended 31 December 2025 and 31 December 2024 are as follows:

Depreciation and Amortization	1 January- 31 December 2025	1 January- 31 December 2024
Cost of Sales (Note 19)	423.892.301	406.049.010
General Administrative Expenses (Note 20)	71.102.872	74.155.677
Research and Development Expenses (Note 20)	69.881.522	14.244.704
Marketing, Sales and Distribution Expenses (Note 20)	9.240.036	7.213.656
Total	574.116.731	501.663.047

Fees for Services Received from Independent Auditors / Audit Firms

The Group's disclosure regarding the fees for services provided by independent audit firms, prepared in accordance with the Board Decision published in the duplicate Official Gazette on 30 March 2022 and based on the principles outlined in the Communiqué of the CMB dated 19 August 2022, is as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Independent Audit Fee for the Reporting Period	1.710.998	1.652.654
Fees for Tax Consultancy Services	--	--
Fees for Other Assurance Services	--	--
Fees for Other Non-Audit Services	--	--
Total	1.710.998	1.652.654

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22 Other Operating Income and Expenses

Other Income

The Group's other income from main operations for the years ended 31 December 2025 and 31 December 2024 is as follows:

Other Income	1 January- 31 December 2025	1 January- 31 December 2024
Discount Interest Income	56.166.150	--
Rental Income	18.500.906	43.678.778
Reversal of Provisions	--	12.459.655
Other	54.653.178	171.306.101
Total	129.320.234	227.444.534

Other Expenses

The Group's other expenses from main operations for the years ended 31 December 2025 and 31 December 2024 are as follows:

Other Expenses	1 January- 31 December 2025	1 January- 31 December 2024
Foreign Exchange Losses	74.406.829	39.522.442
Provision Expenses	25.353.101	--
Donations and Contributions	9.590.616	34.992.428
Commission Expenses	112.186	--
Discount Interest Expense	--	93.796.983
Other	57.864.179	34.284.173
Total	167.326.911	202.596.026

23 Finance Income and Expenses

Finance Income

The Group's finance income for the years ended 31 December 2025 and 31 December 2024 is as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Interest Income on Intercompany Loans	816.985.069	--
Total	816.985.069	--

Finance Expenses

The Group's finance expenses for the years ended 31 December 2025 and 31 December 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Interest Expenses	2.796.595.279	1.546.454.985
Interest Expenses from Leasing Transactions (Note 14)	7.829.460	4.000.143
Total	2.804.424.739	1.550.455.128

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24 Income and Expense from Investment Activities

The Group's investment income for the years ended 1 January-31 December 2025 and 2024 is as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Fair Value Gains on Investment Properties (Note 11)	8.053.200.798	--
Earnings from Financial Investments	249.194.471	699.293.684
Total	8.302.395.269	699.293.684

25 Explanations Regarding Net Monetary Position Gains (Losses)

The Group's monetary gains/(losses) for the periods ended 1 January-31 December 2025 and 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
<u>Statement of financial position items</u>		
Prepaid expenses	3.751.106	8.867.209
Inventories	37.045.051	170.822.055
Property, plant and equipment	1.507.811.074	1.989.910.486
Right of use assets	5.993.708	22.023.321
Intangibles	104.071.809	74.905.631
Investment property	22.592.145	43.436.268
Deferred tax liability	(258.519.680)	(353.543.330)
Capital adjustment differences	(588.706.270)	(766.715.328)
Share premium	(51.814.216)	(67.481.452)
Items will not to be reclassified in profit or loss	8.438.005	8.937.470
Restricted reserves	(55.387.380)	(71.744.059)
Retained earnings	(1.346.570.881)	(2.014.116.220)
<u>Statement of profit or loss items</u>		
Revenue	(497.781.626)	(1.024.572.817)
Cost of sales (-)	1.102.586.347	2.110.858.812
Marketing expenses (-)	138.196.830	89.924.909
General administrative expenses (-)	46.643.300	24.628.002
Research and development expenses (-)	17.913.792	12.415.784
Incomes / (expense) from investment Activities	(52.554.695)	(90.059.288)
Other operating income	(33.995.378)	(45.687.928)
Other operating expenses (-)	24.664.835	29.381.342
Finance income	(109.310.718)	--
Financial expenses (-)	356.370.261	85.432.182
Income tax expense for the period	--	12.469.222
Monetary gain and/(loses), net	381.437.419	250.092.271

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26 Income Tax

Corporate Income Tax

The Company and its subsidiaries resident in Türkiye are subject to the tax legislation and practices in force in Türkiye. Corporate income tax is declared by the evening of the last day of the fourth month following the end of the relevant fiscal year and is paid in a single installment by the end of the same month.

Corporations are required to calculate provisional corporate income tax on their quarterly taxable profits at the applicable tax rate, declare it by the 17th day of the second month following the relevant period, and pay it by the evening of the same day. Provisional taxes paid during the year are offset against the corporate income tax calculated on the annual corporate income tax return. If the amount of provisional tax paid exceeds the corporate income tax payable, the excess amount may either be refunded in cash or offset against other tax liabilities.

In Türkiye, corporate income tax is calculated on the statutory tax base derived from the commercial profit by adding non-deductible expenses and deducting tax exemptions and allowances in accordance with tax legislation. The general corporate income tax rate applicable to the taxable income for 2023 and subsequent taxation periods is 25%. Accordingly, the Company and its subsidiaries resident in Türkiye have used a 25% tax rate in calculating current and deferred taxes for the year 2025 (December 31, 2024: 25%).

In addition, pursuant to Article 32/C of the Corporate Tax Law, the corporate tax calculated in accordance with Articles 32 and 32/A for the income earned in 2025 and subsequent taxation periods cannot be less than 10% of the corporate income before deductions and exemptions. The effects of this regulation are taken into consideration in the assessment of the current tax expense and the recoverability of deferred tax assets.

With the General Communiqué No. 555 on the Tax Procedure Law published in the Official Gazette dated 30 December 2023 and numbered 32415, pursuant to Article 298 (repeated) of the Tax Procedure Law No. 213, it became mandatory for enterprises operating in Türkiye to apply inflation adjustment to their financial statements prepared under tax legislation for the 2023 fiscal year. These inflation-adjusted financial statements have been used as the opening balance sheet for tax returns prepared as of 1 January 2024. Accordingly, the Company's tax financial statements have been subject to inflation adjustment starting from the 2023 fiscal year.

However, pursuant to the Provisional Article 37 added to the Tax Procedure Law and published in the Official Gazette dated 25 December 2025 and numbered 33118, financial statements prepared under tax legislation will not be subject to inflation adjustment for the fiscal years 2025, 2026, and 2027, including provisional tax periods, regardless of whether the conditions for inflation adjustment are met.

During these periods, in accordance with Article 298 (Ç) of the Tax Procedure Law, enterprises may apply tax revaluation to depreciable tangible assets and their accumulated depreciation presented in the financial statements prepared under tax legislation. If the revaluation surplus arising from such revaluation is transferred to another account other than capital or withdrawn from the business, these amounts will be subject to income or corporate tax in the current period, without being associated with the profit of the period in which the transaction occurs.

The Company has utilized the relevant revaluation opportunity in its financial statements as of 31 December 2025.

The tax effects arising from the fact that the financial statements as of 31 December 2025 are not subject to inflation adjustment pursuant to Provisional Article 37 of the Tax Procedure Law have been taken into account in the deferred tax calculation as of that date.

As of 31 December 2025, the tax rate used in the calculation of deferred tax, considering the tax legislation in force in each country, is 25%.

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26 Income Tax (continued)

Corporate Income Tax (continued)

Under the tax legislation in Türkiye, the Company and its subsidiaries are not permitted to file consolidated tax returns. Therefore, the tax provision reflected in the financial statements has been calculated separately for each entity.

According to the Corporate Tax Law of Türkiye, tax losses reported on the corporate tax return can be deducted from the corporate tax base for a period not exceeding five years. In Türkiye, there is no practice of reaching an agreement with the tax authorities regarding the taxes payable. The tax authorities are entitled to examine the tax returns and the underlying accounting records within five years following the relevant fiscal year and may reassess taxes based on the findings of such examinations.

Dividend distributions made by resident joint stock companies in Türkiye to real persons resident or non-resident in Türkiye and to non-resident legal entities, except for those exempt from corporate and income taxes, are subject to withholding tax at the rate of 15%. Dividend distributions are subject to withholding tax and such withholding tax is declared in the period in which the dividend is paid in cash or accounted for.

Dividend distributions made by resident joint stock companies in Türkiye to other resident joint stock companies in Türkiye are not subject to income tax. In addition, no income tax is calculated if profits are not distributed or are added to share capital.

In the application of withholding tax rates on profit distributions made to non-resident corporations and individuals, the withholding tax rates stipulated in the relevant Double Taxation Avoidance Agreements are also taken into consideration.

Dividends derived by corporations from participation in the capital of another fully liable corporation are exempt from corporate income tax. In addition, 50% of the gains arising from the sale of participation shares, founder's shares, usufruct shares and pre-emptive rights held in the assets of corporations for at least two full years, as well as participation units of investment funds that fall within the scope of the corporate tax exemption, are exempt from corporate income tax.

Furthermore, 50% of the gains arising from the sale of immovable properties held for at least two full years in the assets of corporations were previously exempt from corporate income tax. However, with the amendment effective 15 July 2023, the 50% corporate tax exemption on real estate sales gains stipulated in the Corporate Tax Law has been abolished. Nevertheless, for immovable properties included in the assets of enterprises before 15 July 2023, the exemption will continue to apply at a 25% rate.

In order to benefit from the exemption, the relevant gain must be kept in a special fund account in the liabilities section of the financial statements prepared under tax legislation and must not be withdrawn from the business for five years. The gain may be added to share capital within this period. In addition, the sales proceeds must be collected by the end of the second calendar year following the year of sale.

Transfer Pricing Regulations

In Türkiye, transfer pricing regulations are governed by Article 13 of the Corporate Tax Law, titled "Disguised Profit Distribution through Transfer Pricing." The Communiqué dated 18 November 2007 on disguised profit distribution through transfer pricing sets out the implementation details.

If a taxpayer purchases or sells goods or services from or to related parties at prices or amounts that are not in accordance with the arm's length principle, the profit is deemed to have been wholly or partially distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing cannot be deducted in determining the corporate tax base and are treated as distributed dividends for corporate tax purposes.

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26 Income Tax (continued)

Tax Expense

Tax income/expense for the 31 December 2025 and 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
<u>Recognized in Profit or Loss</u>		
Current tax expense:		
Current tax expense	--	(96.821.195)
Deferred tax income / (expense):		
Arising from temporary differences	(591.776.458)	52.607.022
	(591.776.458)	(44.214.173)
<u>Recognized in Comprehensive Income Statement</u>		
Deferred tax income/(expense):		
Deferred tax income/(expense)	(572.627.561)	2.225.240
Tax effects of actuarial differences	9.907.967	2.225.240
Tax effect of property, plant and equipment revaluation	(582.535.535)	--
Total Tax Expense	(1.164.404.026)	(41.988.933)

Current Tax Liability

The details of the current tax asset recognized in the books are as follows:

	31 December 2025	31 December 2024
Current Tax Assets	6.114.995	41.969.367
31 December Balance	6.114.995	41.969.367
	31 December 2025	31 December 2024
Corporate Tax Payable	--	96.821.195
Prepaid Taxes (-)	(6.114.995)	(138.790.562)
Total	(6.114.995)	(41.969.367)

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26 Income Tax (continued)

The Reconciliation of the Effective Tax Rate

The reported tax provision for the periods 1 January-31 December 2025 and 2024 differs from the amount calculated using the statutory tax rate on profit before tax. The relevant reconciliation is as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Profit for the Period	4.525.144.877	(596.915.131)
Deduction: Current Period Tax Expense	(591.776.458)	(44.214.173)
Profit Before Tax	5.116.921.335	(552.700.958)
Calculated Corporate Tax Via Statutory Rate 25%	(1.279.230.334) 25%	138.175.240
Non-Deductible Expenses	(85.434.005)	(25.270.260)
Exceptions and Discounts	35.194.760	21.235.885
Effect of Different Tax Rates and Other	737.693.121	(178.355.038)
Total Tax Income/(Expense) Recognized in Profit or Loss	(591.776.458)	(44.214.173)

Deferred Tax

The Group recognizes deferred tax assets and deferred tax liabilities for temporary differences arising between the tax base of the statutory consolidated financial statements and the consolidated financial statements prepared in accordance with Turkish Financial Reporting Standards (TFRS).

These differences generally arise from the recognition of certain income and expense items in different periods between the financial statements prepared for tax purposes and the consolidated financial statements prepared in accordance with TFRS. The related temporary differences are presented on the following page.

The tax rate used in the calculation of deferred tax assets and liabilities in the consolidated financial statements as of 31 December 2025 is 25%.

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26 Income Tax (continued)

Deferred Tax (continued)

Deferred Tax Assets and Liabilities Recognized in the Books

As of 31 December 2025 and 31 December 2024, the items allocated to deferred tax assets and deferred tax liabilities are as follows:

	<u>Assets</u>		<u>Liabilities</u>		<u>Deferred Tax Assets / Liabilities</u>	
	2025	2024	2025	2024	2025	2024
Provision for Employee Termination Benefits	20.721.044	13.109.676	--	--	20.721.044	13.109.676
Provision for Warranty Expenses	13.646.083	23.337.974	--	--	13.646.083	23.337.974
Provision for Doubtful Receivables	7.859.499	1.682.006	--	--	7.859.499	1.682.006
Provision for Unused Vacation Leave	4.257.239	5.841.158	--	--	4.257.239	5.841.158
Discounts	2.600.258	20.050.405	--	--	2.600.258	20.050.405
Provision for Litigation	1.091.408	2.044.521	--	--	1.091.408	2.044.521
Prepaid Expenses	--	8.560.761	(621.937)	--	(621.937)	8.560.761
Adjustments for Inventories	--	6.778.111	(11.782.860)	--	(11.782.860)	6.778.111
Fixed Assets (Property, Plant and Equipment, Intangibles, and Investment Properties)	--	--	(2.261.880.566)	(1.132.930.591)	(2.261.880.566)	(1.132.930.591)
Accrued Expenses	--	--	(19.309.993)	--	(19.309.993)	--
Leases	--	--	(676.179)	(14.613.135)	(676.179)	(14.613.135)
Bank Loans	--	--	(1.445.768)	(15.400.349)	(1.445.768)	(15.400.349)
Other	--	176.161	(225.556)	--	(225.556)	176.161
Total Deferred Tax Asset / (Liability)	50.175.531	81.580.773	(2.295.942.859)	(1.162.944.075)	(2.245.767.328)	(1.081.363.302)
Amount of Tax Offsetting	(50.175.531)	(81.580.773)	50.175.531	81.580.773	--	--
Net Deferred Tax Asset / (Liability)	--	--	(2.245.767.328)	(1.081.363.302)	(2.245.767.328)	(1.081.363.302)

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26 Income Tax (continued)

Deferred Tax (continued)

Deferred Tax Asset/Liabilities

The deferred tax assets and liabilities recognized in the books and their movements during the year are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Balance at 1 January	(1.081.363.302)	(1.136.195.564)
Recognized in Profit or Loss	(591.776.458)	52.607.022
Recognized in Other Comprehensive Income	(572.627.568)	2.225.240
31 December Balance	(2.245.767.328)	(1.081.363.302)

27 Earning per Share

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

	1 January- 31 December 2025	1 January- 31 December 2024
The Weighted Average Number of Shares in Existence During the Period (Each 1 TL)	115.000.000	115.000.000
Net Profit / (Loss) for the Period	4.525.144.877	(596.915.131)
Gain / (Loss) Per Share (TL)	39,35	(5,19)

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28 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.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations, and it arises principally from the Group's receivables from customers.

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*(The amounts are expressed in terms of purchasing power of Turkish Lira ("TL") as of 31 December 2025, unless otherwise specified)***28 Financial Instruments- Risk Management and Fair Value (continued)****Credit Risk (continued)***Exposure to Credit Risk:*

The carrying amount of financial assets represents the Group's maximum exposure to credit risk. The details of the maximum exposure to credit risk as of 31 December are shown in the following tables:

	Trade Receivables		Other Receivables		Cash and Cash Equivalents
	Related Party	Other Party	Related Party	Other Party	Bank Deposits
31 December 2025					
The maximum credit risk exposure as of the reporting date (A+B+C+D) (1)	863.547.568	540.030.424	21.565.271	63.083.653	151.282.683
- Part of maximum risk taken under guarantee with collaterals		529.430.000	--	--	--
A. Net book value of financial assets that are neither past due nor impaired (2)	863.547.568	540.030.424	21.565.271	63.083.653	151.282.683
B. The book value of overdue but not impaired financial assets	--	--	--	--	--
C. Net book values of impaired assets (3)	--	--	--	--	--
- Overdue (gross book value)	--	35.755.267	--	--	--
- Impairment (-)	--	(35.755.267)	--	--	--
- Portion secured by collateral, etc.	--	--	--	--	--
- Not overdue (gross book value)	--	--	--	--	--
- Impairment (-)	--	--	--	--	--
- Portion secured by collateral, etc.	--	--	--	--	--
D. Elements containing credit risk outside the balance sheet	--	--	--	--	--

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28

Financial Instruments- Risk Management and Fair Value (continued)

Credit Risk (continued)

31 December 2024	Trade Receivables		Other Receivables		Cash and Cash Equivalents
	Related Party	Other Party	Related Party	Other Party	Bank Deposits
The maximum credit risk exposure as of the reporting date (A+B+C+D) (1)	737.432.615	2.007.430.142	4.513.713	15.632.383	211.296.164
- Part of maximum risk taken under guarantee with collaterals		742.040.451	--	--	--
A. Net book value of financial assets that are neither past due nor impaired (2)	737.432.615	2.007.430.142	4.513.713	15.632.383	211.296.164
B. The book value of overdue but not impaired financial assets	--	--	--	--	--
C. Net book values of impaired assets (3)	--	--	--	--	--
- Overdue (gross book value)	--	12.034.902	--	--	--
- Impairment (-)	--	(12.034.902)	--	--	--
- Portion secured by collateral, etc.	--	--	--	--	--
- Not overdue (gross book value)	--	--	--	--	--
- Impairment (-)	--	--	--	--	--
- Portion secured by collateral, etc.	--	--	--	--	--
D. Elements containing credit risk outside the balance sheet	--	--	--	--	--

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations that are settled by delivering cash or other financial assets. The Group's approach to managing liquidity risk 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 damaging the Group's reputation.

The Group aims to maintain sufficient cash to cover expected operating expenses, including the servicing of financial obligations, except in exceptional circumstances such as natural disasters.

The maturities of the Group's financial liabilities, including estimated interest payments, as of December 31, 2025, and December 31, 2024, are as follows:

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

Liquidity Risk (continued)

31 December 2025	Book Value	Total cash outflows according to contract or expected maturities (=I+II+III)	Less than 3 month (I)	3-12 month (II)	Longer than 1 year (III)
Maturities according to contractual or expected terms					
Non-Derivative Financial Assets					
Financial liabilities	6.226.861.559	6.301.162.597	921.222.613	348.331.606	5.031.608.378
Trade payables	610.655.506	621.616.741	100.238.357	521.378.384	--
Liabilities related to employee benefits	61.403.520	61.403.520	61.403.520	--	--
Other liabilities	11.660.201	11.660.201	1.704.708	9.955.493	--
Lease transactions	27.633.092	53.275.536	2.219.814	6.659.442	44.396.280
Total	6.938.213.878	7.049.118.595	1.086.789.012	886.324.925	5.076.004.658

31 December 2025	Book Value	Total cash outflows according to contract or expected maturities (=I+II+III)	Less than 3 month (I)	3-12 month (II)	Longer than 1 year (III)
Maturities according to contractual or expected terms					
Non-Derivative Financial Assets					
Financial liabilities	4.915.663.355	4.977.927.542	1.156.835.849	3.745.882.080	75.209.613
Trade payables	1.132.824.609	1.144.525.340	274.961.316	869.564.024	--
Liabilities related to employee benefits	61.369.176	61.369.176	61.369.176	--	--
Other liabilities	11.926.047	11.926.047	2.771.531	9.154.516	--
Lease transactions	26.435.262	35.740.780	1.729.393	5.188.178	28.823.209
Total	6.148.218.449	6.231.488.885	1.497.667.265	4.629.788.798	104.032.822

It is not expected that the cash flows included in the maturity analysis will occur significantly earlier or in amounts materially different.

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.

(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.

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

Market Risk (continued)

(i) Currency Risk (continued)

As of 31 December 2025, the foreign currency denominated assets and liabilities of monetary and non-monetary items are as follows:

	31 December 2025			
	TL Equivalent	US Dolar	Euro	GBP
1. Trade receivables	44.897.140	570.054	407.127	--
2a. Monetary assets (Including cash on hands and banks)	248.812	926	4.160	--
2b. Non-monetary financial assets	--	--	--	--
3. Other	145.053.679	1.563.364	1.552.528	--
4. Current Assets (1+2+3)	190.199.631	2.134.344	1.963.815	--
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)	190.199.631	2.134.344	1.963.815	--
10. Trade payables	132.088.810	864.843	1.872.739	10.815
11. Financial liabilities	14.691.516	342.277	--	--
12a. Other monetary financial liabilities	7.228.796	--	143.495	--
12b. Other non-monetary financial liabilities	191.434.750	342.416	3.508.328	--
13. Short-Term Liabilities (10+11+12)	345.443.872	1.549.536	5.524.562	10.815
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)	345.443.872	1.549.536	5.524.562	10.815
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)	(155.244.241)	584.808	(3.560.747)	(10.815)
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)	(108.863.170)	(636.140)	(1.604.947)	(10.815)
22. Fair value of foreign currency hedged financial assets	--	--	--	--
23. Hedged foreign currency assets	--	--	--	--
24. Hedged foreign currency liabilities	--	--	--	--

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

Market Risk (continued)

(i) Currency Risk (continued)

As of 31 December 2024, the items denominated in foreign currencies in terms of monetary assets and liabilities are as follows:

	31 December 2024			
	TL Equivalent	US Dolar	Euro	GBP
1. Trade receivables	46.952.952	425.598	567.729	--
2a. Monetary assets (Including cash on hands and banks)	185.624	1.480	2.439	--
2b. Non-monetary financial assets	--	--	--	--
3. Other	193.841.987	2.268.582	1.852.271	250
4. Current Assets (1+2+3)	240.980.563	2.695.660	2.422.439	250
5. Trade receivables	--	--	--	--
6a. Monetary assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	53.518.446	798.821	345.837	--
8. Non-Current Assets (5+6+7)	53.518.446	798.821	345.837	--
9. Total Assets (4+8)	294.499.009	3.494.481	2.768.276	250
10. Trade payables	219.040.246	1.809.848	2.795.915	10.814
11. Financial liabilities	37.761.544	816.248	--	--
12a. Other monetary financial liabilities	15.138.514	183.236	138.289	--
12b. Other non-monetary financial liabilities	205.534.420	795.245	3.502.994	--
13. Short-Term Liabilities (10+11+12)	477.474.724	3.604.577	6.437.198	10.814
14. Trade payables	--	--	--	--
15. Financial Liabilities	14.185.164	306.625	--	--
16a. Other monetary financial liabilities	--	--	--	--
16b. Other non-monetary financial liabilities	--	--	--	--
17. Long-Term Liabilities (14+15+16)	14.185.164	306.625	--	--
18. Total Liabilities (13+17)	491.659.888	3.911.202	6.437.198	10.814
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)	(197.160.879)	(416.721)	(3.668.922)	(10.564)
21. Net foreign currency asset/ liability position of non-monetary items (IFRS 7. B23) (=1+2a+3+5+6a-10-11-12a-14-15-16a)	(238.986.892)	(2.688.879)	(2.364.036)	(10.814)
22. Fair value of foreign currency hedged financial assets	--	--	--	--
23. Hedged foreign currency assets	--	--	--	--
24. Hedged foreign currency liabilities	--	--	--	--

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28 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 31 December 2025 and 31 December 2024 is shown below. This analysis assumes all other variables, especially interest rates, remain constant.

31 December 2025		
	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	2.493.687	(2.493.687)
2- Part of hedged from USD risk (-)	--	--
3- USD net effect (1+2)	2.493.687	(2.493.687)
In the case of change of EUR at 10% ratio compared to TL		
4- EUR net asset / liability	(17.955.589)	17.955.589
5- Part of hedged from EUR risk (-)	--	--
6- EUR net effect (4+5)	(17.955.589)	17.955.589
In the case of change of GBP at 10% ratio compared to TL		
7- GBP net asset / liability	(62.522)	62.522
8- Part of hedged from GBP risk (-)	--	--
9-GBP net effect (7+8)	(62.522)	62.522
TOTAL (3+6+9)	(15.524.424)	15.524.424

31 December 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	(1.956.893)	1.956.893
2- Part of hedged from USD risk (-)	--	--
3- USD net effect (1+2)	(1.956.893)	1.956.893
In the case of change of EUR at 10% ratio compared to TL		
4- EUR net asset / liability	(17.697.742)	17.697.742
5- Part of hedged from EUR risk (-)	--	--
6- EUR net effect (4+5)	(17.697.742)	17.697.742
In the case of change of GBP at 10% ratio compared to TL		
7- GBP net asset / liability	(61.453)	61.453
8- Part of hedged from GBP risk (-)	--	--
9-GBP net effect (7+8)	(61.453)	61.453
TOTAL (3+6+9)	(19.716.088)	19.716.088

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(The amounts are expressed in terms of purchasing power of Turkish Lira ('TL') as of 31 December 2025, unless otherwise specified)

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

Market Risk (continued)

(ii) Interest Rate Risk

The Group's activities expose it to the risk of changes in interest rates, as its interest-bearing assets and liabilities mature or are repriced at different times or in different amounts. The Group manages this risk by balancing its interest rate-sensitive assets and liabilities as a natural hedge and through limited use of derivative instruments.

As of December 31, 2025, and December 31, 2024, the details of the Group's interest rate-sensitive financial instruments are as follows:

	Recorded Value	
	31 December 2025	31 December 2024
Fixed Interest Instruments		
Financial Assets		
-Cash and cash equivalents (Note 4)	21.828.582	--
-Borrowings (Note 3)	6.226.861.559	4.915.663.355

Sensitivity Analysis of Fair Value for Fixed-Rate Financial Instruments

The Group has not accounted for any fixed-rate financial assets or liabilities under financial assets at fair value through profit or loss, and has not developed any derivative instruments (such as interest rate swaps) for hedging purposes according to the fair value hedge accounting model. Therefore, as of the reporting date, any changes in interest rates will not have an impact on profit or loss.

Fair Value

The Group has calculated the fair values of financial instruments using available market information and appropriate valuation methods. However, since judgment is required to determine fair value, the fair value measurements may not reflect the values that would be realized under current market conditions. The Group management has assumed that the carrying values of financial assets and liabilities measured at amortized cost, including receivables from cash and banks, other financial assets, and short-term financial liabilities, are close to their fair values due to their short-term nature and the insignificance of potential losses.

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

Fair Value (Continued)

31 December 2025	Financial assets shown at amortized cost	Fair value difference reflected in profit or loss	Financial liabilities shown at amortized cost	Fair Value
<u>Financial Assets</u>				
Cash and Cash Equivalen	151.282.683	--	--	151.282.683
Trade Receivables	1.403.577.992	--	--	1.403.577.992
Other Receivables	84.648.924	--	--	84.648.924
Financial Investments	--	1.281.534.840	--	1.281.534.840
<u>Financial Liabilities</u>				
Financial Liabilities	--	--	6.226.861.559	6.226.861.559
Trade Payables	--	--	610.655.506	610.655.506
Other Payables	--	--	11.660.201	11.660.201
Payables from Lease Transactions	--	--	27.633.092	27.633.092
Employee Benefits Payables	--	--	61.403.520	61.403.520
<hr/>				
31 December 2024	Financial assets shown at amortized cost	Fair value difference reflected in profit or loss	Financial liabilities shown at amortized cost	Fair Value
<u>Financial Assets</u>				
Cash and Cash Equivalen	211.296.164	--	--	211.296.164
Trade Receivables	2.744.862.757	--	--	2.744.862.757
Other Receivables	20.146.096	--	--	20.146.096
Financial Investments	--	1.319.974.520	--	1.319.974.520
<u>Financial Liabilities</u>				
Financial Liabilities	--	--	4.915.663.355	4.915.663.355
Trade Payables	--	--	1.132.824.609	1.132.824.609
Other Payables	--	--	11.926.047	11.926.047
Payables from Lease Transactions	--	--	26.435.262	26.435.262
Employee Benefits Payables	--	--	61.369.176	61.369.176

Classification of Fair Value Measurement

The following table provides the valuation methods for financial instruments measured at fair value. The valuation methods are defined by levels as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

Fair Value (Continued)

31 December 2025	Level 1	Level 2	Level 3	Total
Fair Value Difference Reflected in Profit or Loss for Financial Assets	1.281.534.840	11.104.483.570	--	12.386.018.410
Fair Value Difference Reflected in Other Comprehensive Income for Financial Assets	--	3.651.962.994	--	3.651.962.994

31 December 2024	Level 1	Level 2	Level 3	Total
Fair Value Difference Reflected in Profit or Loss for Financial Assets	1.319.974.520	--	--	1.319.974.520

Foreign currency denominated financial assets and liabilities are translated at the exchange rates close to the market prices at the balance sheet date.

The following methods and assumptions have been used to estimate the fair value of each financial instrument, where it is practicable to determine such value.

Financial Assets

Due to their short-term nature and insignificant credit risk, the carrying amounts of cash and cash equivalents, accrued interest, and other financial assets are considered to be close to their fair values. Trade receivables are considered to be close to their fair values after deducting the provision for doubtful receivables.

Financial Liabilities

The carrying amounts of trade payables and other monetary liabilities are considered to be close to their fair values due to their short-term nature. Trade payables are expected to be close to their fair values due to their short-term nature.

29 Subsequent Events

None.