

**(CONVENIENCE TRANSLATION OF FINANCIAL
STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

**CONDENSED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE INTERIM ACCOUNTING PERIOD
JANUARY 1 – JUNE 30, 2026**

(Convenience translation of a report and condensed financial statements originally issued in Turkish)

Report on Review of Interim Condensed Financial Statements

To the Board of Directors of Türk Traktör ve Ziraat Makineleri A.Ş.

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Türk Traktör ve Ziraat Makineleri Anonim Şirketi ("the Company") as of June 30, 2026, and the interim condensed statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the six-month period then ended, and explanatory notes. The Company management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with Turkish Accounting Standard 34, Interim Financial Reporting (TAS 34). Our responsibility is to express a conclusion on these interim condensed financial statements in accordance with Turkish Accounting Standard 34, Interim Financial Reporting (TAS 34). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with TAS 34.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

A member firm of the Ernst & Young Global Limited.



Cem Uçarlar SMMM
Partner

August 3, 2026
İstanbul, Türkiye

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

FINANCIAL STATEMENTS AS OF JUNE 30, 2026

CONTENTS	PAGE
STATEMENT OF FINANCIAL POSITION	1 - 2
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	3
STATEMENT OF CHANGES IN EQUITY	4 - 5
STATEMENT OF CASH FLOWS.....	6
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS.....	7 - 51
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS OF THE COMPANY	7
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS	7 - 13
NOTE 3 SEGMENT REPORTING	14
NOTE 4 CASH AND CASH EQUIVALENTS	14
NOTE 5 FINANCIAL INVESTMENT	15
NOTE 6 FINANCIAL LIABILITIES.....	15 - 17
NOTE 7 TRADE RECEIVABLES AND PAYABLES	17 - 18
NOTE 8 INVENTORIES	19
NOTE 9 PROPERTY, PLANT AND EQUIPMENT.....	20 - 21
NOTE 10 RIGHT OF USE ASSETS.....	22
NOTE 11 INTANGIBLE ASSETS.....	23 - 24
NOTE 12 OTHER ASSETS AND LIABILITIES	24
NOTE 13 PREPAID EXPENSES AND DEFERRED INCOME	25
NOTE 14 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	25 - 29
NOTE 15 EMPLOYEE BENEFITS	30
NOTE 16 EQUITY	30 - 31
NOTE 17 REVENUE AND COST OF SALES.....	32
NOTE 18 OTHER INCOME/EXPENSE FROM OPERATING ACTIVITIES	32
NOTE 19 FINANCIAL INCOME	33
NOTE 20 FINANCIAL EXPENSE	33
NOTE 21 TAX ASSETS AND LIABILITIES	34 - 36
NOTE 22 EARNINGS PER SHARE.....	36
NOTE 23 RELATED PARTY EXPLANATIONS	36 - 41
NOTE 24 FINANCIAL INSTRUMENTS AND NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS.....	41 - 50
NOTE 25 DISCLOSURES ON NET MONETARY POSITION GAINS/(LOSSES).....	51
NOTE 26 SUBSEQUENT EVENTS	51

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.**STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2026**

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

		<i>Reviewed</i>	<i>Audited</i>
		June 30,	December 31,
	Notes	2026	2025
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	4.598.937.718	7.900.273.197
Financial investments	5	892.104.537	82.168.666
Trade receivables:			
- Trade receivables from related parties	7, 23	1.453.318.785	870.435.905
- Trade receivables from third parties	7	4.100.938.479	3.626.982.343
Inventories	8	9.045.958.872	11.123.597.199
Prepaid expenses	13	157.109.277	100.215.041
Current tax assets	21	145.535.364	302.817.475
Other current assets	12	2.712.924.620	2.763.942.830
TOTAL CURRENT ASSETS		23.106.827.652	26.770.432.656
NON - CURRENT ASSETS			
Other receivables:			
- Other receivables from third parties		524.874	606.157
Financial investments	5	18.826.969	18.826.969
Property, plant and equipment	9	12.651.711.109	13.197.246.005
Right of use assets	10	311.890.776	213.054.031
Intangible assets	11	6.120.903.946	6.322.394.794
Prepaid expenses	13	110.921.558	116.110.548
TOTAL NON - CURRENT ASSETS		19.214.779.232	19.868.238.504
TOTAL ASSETS		42.321.606.884	46.638.671.160

The accompanying notes form an integral part of these financial statement

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.**STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2026**

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

	Notes	<i>Reviewed</i> June 30, 2026	<i>Audited</i> December 31, 2025
LIABILITIES			
CURRENT LIABILITIES			
Short-term financial liabilities			
Short-term financial liabilities to other parties			
- Bank borrowings	6	11.845.627.379	12.533.031.080
Short-term portion of long-term financial liabilities			
- Lease liabilities		40.203.013	16.650.029
Short-term portions of long-term borrowings from third parties			
- Bank borrowings	6	1.320.608.247	2.280.050.728
- Lease liabilities	6	17.273.243	3.958.426
Trade payables			
- Trade payables to related parties	7, 23	455.980.851	731.949.524
- Trade payables to third parties	7	6.329.397.474	4.936.965.282
Payables related to employee benefits	15	483.486.985	683.163.099
Government grants	12	473.222	666.653
Deferred income	13	123.067.190	168.328.268
Short - term provision			
- Short term provision for employee benefits	14	129.699.819	63.104.154
- Other short term provisions	14	383.962.195	400.311.021
Short - term liabilities		173.319.781	1.091.252
TOTAL CURRENT LIABILITIES		21.303.099.399	21.819.269.516
NON - CURRENT LIABILITIES			
Long-term financial liabilities			
Long-term financial liabilities from related parties			
- Lease liabilities	6	13.261.680	5.596.535
Long-term financial liabilities from third parties			
- Bank borrowings	6	1.036.361.907	3.360.575.645
- Lease liabilities	6	182.747.012	79.269.649
Deffered income	13	33.771.419	47.318.445
Long - term provisions			
- Long term provision for employee benefits	14	442.843.964	462.267.803
- Other long term provisions	14	160.700.309	218.002.914
Deferred tax liabilities	21	172.407.584	963.439.986
TOTAL NON-CURRENT LIABILITIES		2.042.093.875	5.136.470.977
EQUITY			
Paid-in share capital	16	18.976.413.610	19.682.930.667
Adjustments to share capital	16	100.066.875	100.066.875
Restricted profit reserves		3.219.806.620	3.219.806.620
Other accumulated comprehensive income and expense not to be reclassified to profit or loss		5.721.903.791	5.721.903.791
- Actuarial loss arising from defined benefit plans		(889.315.616)	(851.951.471)
Retained earnings		11.493.104.852	10.957.536.011
Net profit for the year		(669.152.912)	535.568.841
TOTAL LIABILITIES		42.321.606.884	46.638.671.160

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

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD JUNE 30, 2026 AND 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

	Notes	Reviewed January 1 - June 30, 2026	April 1 - June 30 2026	Reviewed January 1 - June 30, 2025	April 1 - June 30 2025
Revenue	17	23.679.878.732	12.919.048.657	34.317.680.538	16.499.650.078
Cost of sales (-)	17	(21.806.236.708)	(11.754.697.047)	(29.488.745.173)	(13.922.056.526)
GROSS PROFIT		1.873.642.024	1.164.351.610	4.828.935.365	2.577.593.552
Marketing expenses		(1.440.408.374)	(637.475.470)	(1.808.137.142)	(888.250.940)
General administrative expenses		(1.033.678.919)	(477.012.356)	(1.041.057.378)	(459.134.082)
Research and development expenses		(539.638.048)	(267.341.696)	(448.414.207)	(227.602.996)
Other income from operating activities	18	1.241.747.098	656.155.658	4.159.545.155	2.700.334.606
Other expenses from operating activities	18	(1.171.847.773)	(531.546.669)	(3.087.790.963)	(1.687.559.854)
OPERATING PROFIT		(1.070.183.992)	(92.868.923)	2.603.080.830	2.015.380.286
Income from investment activities		3.540.274	2.003.055	3.744.544	-
OPERATING INCOME BEFORE FINANCIAL INCOME		(1.066.643.718)	(90.865.868)	2.606.825.374	2.015.380.286
Financial income	19	1.011.093.120	546.822.886	2.238.487.448	1.041.040.980
Financial expenses	20	(2.902.233.217)	(1.422.393.679)	(5.209.228.896)	(3.206.751.507)
Net monetary gain/ (loss)	25	1.510.053.216	693.379.804	1.442.947.152	780.571.480
PROFIT BEFORE TAXATION ON INCOME		(1.447.730.599)	(273.056.857)	1.079.031.078	630.241.239
Taxes on income (-)	21	-	-	(389.502.291)	(102.073.641)
Deferred tax income/(expense)	21	778.577.687	968.912.839	88.555.724	(81.024.874)
NET PROFIT FOR THE PERIOD		(669.152.912)	695.855.982	778.084.511	447.142.724
Earnings per share (TRY)	22	(0,0669)	0,0695	0,0778	0,0447
Other comprehensive income/(expense) not to be reclassified to profit or loss:					
Actuarial loss arising from defined benefits plans	14	(49.818.860)	(13.154.597)	(150.964.411)	(135.753.459)
Other comprehensive expense not to be reclassified to profit or loss, tax effect					
Actuarial gain/ loss arising from defined benefit plans, tax effect	21	12.454.715	3.288.649	37.741.103	33.938.365
To be reclassified to profit or loss Other comprehensive expense to be reclassified to profit or loss, tax effect					
Other comprehensive income/(expense)		(37.364.145)	(9.865.948)	(113.223.308)	(101.815.094)
TOTAL COMPREHENSIVE INCOME		(706.517.057)	685.990.034	664.861.203	345.327.630

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

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD JANUARY 1 – JUNE 30, 2026

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

				Other accumulated income or expense items to be reclassified to profit or loss			
	Paid in share capital	Adjustment to share capital	Actuarial loss arising from defined benefit plans	Restricted profit reserves	Retained earnings	Net profit for the period	Equity
January 1, 2026	100.066.875	3.219.806.620	(851.951.471)	5.721.903.791	10.957.536.011	535.568.841	19.682.930.667
Transfers	-	-	-	-	535.568.841	(535.568.841)	-
Net profit for the period	-	-	-	-	-	(669.152.912)	(669.152.912)
Other comprehensive income/ (expense)	-	-	(37.364.145)	-	-	-	(37.364.145)
June 30, 2026	100.066.875	3.219.806.620	(889.315.616)	5.721.903.791	11.493.104.852	(669.152.912)	18.976.413.610

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

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD JANUARY 1, - JUNE 30, 2025

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

			Other accumulated income or expense items not be reclassified to profit or loss				
	Paid in share capital	Adjustment to share capital	Actuarial loss arising from defined benefit plans	Restricted profit reserves	Retained earnings	Net profit for the period	Equity
January 1, 2025	100.066.875	3.219.806.620	(638.380.146)	4.975.135.994	9.648.252.459	8.848.281.916	26.153.163.718
Transfers	-	-	-	746.908.546	8.101.373.370	(8.848.281.916)	-
Dividends	-	-	-	-	(6.792.154.357)	-	(6.792.154.357)
Net profit for the period	-	-	-	-	-	778.084.511	778.084.511
Other comprehensive income/ (expense)	-	-	(113.223.308)	-	-	-	(113.223.308)
June 30, 2025	100.066.875	3.219.806.620	(751.603.454)	5.722.044.540	10.957.471.472	778.084.511	20.025.870.564

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

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

STATEMENT OF CASH FLOWS FOR THE PERIOD JANUARY 1 – JUNE 30, 2026 AND 2025

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

	Notes	Reviewed January 1 – June 30, 2026	Reviewed January 1 – June 30, 2025
A. CASH FLOWS FROM OPERATING ACTIVITIES		2.488.205.096	3.572.205.429
Profit/(loss) from continuing operations		(669.152.912)	778.084.511
Adjustments related to reconciliation of net profit/(loss) for the period)		892.349.962	1.406.669.895
Adjustments related to depreciation	9,10,11	1.737.925.906	1.483.484.338
Adjustments related to impairment/(reversal)		9.090.688	(51.975.177)
Adjustments related to impairment/(reversal) on receivables	7	(591.545)	(448.883)
Adjustments related to impairment/(reversal) on inventories	8	9.682.233	(51.526.294)
Adjustments related to provisions		115.867.840	72.943.671
Adjustments related to provisions for employee benefits	14	96.375.523	73.412.773
Adjustments related to provisions for lawsuits and/or penalties	14	86.554.388	29.667.854
Adjustments related to provisions for warranties	14	(67.062.071)	(30.136.956)
Adjustments related to interest income and expenses		1.786.951.639	1.731.165.388
Adjustments related to interest income	19	(942.035.947)	(1.611.873.434)
Adjustments related to interest expenses	20	2.728.987.586	3.343.038.822
Adjustments related to unrealized foreign exchange differences		22.936.500	34.358.754
Adjustments related to tax income/(expense)	21	(778.577.687)	300.946.567
Adjustments related to losses/(gains) arising from changes in the fair value of financial assets		(1.537.226)	-
Adjustments related to losses/(gains) from disposal of fixed assets		(2.003.048)	(3.744.544)
Adjustments related to monetary position gains and losses		(1.998.304.650)	(2.160.509.102)
Changes in working capital		2.144.690.255	1.838.640.588
Adjustments related to decrease/(increase) in trade receivables	7	(1.063.596.043)	1.450.042.549
Adjustments related to decrease/(increase) in other receivables	8	81.283	150.056
Adjustments related to decrease/(increase) inventories		2.067.956.094	1.288.594.873
Decrease/(increase) in prepaid expenses		59.216.311	399.944.277
Adjustments related to increase/(decrease) in trade payables	7	1.116.463.519	(2.256.097.082)
Increase/(decrease) in liabilities related to employee benefits		(199.676.114)	(202.459.802)
Adjustments related to increase/(decrease) in other liabilities related to operations		172.228.529	(15.208.273)
Increase/(decrease) in deferred income		(59.001.534)	1.031.824.410
Decrease/(increase) in other assets related to operations	12	51.018.210	141.849.580
Cash flows from operating activities		2.367.887.305	4.023.394.994
Payments related to provisions for employee benefits	14	(36.964.320)	(53.102.095)
Tax refunds/(payments)	21	157.282.111	(398.087.470)
B. CASH FLOWS FROM INVESTING ACTIVITIES		(1.798.444.389)	(2.111.905.452)
Cash inflows/(outflows) from sale/(purchase) of shares or debt instruments of other entities or funds		(821.140.922)	3.785.848
Cash inflows from sale of tangible fixed assets	9	32.533.197	4.734.389
Cash outflows from purchase of tangible fixed assets	9	(408.929.818)	(1.517.493.082)
Cash outflows from purchase of intangible fixed assets	11	(489.985.288)	(486.822.059)
Cash advances given from purchase of fixed assets	13	(110.921.558)	(116.110.548)
C. CASH FLOWS FROM FINANCING ACTIVITIES		(2.911.317.460)	(533.271.345)
Cash inflows from borrowings	6	7.632.016.105	13.172.942.808
Cash outflows related to debt repayments	6	(8.698.013.493)	(5.280.322.831)
Cash outflows related to lease liabilities	6	(74.375.693)	(38.267.861)
Dividends paid		-	(6.792.154.357)
Interest paid	6	(2.666.638.262)	(3.221.574.054)
Interest received		895.693.883	1.626.104.950
Net increase/(decrease) in cash and cash equivalents before effect of foreign exchange differences		(2.221.556.753)	927.028.632
Effect of foreign exchange differences on cash and cash equivalents		64.177.373	606.115.896
Net increase/(decrease) in cash and cash equivalents		(2.157.379.380)	1.533.144.528
Cash and cash equivalents at beginning of period	4	7.893.182.288	10.141.745.341
Inflation effect on cash and cash equivalents		(1.190.298.163)	(1.449.367.141)
Cash and cash equivalents at end of period	4	4.545.504.745	10.225.522.728

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

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS OF THE COMPANY

Türk Traktör ve Ziraat Makineleri A.Ş. (the "Company") was established in 1954 in Ankara, as Minneapolis Moline Türk Traktör ve Ziraat Makineleri A.Ş. to undertake the manufacturing and trade of farm tractors, harvesters and other agricultural machinery and equipment. The name of the Company was changed as Türk Traktör Ziraat Makineleri A.Ş. in 1968 upon the purchase of 25% of the shares held by Ege Makina ve Ticaret A.Ş., a group company of the Koç Holding A.Ş. ("Koç Holding"). As of June 30, 2026, major shareholders of the Company are Koç Holding and CNHI Österreich GmbH ("CNHI Österreich") (Note 16). The company is jointly managed by Koç Holding and CNH Industrial Österreich. As of June 30, 2026, the number of personnel is 2.039 (Permanent: 2.031; Temporary: 8), while the average number of personnel during the period was 2.081. (As of December 31, 2025: 2.120 (Permanent: 2.116; Temporary: 4); average: 2.361).

The Company conducts marketing and selling activities in the domestic market, through its 121 tractor sales dealers, 137 spare part dealers and 29 construction equipment dealers (December 31, 2025: 126 tractor sales dealers, 142 spare part dealers, 32 construction equipment dealers).

The Company signed an import and distribution agreement providing after-sales services for activities such as domestic oriented sales and marketing for CNHI International SA, New Holland and Case branded imported construction equipment.

The Company is registered in Turkey in the following address:

Gazi Mahallesi Anadolu Bulvarı No: 52-52A
06560 Yenimahalle Ankara

As of June 30, 2026, 25% of the shares of the Company are quoted on Borsa Istanbul ("BIST") (December 31, 2025: 25%) (Note 16).

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

The main accounting policies used for preparing the Company's financial statements are stated below:

Basis of presentation

The Company's financial statements have been prepared in accordance with the provisions of the Communiqué on Principles of Financial Reporting in Capital Markets ("the Communiqué") numbered II-14.1, published by the Capital Markets Board of Turkey ("CMB") in the Official Gazette dated June 13, 2013 and numbered 28676. These financial statements have been prepared based on the Turkish Financial Reporting Standards ("TFRS"), which are issued by the Public Oversight Accounting and Auditing Standards Authority ("POA") and are in line with the international standards. TFRS are updated through communiqués to ensure alignment with changes in the International Financial Reporting Standards ("IFRS").

The financial statements have been presented in accordance with the formats specified in the "Announcement on TFRS Taxonomy" published by the POA on July 3, 2025, and the "Examples of Financial Statements and User Guide" issued by the CMB.

Approval of financial statements

The financial statements prepared as of June 30, 2026 were approved by the Board of Directors on August 3, 2026.

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

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

2.1 Basis of presentation (Continued)

The Company maintains its accounting records and statutory financial statements in Turkish Lira ("TL") in accordance with the requirements of the Turkish Commercial Code, tax legislation, and the Uniform Chart of Accounts ("THP") issued by the Ministry of Finance.

Financial reporting in hyperinflationary economies

Pursuant to the CMB's (Capital Markets Board of Türkiye) resolution dated 28 December 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards shall implement inflation accounting in accordance with the provisions of TAS 29, starting from their annual financial reports for the reporting periods ending as of 31 December 2023.

In accordance with the aforementioned Standard, financial statements prepared in the currency of a hyperinflationary economy are required to be presented in terms of the purchasing power of that currency at the reporting date, and comparative financial statements for prior periods are required to be restated in terms of the current unit of measurement at the end of the reporting period. Accordingly, the Company has also presented its financial statements dated 30 June 2025 and 31 December 2025 in terms of the purchasing power as of 30 June 2026.

The restatements made in accordance with TAS 29 have been calculated using the adjustment coefficient derived from the Consumer Price Index ("CPI") in Türkiye published by the Turkish Statistical Institute ("TurkStat"). As of 30 June 2026, the indices and adjustment coefficients used in the restatement of the financial statements for the current and prior reporting periods are as follows:

Year end	Index	Conversion factor	Three year cumulative inflation rates
June 30, 2026	129,99	1,00000	%206
December 31, 2025	110,39	1,17752	%211
June 30, 2025	98,40	1,32109	%220

(*) As of 2026, TurkStat (TÜİK) updated the base year to 2025=100. Accordingly, index values reported in prior periods using a different reference year and scaling methodology have been revised based on the new base year. For comparability purposes, historical data have also been adjusted to the same base year.

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

- Current period financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.

**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - JUNE 30, 2026**

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

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

2.1 Basis of presentation (Continued)

- Monetary assets and liabilities (such as cash and cash equivalents, trade receivables and payables, borrowings) are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items (such as inventories, property, plant and equipment, intangible assets and equity items) exceed their recoverable amount or net realizable value, the provisions of TAS 36 "Impairment of Assets" and TAS 2 "Inventories" are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.
- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.
- The impact of inflation on the Company's net monetary asset position in the current period is recorded in the net monetary gain/(loss) account in the income statement. The purchasing power of companies carrying more monetary assets than monetary liabilities weakens with inflation, while the purchasing power of companies carrying more monetary liabilities than monetary assets increases with inflation. Net monetary position gain or loss is derived from the restatement differences of non-monetary items, shareholders' equity, items in the income statement and other comprehensive income statement and index-linked monetary assets and liabilities.

Functional and presentation currency

Functional and presentation currency of the Company is TRY.

2.2 Comparative information and restatement of prior period financial statements

To enable the identification of financial position and performance trends, the Company prepares its financial statements on a comparative basis with prior periods. As of June 30, 2026, the Company has prepared its statement of financial position comparatively with the statement of financial position dated December 31, 2025. The statement of profit or loss and other comprehensive income, the statement of cash flows, and the statement of changes in equity for the period January 1 – June 30, 2026 have been presented comparatively with the corresponding period of January 1 – June 30, 2025.

Where deemed necessary, comparative information is restated to ensure consistency with the presentation of the current period financial statements.

**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - JUNE 30, 2026**

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

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

2.3 Changes in Accounting Estimates and Errors

If changes in accounting estimates relate only to the current period, they are applied prospectively in the period in which the change is made. If they relate to future periods, they are applied prospectively both in the period of change and in future periods. The significant estimates used in the preparation of the financial statements as of June 30, 2026 are consistent with the estimates applied in the preparation of the financial statements for the period ended December 31, 2025.

2.4 Changes in TFRS

Changes in accounting policies are made if they result in a more appropriate and reliable presentation in the financial statements of the effects of transactions and events on the Company's financial position, performance or cash flows. If voluntary changes in accounting policies affect prior periods, the relevant policy is applied retrospectively in the financial statements as if it had always been in use. Changes in accounting policies arising from the implementation of a new standard are applied retrospectively or prospectively in accordance with the transition provisions, if any, of the relevant standard. Changes for which there are no transition provisions are applied retrospectively.

The accounting policies adopted in the preparation of the condensed interim financial statements as at 30 June 2026 are consistent with those applied in the previous year, except for the new and amended TFRS standards and TFRS interpretations effective as of 1 January 2026, which are summarized below. The effects of these standards and interpretations on the Company's financial position and performance are explained in the relevant paragraphs.

i) New standards, amendments, and interpretations effective as of January 1, 2026

TFRS 9 and TFRS 7 Amendments – Classification and Measurement of Financial Instruments

The amendment did not have a significant impact on the Company's financial position and performance.

Annual Improvements to TFRS Accounting Standards – Volume 11

In September 2025, the POA published Annual Improvements to TFRS Accounting Standards – Volume 11, including the amendments set out below:

TFRS 1 First-time Adoption of Turkish Financial Reporting Standards
TFRS 7 Financial Instruments: Disclosures – Gain or loss on derecognition
TFRS 9 Financial Instruments – Derecognition of a lease liability by a lessee and transaction price
TFRS 10 Financial Statements – Determination of a “de facto agent”
TAS 7 Statement of Cash Flows – Cost method

The amendments will become effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted for all amendments.

The Company does not expect these amendments to have a significant impact on its financial statements.

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

The Company does not expect these amendments to have a significant impact on its financial statements.

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

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

2.4 Changes in TFRS (Continued)

ii) Standards issued but not yet effective and not early adopted (Continued)

The new standards, interpretations and amendments that have been issued as of the date of authorization of the financial statements but have not yet become effective for the current reporting period and have not been early adopted by the Company are as follows. Unless otherwise stated, the Company will make the necessary changes to its financial statements and disclosures following the effective date of the new standards and interpretations.

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Company will evaluate the effects of these amendments after the relevant standards are finalized.

TFRS 17 – Insurance Contracts

The standard is not applicable to the Company.

TFRS 18 – Presentation and Disclosure in Financial Statements

The effects of this standard on the Company's financial position and performance are being evaluated.

TFRS 19 – Subsidiaries without Public Accountability: Disclosures

In August 2025, the POA issued TFRS 19, which provides an option for eligible entities to apply reduced disclosure requirements while applying the recognition, measurement and presentation requirements of TFRS Accounting Standards.

The Standard is not applicable to the Company.

Amendments to TAS 21 – Translation to a Hyperinflationary Presentation Currency

The amendments issued by the POA in April 2026 require the use of the closing exchange rate when translating from the functional currency of a non-hyperinflationary economy to the presentation currency of a hyperinflationary economy. Accordingly, an entity whose functional currency is the currency of a non-hyperinflationary economy but whose presentation currency is the currency of a hyperinflationary economy uses the closing exchange rate at the end of the current reporting period for translating all amounts, including comparative amounts (in other words, assets, liabilities, equity items, income and expenses), in its results of operations and financial position. However, an entity whose functional currency and presentation currency are currencies of a hyperinflationary economy expresses the comparative amounts relating to a foreign operation whose functional currency is the currency of a non-hyperinflationary economy in terms of the current measuring unit by applying the general price index in accordance with TAS 29. These amendments also introduce certain additional disclosure requirements.

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

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

2.4 Changes in TFRS (Continued)

iii) Amendments Published by the International Accounting Standards Board (IASB) but not yet Issued by the POA

The IFRS 20 Standard and the amendment to IAS 28 set out below have been issued by the IASB but have not yet been adapted to or issued as TFRS by the POA. Therefore, they do not form part of TFRS. The Company will make the necessary changes to its financial statements and disclosures after these Standard and amendments become effective under TFRS.

IFRS 20 – Regulatory Assets and Regulatory Liabilities

The amendment is not applicable to the Company and has no impact on its financial position or performance.

Amendments to IAS 28 – Fair Value Option for Investments in Associates and Joint Ventures

The amendment is not applicable to the Company and has no impact on its financial position or performance.

2.5 Summary of Significant Accounting Policies

The condensed interim financial statements for the interim period ended 30 June 2026 have been prepared in accordance with IAS 34 Interim Financial Reporting. The significant accounting policies applied in the preparation of these condensed interim financial statements are consistent with those described in detail in the annual financial statements as of 31 December 2025. Accordingly, these condensed interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2025.

2.6 Significant Accounting Judgements, Estimates and Assumptions

In the preparation of the condensed interim financial statements, management is required to make assumptions and estimates that affect the reported amounts of assets and liabilities, contingent liabilities and commitments as of the reporting date, and the reported amounts of income and expenses during the reporting period. Actual results may differ from these estimates. Estimates are reviewed regularly, necessary revisions are made and reflected in the statement of profit or loss in the period in which they are realized. The assumptions made by considering the judgements that may have a significant effect on the amounts reflected in the condensed interim financial statements and the principal sources of estimation uncertainty that exist at the reporting date or may arise in the future are as :

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

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

2.6 Significant Accounting Judgements, Estimates and Assumptions (Continued)

Warranty Provision

The Company calculates warranty provisions for products sold with warranty commitments by estimating the probability of future claims and the related repair and maintenance costs that may arise in subsequent years, including labor and material expenses expected to be incurred under warranty coverage. The probability of product returns for repair and maintenance and the level and cost of repairs and maintenance used in these calculations are estimated based on the Company's historical statistics (Note 14). As a result of the sensitivity analyses performed on the estimates of product return rates and costs used in the calculation of warranty provisions, it has been concluded that a 10% increase/decrease in these estimates would not have a significant impact on the related warranty provision.

Deferred Tax Asset

A deferred tax asset is recognized when it is probable that taxable profit will be available in future periods against which the deferred tax asset can be utilized. Deferred tax assets are calculated on deductible temporary differences and tax advantages arising from investment incentives that allow reduced corporate income tax payments where it is probable that taxable profit will be available (Note 21).

The Company assesses the recoverability of deferred tax assets based on business models that include estimates of future taxable profits. These business models include forward-looking management estimates such as sales volumes, sales prices and exchange rate expectations. As a result of the sensitivity analyses performed regarding the future utilization of deferred tax assets, it has been concluded that a 10% increase/decrease in the related estimates would not have any impact on the recoverability of the related deferred tax assets (Note 21).

Useful Lives of Property, Plant and Equipment and Intangible Assets

Management has made significant assumptions in determining the useful lives of property, plant and equipment and intangible assets.

Provision for Employment Termination Benefits

The provision for employment termination benefits is determined based on actuarial calculations involving a number of assumptions, including discount rates, future salary increases and employee turnover rates. Due to the long-term nature of these plans, such assumptions involve significant uncertainties (Note 14).

Provision for Impairment of Inventories

Inventories are assessed in each period to determine whether there is any indication of impairment as of the date of the statement of financial position, and the necessary provision is recognized for the estimated impairment amount when required (Note 8).

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 3 - SEGMENT REPORTING

The Company, which is incorporated and domiciled in Turkey, has primary operation of manufacturing agricultural tractors, combines, construction equipment, and other agricultural machinery and tools. The Company's operating segments, nature and economic characteristics of products, nature of production processes, classification of customers in terms of risk for their products and services and methods used to distribute their products are similar. Furthermore, the Company structure has been organized to operate in one segment rather than separate business segments. Consequently, the business activities of the Company are considered to be in one operating segment and the operating results, resources to be allocated to the segment and assessment of performance are managed in this respect. The activities of the Company are followed in detail by the authority authorized to take decisions regarding the activities of the Company.

NOTE 4 - CASH AND CASH EQUIVALENTS

	June 30, 2026	December 31, 2025
Banks:		
- TRY denominated time deposits	3.463.268.521	5.661.577.994
- TRY denominated demand deposits	102.428.498	62.413.983
- Foreign currency denominated demand deposits	48.328.449	27.793.557
- Foreign currency denominated time deposits	984.912.250	2.148.487.663
	4.598.937.718	7.900.273.197

As of June 30, 2026, the weighted average effective annual interest rates for TRY and Euro ("EUR") time deposits are 41,38% and 1,65% (December 31, 2025: TRY: 39,04%, EUR: 1,81%).

June 30, 2026 and December 31, 2025 remaining time to maturity of time deposits is less than three months.

The Company has no blocked deposits amounting as of June 30, 2026.(December 31, 2025: 3.216.673 TRY).

The cash and cash equivalents included in the statement of cash flows at June 30, 2026 and 2025 are as follows:

	June 30, 2026	December 31, 2025
Banks	4.598.937.718	7.900.273.197
Less: Interest accruals	(53.432.973)	(7.090.909)
Cash and cash equivalents	4.545.504.745	7.893.182.288

The credit risks of the banks where the Company has deposits are evaluated by taking into account independent data, and no significant credit risk is expected. The market values of cash and cash equivalents approximate their carrying values including the accrued interest income at the balance sheet date.

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 5 – FINANCIAL INVESTMENTS

Financial assets at fair value through profit or loss

	June 30, 2026	December 31, 2025
Time deposit (*)	799.479.452	-
Investment fund (**)	92.625.085	82.168.666
	892.104.537	82.168.666

(*) "Time deposit account with a term of 93 days and an interest rate of 43% was opened on May 6, 2026."

(**) The balance comprises the Company's investments in "Venture Capital Investment Fund" received from Yapı Kredi Portföy Yönetimi A.Ş.

Financial Assets at Fair Value Through Other Comprehensive Income

	June 30, 2026		December 31, 2025	
	Carrying Amount	Ownership Percentage (%)	Carrying Amount	Ownership Percentage (%)
Agrovisio Tarım Bilişim Sanayi ve Ticaret Ltd (“Agrovisio”) (*)	18.826.969	6,1%	18.826.969	6,1%
	18.826.969		18.826.969	

(*) On November 29, 2023, the Company acquired 6.1% of the shares of Agrovisio, an Estonia-based start-up founded in 2017.

As a result of its assessment, the Company's management has concluded that the fair value of its financial investments, which are not quoted in an active market and are presented at cost less impairment, if any, is close to their recorded cost value.

NOTE 6 - FINANCIAL LIABILITIES

	June 30, 2026	December 31, 2025
Short-term financial liabilities		
Short-term bank borrowings	11.845.627.379	12.533.031.080
Short-term portions of long-term financial	1.320.608.247	2.280.050.728
Short-term lease liabilities	57.476.256	20.608.455
	13.223.711.882	14.833.690.263
Long-term financial liabilities		
Long-term bank borrowings	1.036.361.907	3.360.575.645
Long-term lease liabilities	196.008.692	84.866.184
	1.232.370.599	3.445.441.829

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 6 - FINANCIAL LIABILITIES (Continued)

a) Short - term financial liabilities

Short - term bank borrowings

	Original currency		Weighted average effective interest rate (%)		TRY Equivalent	
	June 30, 2026	December 31, 2025	June 30, 2026	December 31, 2025	June 30, 2026	December 31, 2025
TRY borrowings	11.845.627.379	12.533.031.080	33,79	34,95	11.845.627.379	12.533.031.080
					11.845.627.379	12.533.031.080

Short - term portions of long term borrowings

	Original currency		Weighted average effective interest rate (%)		TRY Equivalent	
	June 30, 2026	December 31, 2025	June 30, 2026	December 31, 2025	June 30, 2026	December 31, 2025
EUR borrowings	7.777.778	7.777.778	5,35	4,79	412.961.111	462.098.617
TRY borrowings	907.647.136	1.817.952.111	38,06	40,93	907.647.136	1.817.952.111
					1.320.608.247	2.280.050.728

b) Long - term financial liabilities

Long - term bank borrowings

	Original currency		Weighted average effective interest rate p.a.(%)		TRY Equivalent	
	June 30, 2026	December 31, 2025	June 30, 2026	December 31, 2025	June 30, 2026	December 31, 2025
EUR borrowings	19.519.010	24.454.309	5,35	4,79	1.036.361.907	1.452.896.045
TRY borrowings	-	1.907.679.600	-	37,50	-	1.907.679.600
					1.036.361.907	3.360.575.645

Redemption schedule of the long-term bank borrowings as of June 30, 2026 and December 31, 2025 are as follows:

Year	June 30, 2026	December 31, 2025
2027	206.480.556	2.436.378.413
2028	416.920.241	462.098.616
2029	412.961.110	462.098.616
	1.036.361.907	3.360.575.645

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 6 - FINANCIAL LIABILITIES (Continued)

The movement of the borrowings for the years 2026 and 2025 are as follows:

	2026	2025
January 1	18.279.132.092	15.093.242.769
Borrowing received during the period	7.632.016.105	13.172.942.808
Repayment of lease liabilities	(74.375.693)	(38.267.861)
Impact of new lease contract	221.351.950	14.995.426
Principal payments	(8.698.013.493)	(5.280.322.831)
Change of interest accruals	2.701.459.227	3.306.776.886
Payment of interest	(2.666.638.262)	(3.221.574.054)
Change of exchange rates	87.113.870	640.474.651
Monetary gain	(3.025.963.315)	(3.440.188.190)
June 30	14.456.082.481	20.248.079.604

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

	June 30, 2026	December 31, 2025
Short-term trade receivables:		
Trade receivables	4.073.214.301	3.612.905.771
Notes receivables	73.663.929	67.956.440
	4.146.878.230	3.680.862.211
Less: Provision for doubtful receivables	(45.939.751)	(53.879.868)
Short-term trade receivables	4.100.938.479	3.626.982.343
Due from related parties (Note 23)	1.453.318.785	870.435.905
Total short-term trade receivables	5.554.257.264	4.497.418.248

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)

Movements of the provisions for doubtful receivables for the years ended 2026 and 2025 are as shown below:

	2026	2025
January 1	(53.879.868)	(72.300.032)
Cancelled/(charge) during the year (Note 21) (*)	591.545	448.883
Monetary gain/ (loss)	7.348.572	10.322.385
June 30	(45.939.751)	(61.528.764)

	June 30, 2026	December 31, 2025
Trade payables:		
Trade payables	6.653.264.665	5.200.894.989
Less: Unincurred financial expense	(323.867.191)	(263.929.707)
Trade payables	6.329.397.474	4.936.965.282
 Due to related parties (Note 26)	 455.980.851	 731.949.524
Total trade payables	6.785.378.325	5.668.914.806

As of 30 June 2026, trade payables denominated in Turkish Lira, US Dollars and Euros have maturities of less than one year (December 31 2025: less than one year) and have been discounted using effective interest rates of 41.22%, 3.59% and 1.98% per annum, respectively (December 31 2025: 40.01%, 3.76% and 1.94%).

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 8 – INVENTORIES

	June 30, 2026	December 31, 2025
Raw materials	2.887.010.374	3.517.560.736
Work in progress	161.430.519	276.261.740
Finished goods	1.333.845.096	1.987.733.427
Commercial goods	2.441.678.358	3.180.852.169
Spare parts	1.600.990.401	1.885.294.276
Goods in transit (*)	1.123.019.744	768.228.238
Less: Provision for impairment of inventory (-)	(502.015.620)	(492.333.387)
Inventories	9.045.958.872	11.123.597.199

(*) Goods in transit comprised of commercial goods and spare parts are not arrived, but invoices are received as of period end.

Movement of provision for impairment of inventory for the years 2026 and 2025 are as follows

	2026	2025
January 1	(492.333.387)	(751.820.653)
Provision for inventory write-down recognised/(reversed) during the period	(9.682.233)	51.526.294
June 30	(502.015.620)	(700.294.359)

Allocation of the provision for impairment on inventories in terms of inventory type is as follows:

	June 30, 2026	December 31, 2025
Raw materials	(245.702.075)	(475.776.109)
Commercial goods	(162.533.545)	(163.464.609)
Spare parts	(93.780.000)	(61.053.641)
	(502.015.620)	(700.294.359)

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

	January 1, 2026	Additions	Disposals	June 30, 2026
<u>Cost</u>				
Land	997.536.907	-	-	997.536.907
Land improvements	945.852.055	14.274.745	-	960.126.800
Buildings	7.208.314.983	82.114.995	-	7.290.429.978
Machinery and equipment	22.769.661.064	278.094.804	-	23.047.755.868
Special costs	155.237.437	-	-	155.237.437
Motor vehicles	406.809.122	2.047.161	(49.750.678)	359.105.605
Furniture and fixtures	3.160.473.203	31.588.655	-	3.192.061.858
Construction in progress	42.960.404	809.458	-	43.769.862
	35.686.845.175	408.929.818	(49.750.678)	36.046.024.315
<u>Accumulated depreciation</u>				
Land improvements	296.393.386	19.950.215	-	316.343.601
Buildings	2.631.596.122	66.113.411	-	2.697.709.533
Machinery and equipment	16.952.715.541	705.736.299	-	17.658.451.840
Special costs	153.920.383	131.200	-	154.051.583
Motor vehicles	170.887.524	28.850.814	(19.220.529)	180.517.809
Furniture and fixtures	2.284.086.214	103.152.626	-	2.387.238.840
	22.489.599.170	923.934.565	(19.220.529)	23.394.313.206
Net book value	13.197.246.005			12.651.711.109

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	January 1, 2025	Additions	Disposals	Transfers	June 30, 2025
<u>Cost</u>					
Land	946.163.122	27.991.560	-	-	974.154.682
Land improvements	908.332.457	9.825.413	-	-	918.157.870
Buildings	5.700.570.180	56.522.480	-	713.677.668	6.470.770.328
Machinery and equipment	21.757.251.132	226.373.317	-	593.341.165	22.576.965.614
Special costs	154.242.975	-	-	-	154.242.975
Motor vehicles	637.584.345	109.454.204	(2.430.288)	-	744.608.261
Furniture and fixtures	2.603.991.072	91.423.873	-	354.246.141	3.049.661.086
Construction in progress	1.085.664.469	995.902.235	-	(1.661.264.974)	420.301.730
	33.793.799.752	1.517.493.082	(2.430.288)	-	35.308.862.546
<u>Accumulated depreciation</u>					
Land improvements	257.020.407	18.697.737	-	-	275.718.144
Buildings	2.426.651.175	51.777.819	-	-	2.478.428.994
Machinery and equipment	15.972.173.723	531.603.448	-	-	16.503.777.171
Special costs	152.635.387	132.804	-	-	152.768.191
Motor vehicles	146.202.791	47.725.703	(1.440.443)	-	192.488.051
Furniture and fixtures	2.072.805.239	104.516.730	-	-	2.177.321.969
	21.027.488.722	754.454.241	(1.440.443)	-	21.780.502.520
Net book value	12.766.311.030				13.528.360.026

Allocation of the depreciation expenses of property, plant and equipment for the years ended at June 30, 2026 and 2025 is as follows:

	June 30, 2026	June 30, 2025
Cost of sales	797.888.500	637.228.549
Marketing, selling and distribution expenses	71.951.768	54.790.106
General administrative expenses	54.094.297	62.435.586
	923.934.565	754.454.241

The Company have no financial costs in the current period arising from foreign exchange denominated borrowings capitalized on construction in progress as of June 30, 2026 (June 30, 2025: None).

There is no mortgage on property, plant and equipment as of June 30, 2026 (June 30, 2025: None).

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 10 -RIGHT OF USE ASSETS

	January 1, 2026	Additions	June 30, 2026
Cost			
Land and buildings	419.172.307	191.119.894	610.292.201
Machinery and equipment	338.323.900	-	338.323.900
Motor vehicles	838.401.940	30.232.056	868.633.996
	1.595.898.147	221.351.950	1.817.250.097
Accumulated depreciation			
Land and buildings	432.849.513	19.360.019	452.209.532
Machinery and equipment	311.089.506	13.617.197	324.706.703
Motor vehicles	638.905.097	89.537.989	728.443.086
	1.382.844.116	122.515.205	1.505.359.321
Net book value	213.054.031		311.890.776

	January 1, 2025	Additions	June 30, 2025
Cost			
Land and buildings	437.634.637	-	437.634.637
Machinery and equipment	338.344.805	-	338.344.805
Motor vehicles	803.021.007	14.995.426	818.016.433
	1.579.000.449	14.995.426	1.593.995.875
Accumulated depreciation			
Land and buildings	322.342.014	19.718.654	342.060.668
Machinery and equipment	288.297.186	13.391.751	301.688.937
Motor vehicles	577.154.259	78.799.879	655.954.138
	1.187.793.459	111.910.284	1.299.703.743
Net book value	391.206.990		294.292.132

Depreciation expenses are stated below for the right of use for the periods ending on June 30, 2026 and 2025:

	June 30, 2026	June 30, 2025
Marketing, selling and distribution expenses	69.675.775	65.110.708
Cost of sales	36.260.738	32.185.253
General administrative expenses	16.578.692	14.614.323
	122.515.205	111.910.284

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 11 - INTANGIBLE ASSETS

	January 1, 2026	Additions	June 30, 2026
<u>Cost</u>			
Rights	3.143.744.498	54.838.225	3.198.582.723
Development costs	9.934.548.666	-	9.934.548.666
Development costs in progress	1.408.452.548	435.147.063	1.843.599.611
	14.486.745.712	489.985.288	14.976.731.000
<u>Accumulated amortisation</u>			
Rights	2.253.621.311	159.050.233	2.412.671.544
Development costs	5.910.729.607	532.425.903	6.443.155.510
	8.164.350.918	691.476.136	8.855.827.054
Net book value	6.322.394.794		6.120.903.946

	January 1, 2025	Additions	June 30, 2025
<u>Cost</u>			
Rights	2.646.030.479	107.744.703	2.753.775.182
Development costs	8.606.439.589	-	8.606.439.589
Development costs in progress	1.500.245.696	379.077.356	1.879.323.052
	12.752.715.764	486.822.059	13.239.537.823
<u>Accumulated amortisation</u>			
Rights	1.891.091.576	169.478.920	2.060.570.496
Development costs	5.022.921.289	447.640.893	5.470.562.182
	6.914.012.865	617.119.813	7.531.132.678
Net book value	5.838.702.899		5.708.405.145

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 11 - INTANGIBLE ASSETS (Continued)

Development costs includes tractors and tractor components generated by the Company. Capitalized development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

The amortisation is not calculated for the development costs in progress as the development process has not yet been completed.

Allocation of the amortization expenses of intangible assets for the years ended at June 30, 2026 and 2025 is as follows:

	June 30, 2026	June 30, 2025
Research and development expenses	532.425.903	447.640.893
General administrative expenses	98.738.268	102.919.732
Construction in progress effects	32.829.005	35.812.218
Cost of sales	16.993.326	25.286.104
Marketing, selling and distribution expenses	10.489.634	5.460.866
	691.476.136	617.119.813

NOTE 12 - OTHER ASSETS AND LIABILITIES

	June 30, 2026	December 31, 2025
a) Other current assets:		
Deferred value added tax ("VAT")	2.356.545.326	2.430.187.962
Reclaimed VAT	356.379.294	333.754.868
	2.712.924.620	2.763.942.830
	June 30, 2026	December 31, 2025
b) Government grants and aids:		
Government grants and aids (Note 2)	473.222	666.653
	473.222	666.653

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 13 - PREPAID EXPENSES AND DEFERRED INCOME

	June 30, 2026	December 31, 2025
a) Prepaid expenses:		
Prepaid expenses for future months	157.109.277	100.215.041
	157.109.277	100.215.041

	June 30, 2026	December 31, 2025
b) Long-term prepaid expenses		
Advances given for purchases of fixed assets (*)	110.921.558	116.110.548
	110.921.558	116.110.548

(*) It consists of advances given for machinery and equipment renewal investments.

	June 30, 2026	December 31, 2025
c) Deferred income:		
Deferred income (*)	118.573.418	166.137.815
Advances received	4.493.772	2.190.453
	123.067.190	168.328.268

(*) Consist of invoices issued for extended warranty sales in short term.

	June 30, 2026	December 31, 2025
Deferred income (*)	33.771.419	47.318.445
	33.771.419	47.318.445

(*) Consist of invoices issued for extended warranty sales in long term.

NOTE 14 - PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

a) Short - term provisions

Short - term provision for employee benefits

	June 30, 2026	December 31, 2025
Provision for unused vacation	129.699.819	63.104.154
	129.699.819	63.104.154

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 14 - PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (Continued)

a) Short - term provisions (Continued)

Movements of the provision for unused vacation rights for the years are as follows:

	2026	2025
January 1	63.104.154	84.883.327
Charge/(used) for the year, net	81.539.282	53.869.623
Monetary gain	(14.943.617)	(12.160.015)
June 30,	129.699.819	126.592.935

Other short - term provisions

	June 30, 2026	December 31, 2025
Warranty expense provisions	202.004.718	282.787.231
Provisions for legal cases	181.957.477	117.523.790
	383.962.195	400.311.021

Movements of the provision for legal cases for the years are as follows:

	2026	2025
January 1	117.523.790	82.022.586
Charge for the year (Note 18) (*)	86.554.388	29.667.854
Monetary gain	(22.120.701)	(13.863.350)
June 30	181.957.477	97.827.090

(*) It consists of commercial and labor-related lawsuits.

b) Long-term provisions

Long-term provision for employee benefits

	June 30, 2026	December 31, 2025
Provision for employee termination benefits	442.843.964	462.267.803
	442.843.964	462.267.803

Provision for employee termination benefit is recorded in line with the regulations explained below:

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

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 14 - PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (Continued)

b) Long-term provisions (Continued)

The amount payable consists of one month's salary limited to a maximum of TRY 64.948,77 for each year of service as of June 30, 2026 (December 31, 2025: TRY 53.919,68).

The liability is not funded, as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees.

Communique require actuarial valuation methods to be developed to estimate the enterprises' obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	June 30, 2026	December 31, 2025
Discount rate (%)	3,66	3,66
Turnover rate to estimate the probability of retirement (%)	93,41	91,88

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. The maximum amount of TRY 73.729,87 (July 1, 2025: TRY 53.919,68) which is effective from July 1, 2026 has been taken into consideration in calculating the provision for employee termination benefits of the Company.

Movements of the provision for employee termination benefits during the years are as follows:

	2026	2025
January 1	462.267.803	376.404.763
Interest cost	27.528.359	36.261.936
Current year service cost	14.836.241	19.543.150
Paid in the year	(36.964.320)	(53.102.095)
Actuarial loss/(gain)	49.818.860	150.964.411
Monetary gain/(loss)	(74.642.979)	(55.504.295)
June 30	442.843.964	474.567.870

Sensitivity analysis of key assumptions used for termination benefits calculations as at June 30, 2026 are as follows:

	Net discount rate		Turnover related to the probability of retirement	
Sensitivity level	%0.5 decrease	%0.5 increase	%0.5 decrease	%0.5 increase
Rate	%3,16	%4,16	%93,91	%92,91
Change in employee benefits liability	38.236.685	(34.589.365)	(2.895.835)	2.935.981

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 14 - PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (Continued)

b) Long-term provisions (Continued)

Other long - term provisions

	June 30, 2026	December 31, 2025
Warranty provision	160.700.309	218.002.914
	160.700.309	218.002.914

Movements of the short-term and long-term warranty provisions for the years are as follows:

	2026	2025
January 1	500.790.146	715.969.533
Used during the year	(349.103.795)	(241.926.810)
Charge for the year	282.041.724	211.789.854
Monetary gain	(71.023.048)	(63.223.067)
June 30	362.705.027	622.609.510

c) Contingent liabilities

As of June 30, 2026 and December 31, 2025 the Company's guarantee/ pledge/ mortgage positions are as follows:

	June 30, 2026	December 31, 2025
A. The total amount of collaterals given on behalf of its own legal entity	4.265.532.570	7.559.860.503
B. The total amount of collaterals given in favor of the companies in the scope of full consolidation	-	-
C. The total amount of collaterals given for the purpose of providing debt to third parties in the course of ordinary business activities	-	-
D. The total amount of other collaterals given	-	-
i. The total amount of collaterals given in favor of the parent companies	-	-
ii. The total amount of collaterals given in favor of other group companies which are not	-	-
iii. The total amount of collaterals given in favor of third parties other than the parties stated in item C	-	-
	4.265.532.570	7.559.860.503

The guarantees consist of guarantees provided to the relevant institutions for customs duties, electricity, natural gas and similar expenses, guarantees provided to the tax office for cash tax refunds, and guarantees provided to banks. As of 30 June 2026, the original foreign currency amount of the guarantees issued by the Company in its own legal entity name is EUR 2,332,976 (31 December 2025: EUR 2,285,113).

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira (“TRY”) in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

d) Contingent assets

	Original currency amount			TRY Equivalent	Original currency amount			TRY Equivalent
	June 30, 2026				December 31, 2025			
	EUR	USD	TRY	June 30, 2026	EUR	USD	TRY	December 31, 2025
Letters of guarantees received	-	5.283.495	3.695.258.319	3.941.231.957	-	123.267	4.444.976.537	4.451.198.275
Direct debit	-	-	8.282.984.248	8.282.984.248	-	-	8.800.259.252	8.800.259.252
Guarantee bonds	-	-	438.684	438.684	-	-	516.586	516.586
Mortgages	-	-	3.618.669	3.618.669	-	-	18.663.243	18.663.243
Cash TRY guarantees	-	-	2.870.979	2.870.979	-	-	280.792	280.792
	-	5.283.495	11.985.170.899	12.231.144.537	-	123.267	13.264.696.410	13.270.918.148

The guarantees consist of the guarantees received against the risks of dealers and suppliers.

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 15 - EMPLOYEE BENEFITS

Liabilities for employee benefits

	June 30, 2026	December 31, 2025
Accrued premiums and liabilities to personnel	404.392.095	176.183.161
Taxes payable and liabilities (*)	79.094.890	296.333.758
Collective bargaining agreement difference	-	210.646.180
	483.486.985	683.163.099

(*) The balance consists of social security and withholding payables for the employees of the Company.

NOTE 16 - EQUITY

Paid-in share capital

The Company's registered share capital amounts to TRY 2.000.000.000 (December 31, 2025:TRY 2.000.000.000). The Company's share capital is composed of 10.006.687.500 units of shares each Kr 1 nominal value. The nominal value of share capital is TRY 100.066.875.

	June 30, 2026		December 31, 2025	
	Share (%)	Share amount (TRY)	Share (%)	Share amount (TRY)
Koç Holding	37,50	37.525.078	37,50	37.525.078
CNH Industrial Österreich	37,50	37.525.078	37,50	37.525.078
Public quotation in BİST	25,00	25.016.719	25,00	25.016.719
	100,00	100.066.875	100,00	100.066.875
Adjustments to share capital		3.219.806.620		3.219.806.620
		3.319.873.495		3.319.873.495

Capital adjustment differences due to inflation represent the difference between the inflation-adjusted aggregate amounts of cash and cash equivalent contributions made to paid-in capital and their amounts before inflation adjustment.

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 16 - EQUITY (Continued)

The Company's shares were organized as A, B and C Groups. A and B Group shares are privilege shares, and five Board members are selected from Group A's and five Board members are selected from Group B's nominated candidates.

As of 11 June 2004, the Company has been quoted to BIST and its shares started to be traded in the stock exchange market from that date. As of June 30, 2026, 25% of the Company shares are quoted at BIST (December 31, 2025: 25%)

In accordance with TFRS and VUK financial statements, as of June 30, 2026, historical values and inflation adjustment effects of the equity are as follows;

June 30, 2026 (TFRS)	Historical Value	Inflation Adjustment Effect	Indexed Value
Capital	100.066.875	3.219.806.620	3.319.873.495
Legal Reserves	1.661.280.223	4.060.623.568	5.721.903.791

June 30, 2026 (VUK)	Historical Value	Inflation Adjustment Effect	Indexed Value
Capital	100.066.875	1.645.079.202	1.745.146.077
Legal Reserves	1.661.280.223	1.525.177.699	3.186.457.922

Dividend distribution

Publicly traded companies distribute dividends in accordance with the CMB Dividend Communiqué No. II-19.1, which became effective as of 1 February 2014.

Companies distribute their profits by a resolution of the general assembly within the framework of their dividend distribution policies to be determined by their general assemblies and in compliance with the applicable legislation. Under the aforementioned communiqué, no minimum distribution ratio has been prescribed. Companies pay dividends in the manner set forth in their articles of association or dividend distribution policies.

Under the Turkish Commercial Code ("TCC"), unless the legal reserves required to be set aside and the dividend determined for shareholders in the articles of association or dividend distribution policy are allocated, no decision may be made to allocate other reserves, to transfer profit to the following year, or to distribute profit shares to holders of usufruct shares, members of the board of directors, company employees and persons other than shareholders. Furthermore, unless the dividend determined for shareholders is paid in cash, no profit share may be distributed to such persons.

The Company distributes dividends in accordance with the provisions of the TCC, Capital Markets Regulations, Tax Regulations and other relevant legislation, as well as the article of its Articles of Association relating to dividend distribution. In its dividend distribution, the Company pursues a balanced and consistent policy between the interests of its shareholders and the interests of the Company in line with the Corporate Governance Principles. As a principle, provided that the applicable regulations and financial resources permit, at least 60% of the net distributable profit for the period, calculated in accordance with the Capital Markets Regulations, is distributed in cash and/or bonus shares, taking into consideration market expectations, the Company's long-term strategy, investment and financing policies, profitability and cash position.

The portion of companies' accumulated losses exceeding the aggregate of retained earnings, general legal reserves including share premiums, and amounts arising from the inflation adjustment of equity items other than share capital in accordance with inflation accounting is taken into account as a deduction in the calculation of net distributable profit for the period.

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 17 - REVENUE AND COST OF SALES

	January 1 - June 30, 2026	April 1- June 30, 2026	January 1 - June 30, 2025	April 1- June 30, 2025
Domestic sales	16.784.101.032	8.937.949.151	35.891.479.388	16.678.485.955
Export sales	11.846.205.583	6.711.982.706	9.222.842.345	5.161.509.803
Sales income (gross)	28.630.306.615	15.649.931.857	45.114.321.733	21.839.995.758
Less: Discounts and returns	(4.950.427.883)	(2.730.883.200)	(10.796.641.195)	(5.340.345.680)
Sales income (net)	23.679.878.732	12.919.048.657	34.317.680.538	16.499.650.078
Cost of sales	(21.806.236.708)	(11.754.697.047)	(29.488.745.173)	(13.922.056.526)
Gross profit	1.873.642.024	1.164.351.610	4.828.935.365	2.577.593.552

Sales quantities:

	January 1 – June 30, 2026			January 1 - June 30, 2025		
	Domestic sales	Export sales	Total sales	Domestic sales	Export sales	Total sales
Tractor	3.797	6.564	10.361	9.728	5.163	14.891
Combine	64	-	64	67	-	67
	3.861	6.564	10.425	9.795	5.163	14.958

NOTE 18 – OTHER INCOME/EXPENSE FROM OPERATING ACTIVITIES

	January 1 - June 30, 2026	April 1- June 30, 2026	January 1 – June 30, 2025	April 1- June 30, 2025
Interest income from sales	935.873.417	492.536.483	1.251.410.845	535.200.098
Foreign exchange gain from trade receivables and payables	268.871.810	150.162.008	2.801.024.145	2.098.250.102
Termination of provision for doubtful receivables (Note 7)	591.545	-	616.620	441.370
Reversal of provision for litigation expenses (Note 14)	-	5.602.618	4.191.873	-
Other income	36.410.326	7.854.549	102.301.672	66.443.036
Other operating income	1.241.747.098	656.155.658	4.159.545.155	2.700.334.606
Interest expense from trade payables	(868.464.162)	(397.121.551)	(1.518.915.728)	(688.368.336)
Foreign exchange losses on trade receivables and payables	(216.829.223)	(132.780.193)	(1.531.776.106)	(998.362.943)
Provision for litigation expenses (Note 14)	(86.554.388)	(1.644.925)	(33.859.727)	-
Provision for doubtful receivables (Note 7)	-	-	(167.737)	(167.737)
Other expenses	-	-	(3.071.664)	(660.838)
Other operating expenses	(1.171.847.773)	(531.546.669)	(3.087.790.963)	(1.687.559.854)

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 19 - FINANCIAL INCOME

	January 1 - June 30, 2026	April 1- June 30, 2026	January 1 – June 30, 2025	April 1- June 30, 2025
Interest income	942.035.947	514.475.443	1.611.873.434	642.386.746
Foreign exchange gain	69.057.173	32.347.443	626.614.014	398.654.234
Financial income	1.011.093.120	546.822.886	2.238.487.448	1.041.040.980

NOTE 20 - FINANCIAL EXPENSE

	January 1- June 30, 2026	April 1- June 30, 2026	1 January 1 - June 30, 2025	April 1- June 30, 2025
Interest expenses	(2.728.987.586)	(1.329.004.746)	(3.343.038.822)	(1.718.602.201)
Foreign exchange losses	(103.945.997)	(62.148.062)	(1.826.123.158)	(1.474.869.604)
Other	(69.299.634)	(31.240.871)	(40.066.916)	(13.279.702)
Financial expense	(2.902.233.217)	(1.422.393.679)	(5.209.228.896)	(3.206.751.507)

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 21 - TAX ASSETS AND LIABILITIES

The Company's activities are subject to taxation in accordance with the tax laws and regulations in force in Türkiye.

In Türkiye, the corporate income tax rate is 25% as of 30 June 2026 (31 December 2025: 25%). The corporate income tax rate is applied to the taxable corporate income, which is calculated by adding non-deductible expenses to the commercial profit and deducting exemptions and allowances provided under tax legislation. Pursuant to Law No. 7582 published on 4 June 2026, the corporate income tax rate applicable to the income to be generated from the production activities of corporations holding an industrial registration certificate and actually engaged in manufacturing activities has been reduced from 25% to 12.5%, effective from 1 January 2027. Although this amendment does not affect the current period tax calculations, it has been reflected in the deferred tax calculations in the financial statements as of 30 June 2026, taking into consideration whether the relevant income arises from manufacturing or non-manufacturing activities.

According to the Corporate Tax Law, tax losses shown on the tax return can be offset against taxable profits for a period not exceeding five years. Tax returns and the related accounting records may be reviewed by the tax authorities within five years and tax accounts may be revised accordingly.

Dividend payments made by resident joint stock companies in Türkiye to resident real persons, non-resident real persons and non-resident legal entities, except for those who are not liable to corporate income tax and income tax or are exempt therefrom, are subject to 10% withholding income tax. 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 in case the profit is not distributed or is added to share capital.

The aforementioned law entered into force on 1 April 2008. Accordingly, corporate income taxpayers are entitled to deduct 100% of their research and development expenditures incurred within the enterprise as part of research and development activities aimed at seeking new technology and information as R&D incentive in the determination of corporate income starting from 2008. For the years 2026 and 2025, an R&D deduction at the rate of 100% should be calculated over the total amount of research and development expenditures incurred.

As of June 30, 2026 and December 31 2025, income tax payables are presented net of prepaid taxes in the balance sheet as follows:

	June 30, 2026	December 31, 2025
Corporate tax expense	-	187.971.783
Less: Prepaid taxes	(145.535.364)	(490.789.258)
Tax liability	(145.535.364)	(302.817.475)

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 21 - TAX ASSETS AND LIABILITIES (Continued)

The breakdown of total tax expense for the years ended June 30, 2026 and 2025 are as follows:

	January 1- June 30, 2026	April 1- June 30, 2026	1 January 1 - June 30, 2025	April 1- June 30, 2025
Corporate tax expense	-	-	(389.502.291)	(102.073.641)
Deferred tax income/(expense)	778.577.687	968.912.839	88.555.724	(81.024.874)
Total tax income/(expense)	778.577.687	968.912.839	(300.946.567)	(183.098.515)

Deferred taxes

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between the financial statements prepared in accordance with the Turkish Financial Reporting Standards and their statutory financial statements, using the currently enacted tax rates. These temporary differences result in the recognition of revenue and expenses in different reporting periods for Turkish Financial Reporting Standards and tax purposes.

The breakdown of cumulative temporary differences and the resulting deferred tax assets/(liabilities) at June 30, 2026 and June 30, 2025 are as follows:

	Temporary differences		Deferred tax assets/ (liabilities)	
	June 30, 2026	December 31, 2025	June 30, 2026	December 31, 2025
Property, plant and equipment and intangible assets, restatement and useful life differences	8.138.993.848	7.658.691.073	(1.142.841.446)	(1.914.672.768)
Lease liabilities	85.874.114	107.579.392	(12.982.060)	(26.894.849)
Inventory	872.697.845	821.121.463	(218.174.461)	(205.280.366)
Unearned finance income/ expenses on trade receivables, payables and due from related parties	(272.708.196)	84.558.936	68.177.049	(21.139.734)
Sales premium accrued	(1.693.445.590)	(1.497.379.712)	423.361.398	374.344.928
Warranty provision	(362.705.027)	(500.790.145)	70.676.257	125.197.537
Employee termination benefits	(442.843.964)	(462.267.803)	59.219.379	115.566.951
Provision for lawsuits	(181.957.477)	(117.523.790)	45.489.369	29.380.947
Provision for unused vacation	(129.699.819)	(63.104.154)	32.424.955	15.776.038
Deferred income	(152.344.837)	(213.456.260)	38.086.209	53.364.065
Accrued employee bonuses	(253.376.828)	-	63.344.207	-
Investment incentive tax assets	-	-	366.053.717	411.319.454
Other	(139.031.373)	(318.391.247)	34.757.843	79.597.811
Deferred tax assets / (liabilities)			(172.407.584)	(963.439.986)

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 21 - TAX ASSETS AND LIABILITIES (Continued)

Movements of deferred tax assets during the periods are as follows:

	2026	2025
January 1	(963.439.986)	(574.270.670)
Reflected to profit for the year	778.577.687	88.555.724
Reflected to other comprehensive income/(expense)	12.454.715	37.741.103
June 30	(172.407.584)	(447.973.843)

NOTE 22 - EARNINGS PER SHARE

Earnings per share disclosed in the statement of profit or loss are determined by dividing net profit by the weighted average number of shares outstanding during the relevant period.

Companies may increase their share capital by distributing shares to existing shareholders from accumulated profits in proportion to their shareholdings ("Bonus Shares"). In calculating earnings per share, such bonus share issues are considered as issued shares. Accordingly, the weighted average number of shares used in the earnings per share calculation is determined by retrospectively applying the issuance of bonus shares.

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding. The nominal value of one share of the Company is 1 Kuruş.

	January 1 - June 30, 2026	January 1 - June 30, 2025
Net profit for the year	(669.152.912)	778.084.511
Weighted average number of the ordinary shares	10.006.687.500	10.006.687.500
Earnings per share (TRY)	(0,0669)	0,0778

There is no difference for any period between basic and relative earnings per share.

NOTE 23 - RELATED PARTY EXPLANATIONS

The Company is jointly controlled by Koç Holding and CNHI Österreich. In the related party balances and transactions note, related parties are presented by grouping the jointly controlling entities and their group companies.

As of 30 June 2026 and December 31, 2025, the balances of receivables from and payables to related parties, together with a summary of transactions carried out with related parties during the period, are presented below:

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 23 - RELATED PARTY EXPLANATIONS (Continued)

i) Balances with related parties as of June 30, 2026 and December 31, 2025:

a) Due from related parties

	June 30, 2026	December 31, 2025
Due from group companies		
CNHI International SA ("CNHI International") (*)	983.683.591	610.403.645
CNH Industrial (India) Pvt. Ltd	227.627.828	97.278.770
CNHI Italia S.P.A ("CNHI Italia")	103.129.035	137.496.163
CNH Industrial Brasil Ltda	16.006.903	11.575.021
Other	122.871.428	13.682.306
	1.453.318.785	870.435.905

(*) Trade receivables from related parties arise primarily due to a significant portion of the Company's overseas sales being conducted through CNHI International. Such receivables are collected on a regular basis within the payment terms specified in the relevant commercial agreements.

b) Due to related parties

	June 30, 2026	December 31, 2025
Koç Holding	-	59.551.665
Due to shareholders	-	59.551.665
Zer Merkezi Hizmetler ve Ticaret A.Ş. ("Zer")	155.450.510	209.761.795
Ram Sigorta Aracılık Hizmetleri A.Ş. ("Ram Sigorta")	86.263.787	34.387.473
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş. ("Koç Sistem")	54.042.749	62.446.230
Opet Fuchs Madeni Yağ Sanayi ve Ticaret A.Ş. ("Opet Fuchs")	37.763.978	64.969.624
Otokoç Otomotiv San. ve Tic. A.Ş. ("Otokoç")	30.606.859	21.790.592
Koç Digital Çözümler A.Ş. ("Koç Digital")	28.759.582	2.745.436
Divan Turizm İşletmeleri ("Divan")	25.584.325	39.006.392
Opet Petrolcülük A.Ş. ("Opet")	16.191.988	11.717.031
Setur Servis Turistik A.Ş. ("Setur")	13.480.414	5.411.902
Akpa Dayanıklı Tüketim LPG ve Akaryakıt Ürünleri Paz. A.Ş. ("Akpa")	2.870.006	1.518.831
Ingage Dijital Pazarlama Hizmetleri ("Ingage")	1.567.735	7.061.678
Ark İnşaat San.ve Tic.A.Ş.	-	203.194.628
Other	3.398.918	8.386.247
Less: Unearned financial expenses	(9.826.064)	(23.272.660)
	446.154.787	708.676.864
Trade payables to related parties	455.980.851	731.949.524

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 23 - RELATED PARTY EXPLANATIONS (Continued)

i) Balances with related parties as of June 30, 2026 and June 30, 2025 (Continued):

c) Lease liabilities to related parties

	June 30, 2026	December 31, 2025
Otokoç	49.188.326	18.105.632
Zer	4.276.367	4.140.932
	53.464.693	22.246.564

ii) Sales and purchases transactions with related parties for the periods between January 1 - June 30, 2026 and 2025:

a) Product sales to related parties

	January 1 - June 30, 2026	April 1- June 30, 2026	January 1 - June 30, 2025	April 1- June 30, 2025
Product sales to group companies				
CNHI International (*)	11.467.906.631	6.538.833.809	8.500.123.019	4.695.844.374
CNH Industrial (India) PV Ltd.	221.476.003	110.273.095	330.938.121	186.384.212
CNH Italia S.P.A	101.782.110	41.703.838	133.829.730	64.925.302
Yapı Kredi Finansal Kiralama A.O.	52.130.716	21.468.464	72.941.629	14.464.670
CNH Industrial Brasil Ltda	36.243.834	17.583.290	72.423.365	49.820.464
Other	19.198.033	13.773.384	14.965.737	3.632.936
	11.898.737.327	6.743.635.880	9.125.221.601	5.015.071.958

(*) The Company realizes export sales mainly through CNH International.

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 23 - RELATED PARTY EXPLANATIONS (Continued)

ii) Sales and purchases transactions with related parties for the periods between January 1 - June 30, 2026 and 2025 (Continued):

b) Service sales to related companies

	January 1 - June 30, 2026	April 1 - June 30, 2026	January 1 - June 30, 2025	April 1 - June 30, 2025
Service sales to group companies				
CNH Italia S.P.A (1)	1.905.457	1.761.688	21.015.544	241.533
CNHI International (2)	163.232	-	86.829.671	83.801.063
Other	-	-	85.924	-
	2.068.689	1.761.688	107.931.139	84.042.596

(1) Services sold to CNHI Italia is related to engineering and various services.

(2) Services sold to CNHI International is related to engineering, consultancy and various services.

c) Product purchases from related parties

	January 1 - June 30, 2026	April 1 - June 30, 2026	January 1 - June 30, 2025	April 1 - June 30, 2025
Product purchases from group companies				
CNHI International (1)	3.111.925.930	1.824.760.190	4.293.043.819	2.454.995.866
Opet Fuchs (2)	266.757.476	69.847.681	484.113.975	141.634.059
Ark İnşaat (3)	78.329.050	23.185.220	71.444.636	71.444.636
Koç Sistem (4)	39.354.642	33.785.314	56.145.721	27.768.016
Zer (5)	31.983.893	16.929.026	64.313.177	40.687.914
CNH Italia SPA (6)	31.305.308	24.997.370	40.603.286	22.897.376
Akpa	13.581.466	7.903.398	15.930.847	5.560.436
Opet	9.676.474	5.418.448	6.917.711	1.822.008
Entek	-	-	203.826.730	-
CNHI India	-	-	635.838	635.838
Other	3.902.644	-	19.089.383	12.070.361
	3.586.816.883	2.006.826.647	5.256.065.123	2.779.516.510

(1) The company purchases tractors, agricultural machinery, construction equipment, engines, and spare parts.

(2) The company purchases various oils for use in production and fuel for use in company vehicles.

(3) The company carries out production facility and renovation construction.

(4) The company purchases hardware and software from Koç Sistem.

(5) The company purchases direct and indirect materials and services from Zer Merkezi Hizmetler A.Ş.

(6) The company purchases tractor parts from CNHI Italia SPA

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 23 - RELATED PARTY EXPLANATIONS (Continued)

ii) Sales and purchases transactions with related parties for the periods between January 1 - June 30, 2026 and 2025 (Continued):

d) Service purchases from related parties

	January 1 - June 30, 2026	April 1 - June 30, 2026	January 1 - June 30, 2025	April 1 - June 30, 2025
Service purchases from shareholders				
Koç Holding (1)	40.465.422	19.648.767	38.209.444	18.568.850
Service purchase from group companies				
Zer (2)	637.792.502	336.017.966	896.526.856	500.740.896
Ram Sigorta (3)	89.786.393	89.194.011	141.031.804	140.191.431
Otokoç (4)	56.109.201	27.143.708	67.513.352	35.993.997
Setur (5)	49.669.853	30.866.935	108.031.413	30.707.893
Opet (6)	33.440.356	22.599.491	-	-
Fpt Industrial SPA ("Fpt") (7)	31.259.168	31.259.168	-	-
Koç Sistem (8)	21.183.522	17.947.621	6.289.511	2.014.595
Divan Turizm İşletmeleri ("Divan") (9)	12.062.619	4.740.146	-	-
Token Finansal Teknolojiler A.Ş. (10) ("Token")	3.287.149	-	12.716.240	5.485.493
Ingage	3.229.738	1.639.252	5.260.658	1.513.841
CNHI International	1.384.672	1.384.672	27.005.448	27.005.448
Koç Digital	1.183.178	1.183.178	-	-
Eltek (11)	-	-	50.455.688	13.959.963
Other	23.939.789	19.297.099	101.734.060	68.604.439
	964.328.140	583.273.247	1.416.565.030	826.217.996
	1.004.793.562	602.922.014	1.454.774.474	844.786.846

- (1) Includes the service fee invoiced to the Company as a result of the allocation, within the scope of the "11-Intra-Group Services" provisions of the General Communiqué Serial No. 1 on Disguised Profit Distribution Through Transfer Pricing, of the expenses incurred by Koç Holding A.Ş. in relation to the companies to which services are provided, including personnel and senior management expenses, in return for the services provided by Koç Holding A.Ş. to the companies within its group in areas such as finance, legal affairs, planning, taxation and senior management.
- (2) Services received from Zer relate to security, cleaning, transportation and other similar services.
- (3) Includes the amount of premiums paid and accrued during the accounting period ended 30 June 2026 under insurance policies executed with insurance companies that are not related parties through Ram Sigorta Aracılık Hizmetleri A.Ş., which operates as an insurance agency.
- (4) Services received from Otokoç relate to the rental of Company vehicles.
- (5) Services received from Setur generally relate to airline tickets, accommodation and various organizations incurred within the scope of sales and marketing activities.
- (6) Fuel and related consumable materials are purchased from Opet.
- (7) Product development engineering services are received from FPT.
- (8) Services received from Koç Sistem and Ingage Dijital Pazarlama Hizmetleri A.Ş. are support services and generally include computer maintenance and repair services and license renewals.
- (9) Food and beverage purchases are made from Divan.
- (10) Services received from Token Finansal Teknolojiler A.Ş. relate to the Company's digital meal card.
- (11) Services received from Eltek relate to electricity purchases.

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - JUNE 30, 2026

(Amounts expressed in Turkish Lira ("TRY") in terms of the purchasing power of the TRY at June 30, 2026, unless otherwise indicated.)

NOTE 23 - RELATED PARTY EXPLANATIONS (Continued)

iii) Financial income and expenses arising from transactions with related parties for the periods between January 1 – June 30, 2026 and 2025:

Financial income and expense from group companies

	January 1 - June 30, 2026	April 1 – June 30, 2026	January 1 - June 30, 2025	April 1 – June 30, 2025
Interest income				
Yapı Kredi	18.302.621	17.779.335	57.245.947	55.497.112
	18.302.621	17.779.335	57.245.947	55.497.112

iv) Other transactions with related parties for the periods between January 1 – June 30, 2026 and 2025:

Key management personnel are identified as members of the Board of Directors, General Manager, Directors and Vice General Managers.

As of June 30, 2026, the Company paid TRY 76.502.922 benefits to the key management personnel (June 30, 2025: TRY 72.964.420).

NOTE 24 - FINANCIAL INSTRUMENTS AND NATURE AND EXTENT OF RISKS ARISING FROM INANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks. These risks are market risk, currency risk, fair value interest rate risk, price risk and cash flow interest rate risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

Risk management is carried out in accordance with the program set by the Board of Directors of the Company.

a) Market risk

Foreign currency risk

The Company is exposed to foreign exchange risks resulting from the foreign currency denominated commercial activities with the foreign companies and loans obtained from banks. Currency risk arises due to foreign currency denominated recorded and prospective transactions resulting as assets and liabilities. These risks are monitored regularly and limited by analyses of the foreign currency position.

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 – JUNE 30, 2026

(Amounts expressed in Turkish Lira (TRY), unless otherwise indicated)

NOTE 24 - FINANCIAL INSTRUMENTS AND NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The amounts of foreign currency assets, liabilities and TRY equivalents of the Company as of June 30, 2026 and June 30, 2025 are as follows:

	June 30, 2026					
	TRY Equivalent	USD	EUR	GBP	CHF	YEN
1. Trade receivables	1.640.976.792	5.047.754	26.478.931	1.290	-	-
2. Monetary financial assets (including banks accounts)	962.323.652	199.787	17.931.890	4.352	1.690	1.966.717
3. Other	-	-	-	-	-	-
4. Current assets (1+2+3)	2.603.300.444	5.247.541	44.410.821	5.642	1.690	1.966.717
5. Trade receivables	5.569.223	-	-	90.644	-	-
6. Other	-	-	-	-	-	-
7. Non-current assets (5+6)	5.569.223	-	-	90.644	-	-
8. Total assets (4+7)	2.608.869.667	5.247.541	44.410.821	96.286	1.690	1.966.717
9. Trade payables	1.176.324.411	2.645.709	6.366.130	-	-	2.492.067.082
10. Financial liabilities	412.961.123	-	7.777.778	-	-	-
11. Other monetary liabilities	-	-	-	-	-	-
12. Current liabilities (9+10+11)	1.589.285.534	2.645.709	14.143.908	-	-	2.492.067.082
13. Financial liabilities	1.036.361.836	-	19.519.010	-	-	-
14. Non-current liabilities (13)	1.036.361.836	-	19.519.010	-	-	-
15. Total liabilities (12+14)	2.625.647.370	2.645.709	33.662.918	-	-	2.492.067.082
16. Cash flow hedge accounting amounts	-	-	-	-	-	-
17. Fair value of hedged funds of foreign currency (16+18)	(16.777.703)	2.601.832	10.747.903	96.286	1.690	(2.490.100.365)
18. Net monetary foreign currency asset/ (liability) position (8-15)	(16.777.703)	2.601.832	10.747.903	96.286	1.690	(2.490.100.365)

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 - 31 DECEMBER 2026

(Amounts expressed in Turkish Lira (TRY), unless otherwise indicated)

NOTE 24 - FINANCIAL INSTRUMENTS AND NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

	December 31, 2025					
	TRY Equivalent	USD	EUR	GBP	CHF	YEN
1. Trade receivables	967.732.023	2.038.826	14.556.003	200	-	-
2. Monetary financial assets (including banks accounts)	2.176.281.252	84.604	36.542.304	5.041	814	1.671.237
3. Other	-	-	-	-	-	-
4. Current assets (1+2+3)	3.144.013.275	2.123.430	51.098.307	5.241	814	1.671.237
5. Trade receivables	2.097.920	-	-	30.814	-	-
6. Other	-	-	-	-	-	-
7. Non-current assets (5+6)	2.097.920	-	-	30.814	-	-
8. Total assets (4+7)	3.146.111.195	2.123.430	51.098.307	36.055	814	1.671.237
9. Trade payables	877.856.268	2.572.825	8.003.376	-	-	843.949.643
10. Financial liabilities	462.098.630	-	7.777.778	-	-	-
11. Other monetary liabilities	-	-	-	-	-	-
12. Current liabilities (9+10+11)	1.339.954.898	2.572.825	15.781.154	-	-	843.949.643
13. Financial liabilities	1.452.896.017	-	24.454.309	-	-	-
14. Non-current liabilities (13)	1.452.896.017	-	24.454.309	-	-	-
15. Total liabilities (12+14)	2.792.850.915	2.572.825	40.235.463	-	-	843.949.643
16. Cash flow hedge accounting amounts	-	-	-	-	-	-
17. Fair value of hedged funds of foreign currency (16+18)	353.260.280	(449.395)	10.862.844	36.055	814	(842.278.406)
18. Net monetary foreign currency asset/ (liability) position (8-15)	353.260.280	(449.395)	10.862.844	36.055	814	(842.278.406)

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 – JUNE 30, 2026

(Amounts expressed in Turkish Lira (TRY), unless otherwise indicated)

NOTE 24 - FINANCIAL INSTRUMENTS AND NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The Company is exposed to foreign exchange risk primarily with respect to EUR and USD. The effect of the Company's EUR and USD foreign currency position as of June 30, 2026 and June 30, 2025 under the assumption of the appreciation and depreciation of TRY against other currencies by 10% with all other variables held constant, is as follows:

	June 30, 2026			
	Profit/(Loss)		Equity	
	Appreciation of foreign currency	Depreciation foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Had TRY appreciate/ (depreciate) by 10% against USD				
Profit/(loss) from USD net asset position	12.112.855	(12.112.855)	-	-
Hedged amount against USD risk (-)	-	-	-	-
Net effect of USD	12.112.855	(12.112.855)	-	-
Had TRY appreciate/ (depreciate) by 10% against EUR				
Profit/ (loss) from EUR net liability position	57.065.992	(57.065.992)	-	-
Hedged amount against EUR risk (-) (-)	-	-	-	-
Net Effect of EUR	57.065.992	(57.065.992)	-	-
Had TRY appreciate/ (depreciate) by 10% against other				
Profit/ (loss) from other net liability position	(70.856.618)	70.856.618	-	-
Hedged amount against other (-)	-	-	-	-
Net effect of other	(70.856.618)	70.856.618	-	-
Total net effect	(1.677.771)	1.677.771	-	-

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 – JUNE 30, 2026

(Amounts expressed in Turkish Lira (TRY), unless otherwise indicated)

NOTE 24 - FINANCIAL INSTRUMENTS AND NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

	December 31, 2025			
	Appreciation of foreign currency	Profit/(Loss) Depreciation foreign currency	Appreciation of foreign currency	Equity Depreciation of foreign currency
Had TRY appreciate/ (depreciate) by 10% against USD				
Profit/(loss) from USD net asset position	(2.268.265)	2.268.265	-	-
Hedged amount against USD risk (-)	-	-	-	-
Net effect of USD	(2.268.265)	2.268.265	-	-
Had TRY appreciate/ (depreciate) by 10% against EUR				
Profit/ (loss) from EUR net liability position	64.539.064	(64.539.064)	-	-
Hedged amount against EUR risk (-) (-)	-	-	-	-
Net Effect of EUR	64.539.064	(64.539.064)	-	-
Had TRY appreciate/ (depreciate) by 10% against other				
Profit/ (loss) from other net liability position	(26.944.771)	26.944.771	-	-
Hedged amount against other (-)	-	-	-	-
Net effect of other	(26.944.771)	26.944.771	-	-
Total net effect	35.326.028	(35.326.028)	-	-

Price risk

The company does not have any financial assets that will expose it to price risk.

Interest rate risk

The table of the financial instruments that have interest rate sensitivity are shown below:

Financial instruments with fixed interest rate

	June 30, 2026	December 31, 2025
Time deposits (Note 4)	5.247.660.223	7.810.065.657
Financial liabilities (Note 6)	14.202.597.533	18.173.657.453
Lease liabilities (Note 6)	253.484.948	105.474.639

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 – JUNE 30, 2026

(Amounts expressed in Turkish Lira (TRY), unless otherwise indicated)

NOTE 24 - FINANCIAL INSTRUMENTS AND NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

b) Credit risk

Financial assets are in hand carrying the risk of the inability of fulfilling the requirements of the agreements by the counter parties. The Company management manages these risks by limiting the average risk to any individual counterparty, by obtaining guarantees where necessary. The Company limits these risks that may arise from its dealers, by restricting the credit limits determined for the dealers according to the amount of the guarantees received, by updating the guarantee amounts regularly and by receiving the pledge of ownership of the tractors sold. Credit limits are regularly monitored by the Company and the customers' credit quality are regularly evaluated by considering the customers' financial position, past experiences and other factors (Note 7).

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 – JUNE 30, 2026

(Amounts expressed in Turkish Lira (TRY), unless otherwise indicated)

NOTE 24 - FINANCIAL INSTRUMENTS AND NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The Company's maximum exposure to credit risk as of June 30, 2026 and December 31, 2025 is as follows:

	June 30, 2026					
	Trade Receivables		Other Receivables		Bank deposits	Financial investments
	Related party	Third party	Related party	Third party		
Net book value of financial assets which are undue and not impaired	1.453.318.785	4.100.938.479	-	524.874	4.598.937.718	892.104.537
Net book value of due dated but not impaired assets	-	-	-	-	-	-
Net book value of impaired assets	-	-	-	-	-	-
- Due dated (gross book value)	-	-	-	-	-	-
- Provision (-)	-	-	-	-	-	-
- Undue (gross book value)	-	45.939.751	-	-	-	-
- Provision (-)	-	(45.939.751)	-	-	-	-
Off-balance sheet items exposed to credit risk	-	-	-	-	-	-
Amount exposed to maximum credit risk (*)	1.453.318.785	4.100.938.479	-	524.874	4.598.937.718	892.104.537

(*) The factors, increasing the credit reliability and the guarantees received are not taken into consideration in calculation of the amount..

As of June 30, 2026, the guarantee amount of the maximum exposure to credit risk is TRY 4.974.953.227. Furthermore, all assets which are due but not impaired are guaranteed.

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 – JUNE 30, 2026

(Amounts expressed in Turkish Lira (TRY), unless otherwise indicated)

NOTE 24 - FINANCIAL INSTRUMENTS AND NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

December 31 2025						
	Trade Receivables		Other Receivables		Bank deposits	Financial investment
	Related party	Third party	Related party	Third party		
Net book value of financial assets which are undue						
and not impaired	870.435.905	3.626.982.343	-	606.157	7.900.273.197	82.168.666
Net book value of due dated but not impaired assets	-	-	-	-	-	-
Net book value of impaired assets	-	-	-	-	-	-
- Due dated (gross book value)	-	53.879.868	-	-	-	-
- Provision (-)	-	(53.879.868)	-	-	-	-
- Undue (gross book value)	-	-	-	-	-	-
- Provision (-)	-	-	-	-	-	-
Off-balance sheet items exposed to credit risk	-	-	-	-	-	-
Amount exposed to maximum credit risk (*)	870.435.905	3.626.982.343	-	606.157	7.900.273.197	82.168.666

(*) The factors, increasing the credit reliability and the guarantees received are not taken into consideration in calculation of the amount..

As of December 31, 2025, the guarantee amount of the maximum exposure to credit risk is TRY 4.154.805.747. Furthermore, all assets which are due but not impaired are guaranteed.

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 – JUNE 30, 2026

(Amounts expressed in Turkish Lira (TRY), unless otherwise indicated)

NOTE 24 - FINANCIAL INSTRUMENTS AND NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

c) Liquidity risk

Liquidity risk is managed by maintaining cash and marketable securities, the availability of funding through an adequate amount of committed credit lines and the ability to close out market positions.

Funding risk of the current and future liabilities is managed by providing sustainability of the access to sufficient high quality creditors and the sustainability of the sufficient cash flows obtained from operating activities. The Company management, in order to ensure continuous liquidity, closely follows up the timely collection of receivables, allocates high intensity focus to prevent any financial burden sourcing from late collections and determines cash and non-cash credit limits to be activated in case of need by the Company.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the net financial debt/shareholder's equity ratio. Net financial debt calculated as total financial liabilities (including short and long - term bank borrowings) less cash and cash equivalents and financial investments. This ratio is calculated as net financial debt divided by total shareholders' equity.

	June 30, 2026	December 31, 2025
Total Financial liabilities	14.456.082.481	18.279.132.092
Less: Cash and cash equivalents (Note 4)	(4.598.937.718)	(7.900.273.197)
Financial investments	(892.104.537)	(82.168.666)
Net financial debt	8.965.040.226	10.296.690.229
Total shareholders' equity	18.976.413.610	19.682.930.666
Total liabilities	42.321.606.884	46.638.671.160
Net financial debt/ total liabilities (%)	%21,18	%22,08

Fair value of financial assets

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies.

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 – JUNE 30, 2026

(Amounts expressed in Turkish Lira (TRY), unless otherwise indicated)

NOTE 24 - FINANCIAL INSTRUMENTS AND NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Financial assets

The fair values of cash and cash equivalent are considered to approximate their respective carrying values due to their short-term nature.

The discounted carrying values of trade receivables along with the related allowances for uncollectability are estimated to be their fair values.

Financial liabilities

Trade payables, which are measured at amortised cost, are considered to approximate their carrying value.

Fair value hierarchy table

The Company classifies the fair value measurement of each class of financial instruments according to the source, using the three-level hierarchy, as follows:

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)

Level 2: Other valuation techniques includes direct or indirect observable inputs. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3: Valuation techniques does not contain observable market inputs

Fair value hierarchy table as of June 30, 2026 is as follows:

Financial assets carried at fair value in statement of financial position	Level 1	Level 2	Level 3
Short term financial investments (Note 5)	892.104.537	-	-
Long term financial investments (Note 5)	-	-	18.826.969

Fair value hierarchy table as of December 31, 2025 is as follows:

Financial assets carried at fair value in statement of financial position	Level 1	Level 2	Level 3
Short term financial investments (Note 5)	82.168.666	-	-
Long term financial investments (Note 5)	-	-	18.826.969

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD JANUARY 1 – JUNE 30, 2026

(Amounts expressed in Turkish Lira (TRY), unless otherwise indicated)

NOTE 25 – DISCLOSURES ON NET MONETARY POSITION GAINS/(LOSSES)

Non-monetary items	June 30, 2026	June 30, 2025
Statement of financial position items	1.510.030.928	1.593.605.554
Inventories	1.680.581.874	2.266.381.339
Property, plant and equipment	2.203.279.028	2.092.876.204
Intangible assets	770.274.111	662.928.038
Deferred tax assets	(145.234.573)	(76.412.206)
Other liabilities	(34.804.525)	103.757
Paid-in capital and capital adjustment differences	(500.458.384)	(474.517.043)
Accumulated other comprehensive income and expenses not to be reclassified to profit or loss	131.484.386	92.213.728
Restricted reserves appropriated from profit	(862.553.210)	(817.842.626)
Retained earnings	(1.732.537.779)	(2.152.125.637)
Statement of profit or loss items	22.288	(150.658.402)
Revenue	(1.050.064.379)	(1.623.757.121)
Cost of sales	833.358.266	1.205.612.301
Research and development expenses	268.261	336.235
Marketing expenses	71.848.610	78.297.293
General administrative expenses	45.594.564	44.781.100
Other income/expenses from main operations	3.560.561	(11.238.332)
Income/expenses from investing activities	-	(336.176)
Finance income/expenses	95.456.405	89.638.390
Current tax expense	-	66.007.908
Net monetary position gains/(losses)	1.510.053.216	1.442.947.152

NOTE 26 - SUBSEQUENT EVENT

None.

.....