

## **Tofaş Türk Otomobil Fabrikası A.Ş.**

### **COMMON AND CONTINUOUS RELATED PARTY TRANSACTIONS REPORT**

#### **General Information**

This report is issued as per Article 10 of Corporate Governance Communiqué II-17.1 (the Communiqué) of the Capital Markets Board (CMB). As per the referenced clause, in cases where it is foreseen that the rate of the amount of common and continuous transactions between the corporations and subsidiaries thereof with their related parties within an account period, compared to

a) For purchases, the cost of sales in the latest annual financial statements disclosed to public,

b) For sales, the revenues in the latest annual financial statements disclosed to public,

exceed 10%, the board of directors of the corporation shall, in addition to its resolution, issue a report regarding the conditions of the transactions and comparison thereof with the market conditions and the entire report or its conclusion shall be disclosed on the PDP.

The purpose of this report, in addition to the common and continuous related party transaction report announced on 04.03.2024, is to disclose the terms, excluding trade secrets, of transactions anticipated to exceed the limits specified in the Communiqué regarding Related Party Transactions, as defined under Turkish Accounting Standards (TMS 24), between Tofaş Türk Otomobil Fabrikası A.Ş. ("Tofaş") and Stellantis Group companies identified as related parties within the framework of CMB regulations, concerning common and continuous sales of vehicles and spare parts, as well as R&D service sales and purchase of manufacturing materials during 2024 and subsequent years within the scope of the Manufacturing Agreement and the license agreement announced on 4.11.2024. The report aims to demonstrate that, compared to market conditions, there is no anticipated negative impact on our company.

#### **Information on Tofaş Türk Otomobil Fabrikası A.Ş.**

The Company, established in 1968 as a Turkish-Italian partnership, has operations of manufacturing, importing and sale of passenger cars, light commercial vehicles and their spare parts, second hand sales and their after sales services. The Company is under joint control and management of Koç Holding A.Ş. and Stellantis Europe SPA as per the Joint Venture Agreement. With 24.3% of its capital publicly-traded, Tofaş's shares are included in Borsa İstanbul as well as in that exchange's Corporate Governance and Sustainability indexes. The headquarters of the Company is at Büyükdere Cad. No:145 Zincirlikuyu Şişli-İstanbul. Manufacturing facilities are located in Bursa.

The capital of Tofaş is TRY 500,000,000 and the table showing the shareholding structure is as follows:

| Shareholder                  | Amount of Shares (TRY) | Capital Ratio (%) | Voting Right          | Voting Right Ratio |
|------------------------------|------------------------|-------------------|-----------------------|--------------------|
| Koç Holding A.Ş.             | 187.938.121            | 37,5876           | 18.793.812.126        | 37,5876            |
| Other Koç Group Shareholders | 1.341.736              | 0,2683            | 134.173.561           | 0,2683             |
| <b>Koç Goup Total</b>        | <b>189.279.857</b>     | <b>37,8560</b>    | <b>18.927.985.687</b> | <b>37,8560</b>     |
| <b>Stellantis Europe SPA</b> | <b>189.279.857</b>     | <b>37,8560</b>    | <b>18.927.985.687</b> | <b>37,8560</b>     |
| <b>Diğer Ortaklar</b>        | <b>121.440.286</b>     | <b>24,2881</b>    | <b>12.144.028.626</b> | <b>24,2881</b>     |
| <b>Toplam Sermaye</b>        | <b>500.000.000</b>     | <b>100,0000</b>   | <b>50.000.000.000</b> | <b>100,0000</b>    |

Summary financial data of Tofaş in 2023 are as follows:

|                            |                   |
|----------------------------|-------------------|
| <b>(000 TRY)</b>           | <b>31.12.2023</b> |
| <b>Total Assets</b>        | 78.667.295        |
| <b>Shareholders Equity</b> | 36.879.584        |

|                      |                                |
|----------------------|--------------------------------|
| <b>(000 TRY)</b>     | <b>01.01.2023 - 31.12.2023</b> |
| <b>Revenue</b>       | 127.601.000                    |
| <b>Cost of Sales</b> | 105.107.908                    |
| <b>Net Profit</b>    | 15.083.439                     |

Based on above data, a board report is required in 2024 for purchases estimated to exceed TRY 10.510.791 thousand (2023 COGS\*10%) and sales estimated to exceed TRY 12.760.100 thousand (2023 Revenues\*10%).

### Information on Stellantis Group

Stellantis NV, the controlling shareholder of Stellantis group companies, is a multinational automotive manufacturer and mobility provider established on January 16, 2021 with the merger of Fiat Chrysler Automobiles (FCA) and PSA Group. The company is engaged in designing, engineering, manufacturing, distributing and selling vehicles, components and production systems worldwide, the company is among the largest automobile and industrial groups of the world. Headquartered in the Netherlands, the company includes well-known brands such as Jeep, Dodge, Chrysler, Ram, Fiat, Alfa Romeo, Maserati, Peugeot, Citroën, and Opel.

Stellantis NV is a listed company with total assets of 202,1 Billion EUR in 2023, 186,2 Billion EUR in 2022. Summary of financial data of Stellantis NV are as follows:

|                            |                   |
|----------------------------|-------------------|
| <b>(Million EUR)</b>       | <b>31.12.2023</b> |
| <b>Total Assets</b>        | 202.128           |
| <b>Shareholders Equity</b> | 82.120            |

| (Million EUR)    | 01.01.2023 - 31.12.2023 |
|------------------|-------------------------|
| Revenue          | 189.544                 |
| Cost of Sales    | 151.400                 |
| Operating Profit | 22.376                  |
| Net Profit       | 18.625                  |

#### Information on the Terms and Market Conditions Compliance of Transactions Between Related Parties

Within the scope of our disclosure dated March 1<sup>st</sup>,2023, our Company has signed a manufacturing agreement (“Manufacturing Agreement”) with Stellantis Europe S.P.A on 4.11.2024, granting us the right to produce in Turkey the new vehicle model “K0”’s light commercial vehicle and “combi” versions in multi energy platforms for Stellantis brands (FIAT, Opel, Citroën, Peugeot) under Stellantis license and determining the conditions regarding the sale of the vehicles and the spare parts, and a license agreement regarding the non-exclusive and revocable use of Stellantis Group’s intellectual and industrial property rights by Tofaş under the Manufacturing Agreement.

#### Information on Related Party Transactions Expected to Exceed 10% of Our Company's Revenue/Cost of Goods Sold

In accordance with the Manufacturing Agreement, it is anticipated that a significant portion of Tofaş’s commercial activities will continue to be conducted with Stellantis Group Companies, as it has been up to now.

The table below provides information about the transactions expected to be carried out with the Stellantis Group in line with the newly signed contracts. Among these, manufacturing material purchases, and vehicle sales are expected to individually exceed the 10% thresholds as they have in the past; the table comprehensively includes all purchase and sale transactions expected to be conducted with the Stellantis Group. Within the scope of the Manufacturing Agreement, pricing terms regarding the purchase of manufacturing materials and sale of vehicles and spare parts with Stellantis Group are determined.

| Related Company  | Type of Transaction                 | Pricing/Profit Distribution Method |
|------------------|-------------------------------------|------------------------------------|
| Stellantis Group | Purchase of Manufacturing Materials | Cost Plus Method                   |
|                  | Sales of Vehicles                   | Cost Plus Method                   |
|                  | Sales of Spare Parts                | Cost Plus Method                   |
|                  | Sales of R&D Services               | Cost Plus Method                   |

Furthermore, conditions related to performance bonus payments from Stellantis Group to Tofaş (in case targets related to annual production costs are achieved) and sharing of investments and production related fixed costs between the parties (in case of a shortfall in production volumes) are determined in the Manufacturing Agreement. Additionally, the principles regarding the license fee payments determined in compliance with transfer pricing rules and to be made in return for the use of Stellantis Group’s intellectual and industrial property rights by Tofaş are also regulated under the license agreement.

Based on evaluations made in line with current market conditions and developments as well as comparable practices, it has been concluded that terms of the transactions with related parties defined under the new agreements will positively impact our Company's activities and they are aligned with market conditions.

## **Conclusion**

In accordance with Article 10 of the Capital Markets Board's Corporate Governance Communiqué II-17.1, under the agreements dated 4.11.2024, the amount of common and continuous transactions to be conducted by Tofaş with Stellantis Group companies during 2024 and subsequent years is anticipated to exceed 10% of the revenue amount disclosed in the latest annual financial statements in sales transactions and 10% of cost of sales disclosed in the latest annual financial statements in purchase transactions. This report provides information on the conditions, pricing method, and rationale for selecting this method regarding the transactions expected to be conducted, and their compliance with market conditions.