

PARSAN MAKİNA PARÇALARI SANAYİİ A.Ş.
Financial Report
Consolidated
2020 - 2. 3 Monthly Notification

General Information About Financial Statements

Independent Audit Comment

| | |
|---------------------------|------------------------------------------------------------------|
| Independent Audit Company | KPMG BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş. |
| Audit Type | Limited |
| Audit Result | Positive |

Ara Dönem Özet Konsolide Finansal Bilgilere İlişkin Sınırlı Denetim Raporu

Parsan Makina Parçaları Sanayii Anonim Şirketi Genel Kurulu'na

Giriş

Parsan Makina Parçaları Sanayii Anonim Şirketi'nin ("Şirket") ve bağlı ortaklığının (birlikte "Grup" olarak anılacaktır) 30 Haziran 2020 tarihli ilişikteki özet konsolide finansal durum tablosunun ve aynı tarihte sona eren altı aylık ara hesap dönemine ait özet konsolide kar veya zarar ve diğer kapsamlı gelir tablosunun, özkaynaklar değişim tablosunun, nakit akış tablosunun ve diğer açıklayıcı dipnotlarının ("ara dönem özet konsolide finansal bilgiler") sınırlı denetimini yürütmüş bulunuyoruz. Grup yönetimi, söz konusu ara dönem özet konsolide finansal bilgilerin Kamu Gözetimi Muhasebe ve Denetim Standartları Kurumu ("KGK") tarafından yayımlanan Türkiye Muhasebe Standardı 34 "Ara Dönem Finansal Raporlama" Standardına ("TMS 34") uygun olarak hazırlanmasından ve sunumundan sorumludur. Sorumluluğumuz, yaptığımız sınırlı denetime dayanarak söz konusu ara dönem özet konsolide finansal bilgilere ilişkin bir sonuç bildirmektir.

Sınırlı Denetimin Kapsamı

Yaptığımız sınırlı denetim Sınırlı Bağımsız Denetim Standardı ("SBDS") 2410 "Ara Dönem Finansal Bilgilerin, İşletmenin Yıllık Finansal Tablolarının Bağımsız Denetimini Yürüten Denetçi Tarafından Sınırlı Bağımsız Denetimi"ne uygun olarak yürütülmüştür. Ara dönem özet konsolide finansal bilgilere ilişkin sınırlı denetim, başta finans ve muhasebe konularından sorumlu kişiler olmak üzere ilgili kişilerin sorgulanması ve analitik prosedürler ile diğer sınırlı denetim prosedürlerinin uygulanmasından oluşur. Ara dönem özet konsolide finansal bilgilerin sınırlı denetiminin kapsamı; Bağımsız Denetim Standartlarına uygun olarak yapılan ve amacı konsolide finansal tablolar hakkında bir görüş bildirmek olan bağımsız denetimin kapsamına kıyasla önemli ölçüde dardır. Sonuç olarak ara dönem özet konsolide finansal bilgilerin sınırlı denetimi, denetim şirketinin, bir bağımsız denetimde belirlenebilecek tüm önemli hususlara vâkıf olabileceğine ilişkin bir güvence sağlamamaktadır. Bu sebeple, bir bağımsız denetim görüşü bildirmemekteyiz.

Sonuç

Sınırlı denetimimize göre ilişikteki ara dönem özet konsolide finansal bilgilerin, tüm önemli yönleriyle, TMS 34'e uygun olarak hazırlanmadığı kanaatine varmamıza sebep olacak herhangi bir husus dikkatimizi çekmemiştir.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

A member firm of KPMG International Cooperative

Orhan Akova, SMMM

Sorumlu Denetçi

19 Ağustos 2020

İstanbul, Türkiye

Statement of Financial Position (Balance Sheet)

| | |
|--------------------------------|--------------|
| Presentation Currency | TL |
| Nature of Financial Statements | Consolidated |

| | Footnote Reference | Current Period 30.06.2020 | Previous Period 31.12.2019 |
|-----------------------------------------------------------------------------------------------|--------------------|------------------------------|-------------------------------|
| Statement of Financial Position (Balance Sheet) | | | |
| Assets [abstract] | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 41.000.055 | 11.615.127 |
| Trade Receivables | 6 | 89.655.970 | 95.289.877 |
| Trade Receivables Due From Related Parties | 17 | 0 | 2.399.244 |
| Trade Receivables Due From Unrelated Parties | | 89.655.970 | 92.890.633 |
| Inventories | 8 | 143.147.865 | 145.794.765 |
| Prepayments | | 2.823.899 | 7.117.791 |
| Other current assets | | 37.315.689 | 40.228.553 |
| SUB-TOTAL | | 313.943.478 | 300.046.113 |
| Total current assets | | 313.943.478 | 300.046.113 |
| NON-CURRENT ASSETS | | | |
| Other Receivables | 7 | 62.391.443 | 59.614.449 |
| Other Receivables Due From Related Parties | 17 | 61.986.770 | 59.180.191 |
| Other Receivables Due From Unrelated Parties | | 404.673 | 434.258 |
| Investments accounted for using equity method | 9 | 221.180.879 | 205.862.310 |
| Property, plant and equipment | 10 | 1.392.540.449 | 1.178.896.366 |
| Intangible assets and goodwill | 11 | 20.106.123 | 13.230.510 |
| Prepayments | | 2.293.398 | 1.329.976 |
| Deferred Tax Asset | | 68.995.412 | 60.775.185 |
| Total non-current assets | | 1.767.507.704 | 1.519.708.796 |
| Total assets | | 2.081.451.182 | 1.819.754.909 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Current Borrowings | 5 | 80.913.245 | 99.722.781 |
| Current Portion of Non-current Borrowings | 5 | 270.698.325 | 207.238.594 |
| Other Financial Liabilities | 5 | 292.596 | 281.813 |
| Trade Payables | 6 | 98.635.561 | 111.236.393 |
| Trade Payables to Related Parties | 17 | 80.415.003 | 85.435.091 |
| Trade Payables to Unrelated Parties | | 18.220.558 | 25.801.302 |
| Employee Benefit Obligations | | 5.086.032 | 3.108.019 |
| Other Payables | 7 | 1.054.651 | 1.016.019 |
| Other Payables to Unrelated Parties | | 1.054.651 | 1.016.019 |
| Deferred Income Other Than Contract Liabilities | | 755.912 | 780.661 |
| Current tax liabilities, current | | 1.522.185 | 1.925.069 |
| Current provisions | | 11.880.949 | 6.950.968 |
| Current provisions for employee benefits | | 8.137.130 | 2.538.361 |
| Other current provisions | | 3.743.819 | 4.412.607 |
| Other Current Liabilities | | 2.210.791 | 1.412.806 |
| SUB-TOTAL | | 473.050.247 | 433.673.123 |
| Total current liabilities | | 473.050.247 | 433.673.123 |
| NON-CURRENT LIABILITIES | | | |
| Long Term Borrowings | 5 | 709.737.402 | 596.382.235 |
| Non-current provisions | | 22.633.595 | 18.125.066 |
| Non-current provisions for employee benefits | | 22.633.595 | 18.125.066 |
| Deferred Tax Liabilities | | 11.995.169 | 9.869.391 |
| Total non-current liabilities | | 744.366.166 | 624.376.692 |
| Total liabilities | | 1.217.416.413 | 1.058.049.815 |
| EQUITY | | | |
| Equity attributable to owners of parent | | 771.129.874 | 666.711.870 |
| Issued capital | 13 | 77.112.000 | 77.112.000 |
| Inflation Adjustments on Capital | 13 | 2.191.164 | 2.191.164 |
| Capital Adjustments due to Cross-Ownership (-) | | -6.787.306 | -6.787.306 |
| Other Accumulated Comprehensive Income (Loss) that will not be Reclassified in Profit or Loss | | 444.641.627 | 444.719.021 |
| Gains (Losses) on Revaluation and Remeasurement | | 444.641.627 | 444.719.021 |
| Increases (Decreases) on Revaluation of Property, Plant and Equipment | | 448.527.084 | 448.527.084 |
| Gains (Losses) on Remeasurements of Defined Benefit Plans | | -3.885.457 | -3.808.063 |

| | | | |
|----------------------------------------------------------------------------------------------|--|---------------|---------------|
| Other Accumulated Comprehensive Income (Loss) that will be Reclassified in Profit or Loss | | 155.125.293 | 56.953.863 |
| Exchange Differences on Translation | | 155.125.293 | 56.953.863 |
| Restricted Reserves Appropriated From Profits | | 49.873.458 | 49.873.458 |
| Prior Years' Profits or Losses | | 42.649.670 | 46.633.024 |
| Current Period Net Profit Or Loss | | 6.323.968 | -3.983.354 |
| Non-controlling interests | | 92.904.895 | 94.993.224 |
| Total equity | | 864.034.769 | 761.705.094 |
| Total Liabilities and Equity | | 2.081.451.182 | 1.819.754.909 |

Statement of Profit or Loss and Other Comprehensive Income

| | |
|--------------------------------|--------------|
| Presentation Currency | TL |
| Nature of Financial Statements | Consolidated |

| | Footnote Reference | Current Period 01.01.2020 - 30.06.2020 | Previous Period 01.01.2019 - 30.06.2019 | Current Period 3 Months 01.04.2020 - 30.06.2020 | Previous Period 3 Months 01.04.2019 - 30.06.2019 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------------------------------|-----------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------|
| Statement of Profit or Loss and Other Comprehensive Income | | | | | |
| PROFIT (LOSS) | | | | | |
| Revenue | 14 | 220.917.664 | 282.930.016 | 79.949.465 | 137.545.986 |
| Cost of sales | 14 | -146.926.933 | -207.866.715 | -48.696.560 | -98.114.336 |
| GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS | | 73.990.731 | 75.063.301 | 31.252.905 | 39.431.650 |
| GROSS PROFIT (LOSS) | | 73.990.731 | 75.063.301 | 31.252.905 | 39.431.650 |
| General Administrative Expenses | | -20.129.842 | -23.351.516 | -9.291.497 | -9.587.628 |
| Marketing Expenses | | -13.842.729 | -17.611.394 | -5.383.029 | -8.551.973 |
| Research and development expense | | -1.108.676 | -3.779.795 | -642.892 | -2.356.852 |
| Other Income from Operating Activities | | 1.170.895 | 1.542.125 | 91.498 | 364.769 |
| Other Expenses from Operating Activities | | -284.421 | -1.100.720 | -118.367 | -260.864 |
| Other gains (losses) | | 0 | 0 | | 0 |
| PROFIT (LOSS) FROM OPERATING ACTIVITIES | | 39.795.958 | 30.762.001 | 15.908.618 | 19.039.102 |
| Investment Activity Income | | 164 | 29.002 | -3.055 | 0 |
| Share of Profit (Loss) from Investments Accounted for Using Equity Method | 9 | 15.549.052 | 14.129.045 | 6.158.126 | 7.888.261 |
| PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE) | | 55.345.174 | 44.920.048 | 22.063.689 | 26.927.363 |
| Finance income | 15 | 1.683.749 | 1.682.136 | 869.646 | 967.920 |
| Finance costs | 15 | -47.166.607 | -18.858.088 | -41.251.224 | -20.083.788 |
| PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX | | 9.862.316 | 27.744.096 | -18.317.889 | 7.811.495 |
| Tax (Expense) Income, Continuing Operations | | -6.024.512 | 6.768.725 | 7.347.364 | 2.731.732 |
| Current Period Tax (Expense) Income | | -3.578.926 | -5.560.478 | -1.241.470 | -2.567.268 |
| Deferred Tax (Expense) Income | | -2.445.586 | 12.329.203 | 8.588.834 | 5.299.000 |
| PROFIT (LOSS) FROM CONTINUING OPERATIONS | | 3.837.804 | 34.512.821 | -10.970.525 | 10.543.227 |
| PROFIT (LOSS) | | 3.837.804 | 34.512.821 | -10.970.525 | 10.543.227 |
| Profit (loss), attributable to [abstract] | | | | | |
| Non-controlling Interests | | -2.486.164 | 13.508.727 | -3.621.938 | 4.256.431 |
| Owners of Parent | | 6.323.968 | 21.004.094 | -7.348.587 | 6.286.796 |
| Earnings per share [abstract] | | | | | |
| Earnings per share [line items] | | | | | |
| Basic earnings per share | | | | | |
| Basic Earnings (Loss) Per Share from Continuing Operations | | | | | |
| Pay Başına Kazanç / (Kayıp) | 16 | 0,00080000 | 0,00270000 | -0,00100000 | 0,00080000 |
| Diluted Earnings Per Share | | | | | |
| Diluted Earnings (Loss) per Share from Continuing Operations | | | | | |
| Sulandırılmış Pay Başına Kazanç/(Kayıp) | 16 | 0,00080000 | 0,00270000 | -0,00100000 | 0,00080000 |
| OTHER COMPREHENSIVE INCOME | | | | | |
| Other Comprehensive Income that will not be Reclassified to Profit or Loss | | 320.441 | -1.058.156 | 168.962 | 224.295 |
| Gains (Losses) on Remeasurements of Defined Benefit Plans | | -99.223 | -1.460.320 | -293.427 | 230.950 |
| Share of Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss | | 397.835 | 110.100 | 397.835 | 39.535 |
| Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss | | 21.829 | 292.064 | 64.554 | -46.190 |
| Other Comprehensive Income That Will Be Reclassified to Profit or Loss | | 98.171.430 | 36.416.951 | -20.002.251 | 26.000.471 |
| Exchange Differences on Translation | | 98.171.430 | 36.416.951 | -20.002.251 | 26.000.471 |
| OTHER COMPREHENSIVE INCOME (LOSS) | | 98.491.871 | 35.358.795 | -19.833.289 | 26.224.766 |
| TOTAL COMPREHENSIVE INCOME (LOSS) | | 102.329.675 | 69.871.616 | -30.803.814 | 36.767.993 |
| Total Comprehensive Income Attributable to | | | | | |
| Non-controlling Interests | | -2.088.329 | 13.346.933 | -3.224.103 | 4.174.164 |
| Owners of Parent | | 104.418.004 | 56.524.683 | -27.579.711 | 32.593.829 |

Statement of cash flows (Indirect Method)

| | |
|--------------------------------|--------------|
| Presentation Currency | TL |
| Nature of Financial Statements | Consolidated |

| | Footnote Reference | Current Period 01.01.2020 - 30.06.2020 | Previous Period 01.01.2019 - 30.06.2019 |
|---------------------------------------------------------------------------------------------|--------------------|-------------------------------------------|--------------------------------------------|
| Statement of cash flows (Indirect Method) | | | |
| CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES | | 110.183.867 | 70.815.940 |
| Profit (Loss) | | 3.837.804 | 34.512.821 |
| Profit (Loss) from Continuing Operations | | 3.837.804 | 34.512.821 |
| Adjustments to Reconcile Profit (Loss) | | 109.162.178 | 45.104.894 |
| Adjustments for depreciation and amortisation expense | 10,11 | 39.963.463 | 27.164.519 |
| Adjustments for Impairment Loss (Reversal of Impairment Loss) | | -162.191 | 4.923.488 |
| Adjustments for Impairment Loss (Reversal of Impairment Loss) of Receivables | 6 | -162.191 | -291.707 |
| Adjustments for Impairment Loss (Reversal of Impairment Loss) of Inventories | 8 | 0 | 5.215.195 |
| Adjustments for provisions | | 7.251.488 | 4.750.411 |
| Adjustments for (Reversal of) Provisions Related with Employee Benefits | | 1.455.051 | 2.446.499 |
| Adjustments for (Reversal of) Other Provisions | | 5.796.437 | 2.303.912 |
| Adjustments for Interest (Income) Expenses | | 45.482.858 | 15.956.106 |
| Adjustments for Interest Income | 15 | -1.683.749 | -1.682.136 |
| Adjustments for interest expense | 15 | 47.166.607 | 17.638.242 |
| Adjustments for unrealised foreign exchange losses (gains) | | 26.151.264 | 13.237.142 |
| Adjustments for Undistributed Profits of Investments Accounted for Using Equity Method | 9 | -15.549.052 | -14.129.045 |
| Adjustments for Tax (Income) Expenses | | 6.024.512 | -6.768.725 |
| Adjustments for losses (gains) on disposal of non-current assets | | -164 | -29.002 |
| Changes in Working Capital | | 2.098.387 | 1.258.980 |
| Adjustments for decrease (increase) in trade accounts receivable | | 5.796.098 | -10.121.456 |
| Adjustments for Decrease (Increase) in Other Receivables Related with Operations | | 3.466.340 | -14.295.022 |
| Adjustments for decrease (increase) in inventories | | 2.646.900 | -13.714.914 |
| Adjustments for increase (decrease) in trade accounts payable | | -12.600.832 | 44.040.272 |
| Adjustments for increase (decrease) in other operating payables | | 2.789.881 | -4.649.900 |
| Cash Flows from (used in) Operations | | 115.098.369 | 80.876.695 |
| Interest received | | 1.683.749 | 1.682.136 |
| Payments Related with Provisions for Employee Benefits | | -2.326.374 | -7.592.339 |
| Income taxes refund (paid) | | -4.271.877 | -4.150.552 |
| CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES | | -34.846.061 | -12.934.834 |
| Proceeds from sales of property, plant, equipment and intangible assets | | 1.733 | 32.214 |
| Proceeds from sales of property, plant and equipment | | 1.733 | 32.214 |
| Purchase of Property, Plant, Equipment and Intangible Assets | 10,11 | -34.847.794 | -26.826.102 |
| Dividends received | 9 | 0 | 13.859.054 |
| CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES | | -45.952.878 | -50.274.020 |
| Proceeds from borrowings | | 217.408.412 | 202.455.848 |
| Repayments of borrowings | | -216.194.683 | -235.091.626 |
| Interest paid | | -47.166.607 | -17.638.242 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES | | 29.384.928 | 7.607.086 |
| Net increase (decrease) in cash and cash equivalents | | 29.384.928 | 7.607.086 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 4 | 11.615.127 | 13.488.035 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 4 | 41.000.055 | 21.095.121 |

| Footnote Reference | Equity | | | | | | | | | | Non-controlling interests [member] | |
|--------------------|--------------------------------------------------|----------------------------------|--------------------------------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------------|-------------------------------------|------------------------------------------------------------------------------------|----------------------------------------------------|--------------------------------------------------------|--------------------------------|------------------------------------|--------------------|
| | Equity attributable to owners of parent [member] | | | | | | | | | | | |
| | Issued Capital | Inflation Adjustments on Capital | Capital Adjustments due to Cross-Ownership | Other Accumulated Comprehensive Income That Will Not Be Reclassified in Profit Or Loss | | | Other Accumulated Comprehensive Income That Will Be Reclassified in Profit Or Loss | | Restricted Reserves Appropriated From Profits [member] | Retained Earnings | | |
| | | | | Gains/Losses on Revaluation and Remeasurement [member] | | Exchange Differences on Translation | Reserve Of Gains or Losses on Hedge | Gains (Losses) on Revaluation and Reclassification | | Prior Years' Profits or Losses | | Net Profit or Loss |
| | | | | Increases (Decreases) on Revaluation of Property, Plant and Equipment | Gains (Losses) on Remeasurements of Defined Benefit Plans | | | | | | | |
| | | | | | | | | | | | | |

Previous Period
01.01.2019 - 30.06.2019

| | | | | | | | | | | | | | | | | |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------|------------|-------------|------------|-------------|--|------------|------------|-----------|-------------|------------|-------------|--|--|
| Current Period 01.01.2020 - 30.06.2020 | | | | | | | | | | | | | | | | |
| | Decrease through Other Distributions to Owners | | | | | | | | | | | | | | | |
| | Increase (Decrease) through Treasury Share Transactions | | | | | | | | | | | | | | | |
| | Increase (Decrease) through Share-Based Payment Transactions | | | | | | | | | | | | | | | |
| | Acquisition or Disposal of a Subsidiary | | | | | | | | | | | | | | | |
| | Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity | | | | | | | | | | | | | | | |
| | Transactions with noncontrolling shareholders | | | | | | | | | | | | | | | |
| | Increase through Other Contributions by Owners | | | | | | | | | | | | | | | |
| | Amount Removed from Reserve of Cash Flow Hedges and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied | | | | | | | | | | | | | | | |
| | Amount Removed from Reserve of Change in Value of Time Value of Options and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied | | | | | | | | | | | | | | | |
| | Amount Removed from Reserve of Change in Value of Forward Elements of Forward Contracts and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied | | | | | | | | | | | | | | | |
| | Amount Removed from Reserve of Change in Value of Foreign Currency Basis Spreads and Included in Initial Cost or Other Carrying Amount of Non-Financial Asset (Liability) or Firm Commitment for which Fair Value Hedge Accounting is Applied | | | | | | | | | | | | | | | |
| | Increase (decrease) through other changes, equity | | | | | | | | | | | | | | | |
| | Equity at end of period | 77.112.000 | 2.191.164 | -6.787.306 | 448.527.084 | -3.885.457 | 155.125.293 | | 49.873.458 | 42.649.670 | 6.323.968 | 771.129.874 | 92.904.895 | 864.034.769 | | |