

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Convenience translation into English of condensed consolidated financial statements for the interim period 1 January – 30 June 2025 together with independent auditor's review report

(Originally issued in Turkish)

**(CONVENIENCE TRANSLATION OF THE REPORT ON REVIEW OF INTERIM FINANCIAL
INFORMATION ORIGINALLY ISSUED IN TURKISH)**

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

To the General Assembly of Tofaş Türk Otomobil Fabrikası A.Ş

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Tofaş Türk Otomobil Fabrikası A.Ş. (“the Company”) and its subsidiaries (together will be referred as “the Group”) as of 30 June 2025 and the related interim condensed consolidated statements of profit or loss, interim condensed consolidated statements of other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month period then ended. Group management is responsible for the preparation and fair presentation of this interim condensed consolidated interim financial information in accordance with Turkish Accounting Standards 34 “Interim Financial Reporting” Standard. Our responsibility is to express a conclusion on this interim condensed consolidated interim financial information based on our review.

Scope of Review

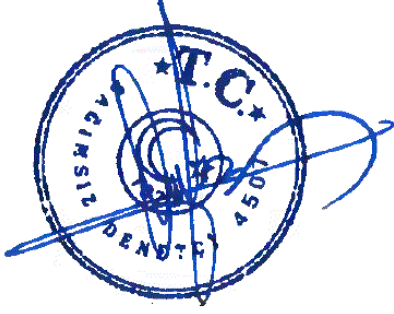
We conducted our review in accordance with Independent Auditing Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and consequently does not enable us to obtain assurance that we would become 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 consolidated financial information is not prepared, in all material respects, in accordance with TAS 34 “Interim Financial Reporting”.

DRT BAGIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Osman Arslan, SMMM
Partner

İstanbul, 28 July 2025

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Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Condensed Consolidated statement of financial position as of 30 June 2025 and 2024

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

		<i>Limited Reviewed</i>	<i>Audited</i>
	Notes	30 June 2025	31 December 2024
ASSETS:			
Current assets:			
Cash and cash equivalents	3	15,984,204	23,003,222
Financial investments		83,382	94,733
Trade receivables		39,410,768	24,367,448
<i>Trade receivables from related parties</i>	19	<i>13,300,511</i>	<i>14,123,984</i>
<i>Trade receivables from third parties</i>	5	<i>26,110,257</i>	<i>10,243,464</i>
Receivables from finance sector operations	6	13,965,711	14,315,237
Other receivables		25,097	1,713
Inventories	7	27,938,566	10,152,052
Prepaid expenses	11	495,796	263,865
Current tax assets		-	714,815
Other current assets		61,746	260,297
Total Current Assets		97,965,270	73,173,382
Non-Current Assets:			
Receivables from finance sector operations	6	5,301,270	5,381,306
Other receivables		1,120	1,201
Investment properties		274,137	274,137
Property, plant and equipment	8	17,729,627	16,899,604
Right-of-use assets		36,458	44,097
Intangible assets		11,463,975	4,857,091
<i>Goodwill</i>	9-22	<i>7,203,569</i>	-
<i>Other intangible assets</i>	9	<i>4,260,406</i>	<i>4,857,091</i>
Prepaid expenses	11	1,374,170	2,098,644
Deferred tax asset	17	6,686,607	4,213,841
Total Non-Current Assets		42,867,364	33,769,921
Total Assets		140,832,634	106,943,303

The consolidated financial statements for the interim accounting period between 1 January - 30 June 2025 were approved at the Board of Directors meeting dated 28 July 2025.

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

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Condensed Consolidated statement of financial position as of 30 June 2025 and 2024

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

		<i>Limited Reviewed</i>	<i>Audited</i>
	Notes	30 June 2025	31 December 2024
Current liabilities:			
Short-term borrowings	4	3,467,281	-
Short-term portion of long-term borrowings	4	12,265,287	12,760,753
Trade payables		42,885,817	13,232,985
<i>Trade payables to related parties</i>	19	<i>18,455,680</i>	<i>4,503,849</i>
<i>Trade payables to third parties</i>	5	<i>24,430,137</i>	<i>8,729,136</i>
Payables related to employee benefits		1,167,608	1,070,349
Other payables	5	5,320,529	111,400
Liabilities arising from customer contracts		520,848	283,119
Deferred income		600,762	402,679
Current income tax liability		124,402	-
Short-term provisions	10	3,738,814	3,003,201
Other current liabilities		697,357	72,753
Total current liabilities		70,788,705	30,937,239
Non-current liabilities:			
Long-term borrowings	4	20,201,419	19,792,391
Long term Liabilities arising from customer contracts		417,240	-
Long-term provisions		1,186,285	1,258,369
<i>Long-term provisions for employee benefits</i>		<i>1,186,285</i>	<i>1,258,369</i>
Total non-current liabilities		21,804,944	21,050,760
Total liabilities		92,593,649	51,987,999
Equity:			
Paid-in capital	12	500,000	500,000
Capital adjustment differences	12	22,799,707	22,799,707
Accumulated other comprehensive income or expenses not to be reclassified to profit or loss		(346,205)	(281,408)
<i>Loss on remeasurement of defined benefit plans</i>		<i>(346,205)</i>	<i>(281,408)</i>
Accumulated other comprehensive income or expenses to be reclassified to profit or loss		(1,928,780)	(19,457)
<i>Cash flow hedge losses</i>		<i>(1,928,780)</i>	<i>(19,457)</i>
Restricted reserves appropriated from profit	12	6,508,335	5,874,945
Prior years' profit		19,103,755	19,989,459
Net profit for the period		1,602,173	6,092,058
Total equity		48,238,985	54,955,304
Total liabilities and equity		140,832,634	106,943,303

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

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Condensed Consolidated statement of profit or loss as of 30 June 2025 and 2024

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

		<i>Limited Reviewed</i>	<i>Not Reviewed</i>	<i>Limited Reviewed</i>	<i>Not Reviewed</i>
	Notlar	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Revenue	13	95,098,254	69,440,343	81,373,452	32,096,230
Cost of sales (-)	13	(89,375,168)	(64,807,750)	(70,166,761)	(28,409,754)
Gross profit from trading activities		5,723,086	4,632,593	11,206,691	3,686,476
Revenue from finance sector operations		5,180,171	2,562,370	5,228,445	2,869,225
Expenses from finance sector operations (-)		(4,234,584)	(2,114,928)	(4,416,169)	(2,447,776)
Gross profit from finance sector operations		945,587	447,442	812,276	421,449
Gross profit		6,668,673	5,080,035	12,018,967	4,107,925
Marketing expenses (-)	14	(4,162,319)	(2,917,241)	(2,541,491)	(927,161)
General administrative expenses (-)	14	(2,108,507)	(1,165,749)	(2,194,496)	(940,840)
Research and development expenses (-)	14	(774,508)	(356,182)	(1,143,458)	(529,187)
Other income from operating activities	15	5,856,108	3,176,059	4,524,992	1,840,062
Other expenses from operating activities (-)	15	(6,145,397)	(3,555,575)	(3,744,969)	(1,377,952)
Operating profit / (loss)		(665,950)	261,347	6,919,545	2,172,847
Income from investing activities		290,579	66,744	111,641	120,967
Operating profit before finance expense		(375,371)	328,091	7,031,186	2,293,814
Finance income	16	6,224,926	3,241,392	6,183,110	2,397,923
Finance expenses(-)	16	(3,322,703)	(2,258,812)	(2,369,908)	(1,058,618)
Net monetary position gain / (losses)	23	(1,261,936)	154,014	(5,443,012)	(2,554,656)
Profit before tax from continuing operations		1,264,916	1,464,685	5,401,376	1,078,463
Current tax income / (expense)		337,257	286,380	444,940	659,865
Tax expense for the period	17	67,268	191,404	(2,396,842)	(521,662)
Deferred tax income	17	269,989	94,976	2,841,782	1,181,527
Net profit for the period		1,602,173	1,751,065	5,846,316	1,738,328
Distribution of net profit for the period:					
Equity holders of the parent		1,602,173	1,751,065	5,846,316	1,738,328
Earnings per share (Kr)	18	3.20	3.50	11.69	3.48

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

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Condensed Consolidated statements of other comprehensive income for the interim periods ended 30 June 2025 and 2024

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

	<i>Limited Reviewed</i>	<i>Not Reviewed</i>	<i>Limited Reviewed</i>	<i>Not Reviewed</i>
	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Net profit for the period	1,602,173	1,751,065	5,846,316	1,738,328
Other comprehensive income:				
Items not to be reclassified to profit or loss				
Remeasurement losses of defined benefit plans	(86,396)	(123,368)	(155,251)	(657,255)
Remeasurement losses of defined benefit plans, tax effect	21,599	30,842	38,813	164,314
Items to be reclassified to profit or loss				
Other comprehensive income/(expense) related to cash flow hedges	(2,524,385)	(1,432,939)	1,019,495	546,439
Other comprehensive income/(expense) related to cash flow hedges, tax effect	631,096	358,235	(254,874)	(136,610)
Other comprehensive income/(expense) (after tax)	(1,958,086)	(1,167,230)	648,183	(83,112)
Total comprehensive income	(355,913)	583,835	6,494,499	1,655,216
Distribution of total comprehensive income:				
Non-controlling interests	(355,913)	583,835	6,494,499	1,655,216

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

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Condensed Consolidated statements of changes in equity for the interim periods ended 30 June 2025 and 2024

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

			Accumulated other comprehensive income and expenses not to be reclassified to profit or loss	Accumulated other comprehensive income and expenses to be reclassified to profit or loss			Retained earnings		
	Paid-in Capital	Capital adjustment differences	Remeasurement losses of defined benefit plans	Cash flow hedge losses	Restricted reserves appropriate d from profit	Prior years' profit	Net profit for the period		Total equity
Balance as of 1 January 2024	500,000	22,799,707	(264,184)	(4,110,479)	4,459,615	13,331,469	25,408,413	-	62,124,541
Transfers	-	-	-	1,172,055	1,415,330	22,821,028	(25,408,413)	-	-
Total comprehensive income	-	-	(116,438)	764,621	-	-	5,846,316	-	6,494,499
Dividends	-	-	-	-	-	(14,639,935)	-	-	(14,639,935)
Balance as of 30 June 2024	500,000	22,799,707	(380,622)	(2,173,803)	5,874,945	21,512,562	5,846,316	-	53,979,105
Balance as of 1 January 2025	500,000	22,799,707	(281,408)	(19,457)	5,874,945	19,989,459	6,092,058	-	54,955,304
Transfers	-	-	-	(16,034)	633,390	5,474,702	(6,092,058)	-	-
Total comprehensive income	-	-	(64,797)	(1,893,289)	-	-	1,602,173	-	(355,913)
Dividends	-	-	-	-	-	(6,360,406)	-	-	(6,360,406)
Balance as of 30 June 2025	500,000	22,799,707	(346,205)	(1,928,780)	6,508,335	19,103,755	1,602,173	-	48,238,985

(*) The cash dividend of 6,360,406 TL, decided to be paid to the shareholders at the General Assembly on 28 February 2025, was paid on 3 April.2025.

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

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Condensed Consolidated statements of cash flows for the interim periods ended 30 June 2025 and 2024
(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 30 June 2025, unless otherwise stated.)

		<i>Limited Reviewed</i>	<i>Limited Reviewed</i>
	Notes	30 June 2025	30 June 2024
A. Cash flows from operating activities		13,326,651	701
Profit for the period		1,602,173	5,846,316
Adjustments to reconcile net profit for the period		3,922,705	10,791,967
- Adjustments related to depreciation and amortization expenses	13,14	3,537,256	4,107,918
- Adjustments related to impairment of receivables	5.6	147,702	88,620
- Adjustments related to interest income	16	(3,020,310)	(4,276,525)
- Adjustments related to inventory impairment, net	7	238,084	77,315
- Adjustments related to gains arising from the disposal of property, plant and equipment		(290,579)	(114,579)
- Adjustments related to employment termination benefits		174,857	269,484
- Adjustments related to litigation provision, net	11	-	6,077
- Adjustments related to guarantee provisions	11	1,424,256	741,852
- Adjustments related to other provisions		170,716	(109,934)
- Adjustments related to interest expenses	16	921,425	67,146
- Adjustments related to tax expense / (income)	17	(337,257)	(444,940)
- Deferred finance income from forward purchases and sales, net		(276,634)	(1,441,455)
- Adjustments related to unrealised foreign currency translation differences		(663,048)	5,460,941
- Adjustments related to monetary loss		1,896,237	6,360,047
Changes in working capital		10,233,075	(12,464,517)
- Adjustments related to decrease/ (increase) in inventories		(10,080,413)	(6,870,474)
- Change in trade receivables from third parties		(2,074,070)	2,145,694
- Change in trade receivables from related parties		(1,084,818)	(1,632,719)
- Change in other receivables from operating activities		(20,935)	(10,049)
- Change in trade payables to third parties		9,507,464	(1,843,599)
- Change in trade payables to related parties		14,565,181	1,323,047
- Adjustments related to increase in liabilities arising from customer contracts		(5,372)	(11,455)
- Change in receivables from finance sector operations		(2,531,408)	(5,669,098)
- Change in prepaid expenses		(156,511)	(124,185)
- Change in deferred income		198,083	70,197
- Change in government incentives and grants		-	(23,351)
- Change in other operating assets		1,173,710	143,357
- Change in other operating liabilities		742,164	38,118
Cash flows generated from operations		15,757,953	4,173,766
- Tax payments		(1,642,055)	(3,550,470)
- Employment termination benefits paid		(18,536)	(94,448)
- Other cash outflows		(770,711)	(528,147)
B. Cash flows generated from investing activities		(13,696,976)	(3,235,062)
- Cash outflows from purchase of property, plant and equipment	8,9	(3,826,004)	(2,303,514)
- Cash inflows from sale of property, plant and equipment		1,102,131	442,796
- Net cash flow effect related to acquisitions aimed at obtaining control of subsidiaries	22	(11,709,392)	-
- Cash advance given		724,938	(1,335,496)
- Change in financial investments		11,351	(38,848)
C. Cash flows from financing activities		(5,074,235)	(6,051,591)
- Cash inflows from borrowing	4	5,851,655	10,019,703
- Cash outflows related to debt payments	4	(6,238,316)	(5,751,259)
- Cash outflows related to debt payments arising from lease agreements	4	(29,017)	(17,863)
- Dividends paid		(6,360,406)	(14,639,935)
- Interest paid		(911,344)	(51,842)
- Other cash outflows (Blocked deposit change)		2,674	(144,339)
- Interest received		2,610,519	4,533,944
D. Effect of foreign currency translation differences on cash and cash equivalents		1,305,827	766,092
Effect of foreign currency translation differences on cash and cash equivalents		(4,138,733)	(8,519,860)
E. Cash and Cash Equivalents at the Beginning of the Period		22,028,358	40,766,582
F. Inflation Effect on Cash and Cash Equivalents		(3,287,402)	(8,289,293)
Cash and Cash Equivalents at the End of the Period	3	14,602,223	23,957,429

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

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

NOTE 1 - ORGANISATION AND OPERATIONS OF THE COMPANY

Tofaş Türk Otomobil Fabrikası A.Ş. (the "Company" or "Tofaş") was established in 1968 as a Turkish-Italian cooperation venture. The core business of the Company is manufacturing, exporting and selling passenger cars and light commercial vehicles. Tofaş, which is a joint venture of Koç Holding A.Ş. ("Koç Holding") and FCA Italy S.p.A (Stellantis), also produces various automotive spare parts used in its automobiles. The Company's head office is located at Büyükdere Cad. No: 145 Zincirlikuyu Şişli, İstanbul. The manufacturing facilities are located at Bursa. Tofaş is registered with the Capital Markets Board ("CMB") and listed on the Istanbul Stock Exchange ("ISE") in 1991 and its shares are currently traded on the Borsa İstanbul A.Ş. ("BIST").

Fiat Chrysler Automobiles signed a merger agreement with the PSA Group at the end of 2019, in which both companies will have a 50% share. Stellantis N.V. was established by merger in January 2021. On 28 July 2023, all closing conditions specified in the Share Purchase Agreement signed between Stellantis Group and Tofaş Türk Otomobil Fabrikası A.Ş. regarding the transfer of all shares of the Company, including the distribution operations in Türkiye of Stellantis brands Peugeot, Citroën, Opel, and DS Automobiles, have been fulfilled, and the transfer of all shares of the Company to Tofaş was completed as of 30 April 2025. The Company conducts a significant portion of its business activities with Koç Holding and Stellantis Group Companies (Note 19).

The Company's subsidiaries as of 30 June 2025 and 2024 which are subject to consolidation are as follows:

Company	Field of activity	Rate of ownership of	
		30 June 2025	31 December 2024
Koç Fiat Kredi Finansman A.Ş. ("KFK")	Consumer financing	100	100
Fer Mas Oto Ticaret A.Ş.	Trading of automobile and spare parts	100	100
Koç Fiat Sigorta Aracılık Hizmetleri A.Ş.	Insurance services	100	100
Stellantis Otomotiv Pazarlama A.Ş. (*)	Sales marketing	100	-

(*) All closing conditions under the Share Transfer Agreement signed between Stellantis Group and Tofaş Türk Otomobil Fabrikası A.Ş. on 28 July 2023 have been fulfilled, and subject to ordinary net cash and working capital adjustments, the transfer of Stellantis Otomotiv Pazarlama AŞ (Stellantis Otomotiv) shares to the Company was completed on 30 April 2025 with a payment of 400 million euros (Note 22).

For interim consolidated financial statements, Tofaş and its consolidated subsidiaries are referred to as the "Group".

The number of personnel employed during the period by categories of the Group is as follows:

	Average		End of Period	
	1 January - 30 June 2025	1 January - 30 June 2024	1 January - 30 June 2025	1 January - 31 December 2024
Hourly-rated	2,988	4,247	2,977	2,996
Monthly-rated	1,588	1,641	1,699	1,506
Total	4,576	5,888	4,676	4,502

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Financial reporting standards applied

The accompanying consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which was published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Financial Reporting Standards ("TFRS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué. In addition, it is also presented in accordance with the TAS taxonomy published by POA on 3 July 2024.

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 30 June 2025, unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.1 Basis of Presentation (cont’d)

2.1.1 Financial reporting standards applied (cont’d)

The Company and Subsidiaries in Turkey maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code (“TCC”), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. These consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the TFRS.

2.1.2 Financial reporting in high inflation economies

With the announcement made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2024, entities that apply TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies for the financial statements for the annual reporting period ending on or after 31 December 2024. In accordance with the CMB's decision dated 28 December 2024 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on 31 December 2024.

TAS 29 is applied to the financial statements, including the consolidated financial statements, of entities whose functional currency is the currency of a hyperinflationary economy. In accordance with the standard, financial statements prepared in the currency of a hyperinflationary economy are stated in terms of the purchasing power of that currency at the balance sheet date. In the prior period financial statements, comparative information is expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Group has presented the consolidated financial statements as of 30 June 2024 and 31 December 2024 on the basis of purchasing power as of 30 June 2025.

The restatement in accordance with TAS 29 has been made by using the adjustment factor derived from the Consumer Price Index (“CPI”) in Turkey published by the Turkish Statistical Institute (“TURKSTAT”). As of 30 June 2025, the indices and adjustment factors used in the restatement of the consolidated financial statements are as follows:

Date	Index	Adjustment Coefficient	Three-year cumulative inflation rates
30.06.2025	3,132.17	1.00000	220%
31.12.2024	2,684.55	1.16674	291%
30.06.2024	2,319.29	1.35049	324%

2.1.3 Comparative information

The financial statements of the Group include comparative financial information to enable the determination of the financial position and performance trends. In order to comply with the presentation of the current period financial statements, comparative information is reclassified, and significant changes are disclosed if necessary.

2.1.4 Functional and reporting currency

The Group’s functional and reporting currency is Turkish Lira (“TL”). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Assets and liabilities in foreign currencies are translated at the exchange rate prevailing at the balance sheet date. Foreign exchange gains and losses from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss.

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 30 June 2025, unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.1 Basis of Presentation (cont’d)

2.1.5 Basis of consolidation

Subsidiaries are entities on which the Group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that control ceases. All gains and losses, inter-group transactions, balances and unrealized gains on transactions between Group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group’s accounting policies.

2.1.6 Significant accounting judgments, estimates and assumptions

In the preparation of the consolidated financial statements, the Group management must make assumptions and estimates that will affect the assets and liabilities reported as of the balance sheet date and determine the liabilities and commitments likely to occur as of the balance sheet date and the income and expense amounts as of the reporting period. Actual results may differ from the assumptions. Estimates are regularly reviewed, necessary adjustments are made and reflected in the profit or loss statement of the period they occur.

Comments that may have significant impact on the amounts reflected in the consolidated financial statements and the significant assumptions and evaluations made by taking into consideration the main sources of the estimates that occurred or may occur in the balance sheet date are as follows:

- a) The Company determines warranty provision by considering the past warranty expenses and remaining warranty period per vehicle. In calculation of the warranty provision; vehicle quantity, warranty period and the historical warranty claims incurred are considered. As of 30 June 2025 the amount of guarantee expense is TL 1,424,256 (30 June 2024: TL 741,852) (Note 10).
- b) The Group’s subsidiary KFK management, as a result of the evaluations made on the loans given, allocates a certain provision for the losses that may arise from the receivables whose collection is deemed doubtful. Impairment and uncollectibility risk are calculated separately for each individually significant loan. In the condensed consolidated financial statements as of 30 June 2025, there is a general loan loss provision amounting to TL 216,453 for receivables from finance sector operations (31 December 2024: 176,272) (Note 6).
- c) The cost of defined benefit plans is determined using actuarial valuations which involve making assumptions about discount rates, future salary increases and employee turnover. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.
- d) When allocating provisions for lawsuits, the probability of losing the lawsuits and the liabilities that will arise in case of loss are evaluated by the Group management by taking the opinions of the Group Legal Counsel and experts. The Group management determines the amount of provision for litigation based on the best estimates.
- e) The data in the discounted price list are used to calculate inventory impairment. If expected net realizable value is less than cost, the Group allocates provisions for inventory impairment.
- f) Group management has made assumptions based on the experience of the technical staff in determining the useful life of property, plant and equipment and intangible assets.
- g) Deferred tax assets and liabilities are recognized for temporary differences between the carrying amounts of assets and liabilities in the financial statements using substantially enacted tax rates. Based on the available evidence, it has been assessed that it is probable that some or all of the deferred tax assets may or may not be realized in cash. The main factors considered include the potential for future income, accumulated losses from prior years, tax planning strategies to be implemented if necessary, and the nature of the income that can be used to convert the deferred tax asset into cash.

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 30 June 2025, unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.1 Basis of Presentation (cont’d)

2.1.6 Significant accounting judgments, estimates and assumptions (cont’d)

- h) The Group capitalizes ongoing development expenditures and assesses annually whether there is any impairment on these capitalized assets. As at 30 June 2025 and 31 December 2024, no impairment has been identified for capitalized development expenditures.

2.2 New and Amended Turkish Financial Reporting Standards

- a) Amendments that are mandatorily effective from 2025

Amendments to TAS 21

Lack of Exchangeability

Amendments to TAS 21 *Lack of Exchangeability*

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Amendments are effective from annual reporting periods beginning on or after 1 January 2025.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

- b) New and revised TFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17

Insurance Contracts

Amendments to TFRS 17

Initial Application of TFRS 17 and TFRS 9 — Comparative Information

TFRS 18

Presentation and Disclosures in Financial Statements

TFRS 17 *Insurance Contracts*

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 *Insurance Contracts* on 1 January 2026.

Amendments to TFRS 17 *Insurance Contracts* and *Initial Application of TFRS 17 and TFRS 9 — Comparative Information*

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before. Amendments are effective with the first application of TFRS 17.

TFRS 18 *Presentation and Disclosures in Financial Statements*

TFRS 18 includes requirements for all entities applying TFRS for the presentation and disclosure of information in financial statements. Applicable to annual reporting periods beginning on or after 1 January 2027

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 30 June 2025, unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.3 Summary of significant accounting policies

Interim condensed consolidated financial statements for the period ending 30 June 2025 have been prepared in accordance with TAS 34 standard for the preparation of interim financial statements of TMS/TFRS.

The accounting policies used in the preparation of these condensed interim consolidated financial statements as of and for the period ended 30 June 2025 are consistent with those used in the preparation of annual consolidated financial statements as of and for the year ended 31 December 2024. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements as of and for the year ended 31 December 2024. In addition, details of the accounting policy applied by the company in regard to the acquisition of its subsidiary during the current period are disclosed below.

Business Combinations

The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized as expenses as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with TAS 12 Income Taxes and TAS 19 Employee Benefits, respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with TFRS 2 Share-based Payment at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 30 June 2025, unless otherwise stated.)

2.3 Summary of significant accounting policies (cont’d)

Business Combinations (cont’d)

Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the ‘measurement period’ (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is measured to fair value at subsequent reporting dates with changes in fair value recognized in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated income statement. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group has calculated a temporary goodwill as of 30 June 2025, as it is within the measurement period for the acquisition of a subsidiary completed on 30 April 2025 (Note :22)

2.4 Changes in significant accounting policies

The accounting policy changes arising from the first-time adoption of a new standard are applied retrospectively or prospectively in accordance with the transitional provisions, if any. Changes with no transition provisions, significant voluntary changes in accounting policy or accounting errors detected are applied retrospectively and prior period financial statements are restated. If changes in accounting estimates are related to only one period, they are recognized in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

NOTE 3 - CASH AND CASH EQUIVALENTS

	30 June 2025	31 December 2024
Bank		
-Time deposits	9,694,497	21,635,102
-Demand deposits	5,334,611	410,350
-Blocked demand deposits	954,965	957,747
-Blocked time deposit	131	23
Total	15,984,204	23,003,222

The breakdown of time deposits as of 30 June 2025 and 31 December 2024 is as follows:

	30 June 2025		31 December 2024	
	Amount	Annual interest rate (%)	Amount	Annual interest rate (%)
EUR	2,658,454	0,85%-2,5%	7,260,947	0,4%-1,25%
TL	7,036,043	40,00%-47,50%	14,374,155	46,5%-48,75%
	9,694,497		21,635,102	

As of 30 June 2025, the maturities of time deposits is 1 day. (31 December 2024: 2 days).

As at 30 June 2025, time and demand deposits amounting to TL 3,216,356 (31 December 2024: TL 2,126,262) are held at the bank which is a related party (Note 19).

As of 30 June 2025 and 2024, the reserves of cash and cash equivalent in cash flow statement:

	30 June 2025	30 June 2024
Cash and Banks	15,984,204	24,880,024
Less: interest accruals	(426,885)	(29,801)
Less: blocked deposits	(955,096)	(892,794)
	14,602,223	23,957,429

As of 30 June 2025, there are blocked deposits amounting to TL 955,096 (31 December 2024: 957,770 TL). TL 954,965 of this amount consists of the reserve requirement of the Central Bank of the Republic of Turkey (31 December 2024: TL 957,747).

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

NOTE 4 - FINANCIAL LIABILITIES

a) Short-term financial liabilities

	30 June 2025			31 December 2024		
	Foreign currency amount (thousand)	TL equivalent	Annual interest rate (%)	Foreign currency amount (thousand)	TL equivalent	Annual interest rate (%)
TL loans (*)	3,467,281	3,467,281	51.00	-	-	-
	3,467,281	3,467,281			-	

b) Short-term portion of long-term financial liabilities

	30 June 2025			31 December 2024		
	Foreign currency amount (thousand)	TL equivalent	Annual interest rate (%)	Foreign currency amount (thousand)	TL equivalent	Annual interest rate (%)
TL loans (*)	-	8,041,699	45,23-68,47	-	8,697,494	45,72-74,34
EUR loans	29,126	1,357,494	3,26 -6,8	34,718	1,488,363	3,26 -6,8
Bonds issued (1,2,3,4,5,6,7)	-	2,834,511	43,50-54,37	-	2,554,596	35,98-54,37
Short-term portions of long-term lease liabilities	-	31,583		-	20,300	-
	29,126	12,265,287		34,718	12,760,753	

c) Long-term financial liabilities

	30 June 2025			31 December 2024		
	Foreign amount (thousand)	TL equivalent	Annual interest rate (%)	Foreign amount (thousand)	TL equivalent	Annual interest rate (%)
EUR loans	239,308	11,153,508	3,26 -6,8	249,928	10,714,276	3,26 -6,8
TL loans (*)	-	8,293,557	45,23-68,47	-	8,208,530	45,72-74,34
Bonds issued (1,2,3,4,5,6)	-	749,330	39,00-52,85	-	845,579	39,00-52,85
Short-term portions of long-term lease liabilities	-	5,024		-	24,006	-
	239,308	20,201,419		249,928	19,792,391	

(*) The whole short-term and long-term bank borrowings amounting to TL 16,335,256 (31 December 2024: TL 16,906,024) which are denominated in TL comprise bank borrowings obtained by KFK, consolidated subsidiary, to finance consumer financing loans as of 30 June 2025.

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

NOTE 4 - FINANCIAL LIABILITIES (cont'd)

- (1) The Group issued a bond with a nominal payment of TL 290,000 with a nominal interest rate of 52.85% and a maturity of 24 months on 7 September 2023.
- (2) The Group issued a bond with a nominal payment of TL 650,000 with a nominal interest rate of 48.50% and a maturity of 24 months on 7 December 2023.
- (3) The Group issued a 13-month maturity bond with a nominal interest rate of 48.75% and a nominal payment of 400,000 TL on 6 August 2024.
- (4) The Group issued a bond with a nominal payment of TL 350,000 with a nominal interest rate of 46.50% and a maturity of 15 months on 26 November 2024.
- (5) The Group issued a bond with a nominal payment of TL 360,000 with a nominal interest rate of 48.80% and a maturity of 18 months on 25 December 2024.
- (6) The Group issued a bond with a nominal payment of TL 300,000 with a nominal interest rate of 45.50% and a maturity of 15 months on 7 January 2025.
- (7) The Group issued a bond with a nominal payment of TL 700,000 with a nominal interest rate of 53,94 % and a maturity of 16 months on 30 April 2025.

As of 30 June 2025, the interest rate on TL and EUR loans is fixed.

As of 30 June 2025, TL 1,048,300 (31 December 2024: TL: 1,500,365) of short-term and long-term financial liabilities are obtained through banks which are related parties of the Group (Note 19).

The redemption schedule of the long-term bank borrowings and bonds as of 30 June 2025 and 31 December 2024 is as follows:

	30 June 2025	31 December 2024
Between 1-2 years	10,242,434	10,347,821
Between 2-3 years	2,239,929	2,073,543
Between 3-4	1,719,738	1,468,973
Between 4-5	1,719,738	1,469,281
Over 5 years	4,274,556	4,408,767
	20,196,395	19,768,385

The movement of financial liabilities as of 30 June 2025 and 30 June 2024 is as follows:

	30 June 2025	30 June 2024
1 January	32.553.144	19.929.244
Financial liabilities recognized as a result of the acquisition of Stellantis Otomotiv Pazarlama A.Ş. (Note: 22)	5.556.636	-
Cash flow effect, net	(386.661)	4.268.444
Effect of unrealised foreign exchange differences	3.167.164	4.441.446
Changes in TFRS 16 lease liabilities	(29.017)	(17.863)
Change in accrual of interest	10.081	15.304
Inflation effect	(4.937.360)	(4.544.836)
	35.933.987	24.091.739

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

NOTE 5 - TRADE RECEIVABLES AND PAYABLES

a) Trade receivables from third parties

	30 June 2025	31 December 2024
Buyers	26,417,048	10,463,292
Doubtful trade receivables	17,758	20,719
Less: provision for doubtful receivables	(17,618)	(18,806)
Less: unearned finance income from forward sales	(306,931)	(221,741)
	26,110,257	10,243,464

The movement of provision for doubtful receivables is as follows:

	30 June 2025	30 June 2024
1 January	18,806	21,636
Change during the period, net	1,575	-
Inflation effect	(2,763)	(4,288)
	17,618	17,348

Collaterals received related with trade receivables

As of 30 June 2025, the Group has letters of guarantee amounting to TL 924,465, guarantee cheques amounting to TL 2,224, mortgages amounting to TL 1,832, direct borrowing system limit (payment guarantee limit granted by the bank to its customer according to the transaction volume) amounting to TL 11,053,677, (31 December 2024: Letter of guarantee amounting to TL 545,477, guarantee cheques amounting to TL 2,595 mortgage amounting to TL 2,197, direct borrowing system limit amounting to TL 5,745,391).

b) Trade payables to third parties

	30 June 2025	31 December 2024
Trade payables	24,460,434	8,766,872
Less: unrealised finance expense on credit purchases	(30,297)	(37,736)
	24,430,137	8,729,136

c) Other payables

	30 June 2025	31 December 2024
Contingent liabilities recognized as a result of the acquisition of Stellantis Otomotiv Pazarlama A.Ş. (*)	5,243,419	-
Taxes, fees and deductions payable	76,577	98,916
Other	533	12,484
	5,320,529	111,400

(*) It comprises the contingent consideration to be transferred by the Group in connection with the acquisition of the subsidiary, Stellantis Otomotiv Pazarlama A.Ş. (Note:22)

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

NOTE 6 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS

	30 June 2025	31 December 2024
Short-term consumer finance loans	13,800,465	14,190,964
Doubtful loans	524,621	436,459
	14,325,086	14,627,423
Special provisions	(205,181)	(186,888)
General provisions	(154,194)	(125,298)
	13,965,711	14,315,237
Long-term consumer finance loans	5,363,529	5,432,280
General provisions	(62,259)	(50,974)
	5,301,270	5,381,306

As of 30 June 2025, interest rates on loans to consumers are fixed and range between 0.01% - 8.67% (31 December 2024: 0.01% - 8.96%) per month for TL loans.

The maturities of long-term consumer financing loans are as follows:

	30 June 2025	31 December 2024
Between 1-2 years	4,192,994	4,366,140
Between 2-3 years	1,010,561	1,015,166
Between 3-4 years	97,392	-
Over 4 years	323	-
	5,301,270	5,381,306

Movements in the allowance for loan impairment are as follows:

	30 June 2025	30 June 2025
1 January	363,160	200,224
Provision allocated during the period	146,127	88,620
Collected during the year (-)	(30,234)	(3,221)
Inflation Effect	(57,419)	(45,519)
Total	421,634	240,104

The Group has obtained pledge rights as a guarantee for its consumer financing loans. up to total amount of receivables. depending on the agreement between the Group and the consumers. As of 30 June 2025, the fair value of guarantees obtained for the consumer loans amounting to TL 25,916,723 (31 December 2024: TL 27,345,963). Furthermore, the Group obtains mortgage guarantees where necessary. The Group has mortgage guarantee on vehicles for all consumer financing loans that Group booked special provision amounting to TL 286,569 (31 December 2024: TL 232,130) as of 30 June 2025.

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

NOTE 7 – INVENTORIES

	30 June 2025	31 December 2024
Raw materials	5,149,702	2,640,729
Work-in-progress	420,938	2,442,738
Goods	933,988	568,007
Imported vehicles	8,641,951	2,088,557
Spare parts	2,317,407	1,150,886
Goods in transit	11,152,812	1,570,594
Provision for inventory impairment (-)	(678,232)	(309,459)
	27,938,566	10,152,052

Movements in the provision for impairment on inventory are as follows:

	30 June 2025	30 June 2024
1 January	309,459	221,396
Provision for inventory impairment recognized as a result of the acquisition of a subsidiary of Stellantis Otomotiv Pazarlama A.Ş.	130,689	-
Movements during the period, net	238,084	77,315
	678,232	298,711

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 30 June 2025, unless otherwise stated.)

NOTE 8 - PROPERTY. PLANT AND EQUIPMENT

The movement of property, plant and equipment and the accumulated depreciation for three months period ended 30 June 2025 is as follows:

	Land, land improvements and buildings	Machinery and equipments	Furniture and fixtures	Vehicles	Leasehold improvements	Construction in progress	Total
As of 1 January							
Cost	10,768,089	97,660,797	11,212,637	2,057,111	286,246	1,006,006	122,990,886
Accumulated depreciation	(7,357,732)	(87,997,470)	(9,734,951)	(792,116)	(209,013)	-	(106,091,282)
1 January 2025, net book value	3,410,357	9,663,327	1,477,686	1,264,995	77,233	1,006,006	16,899,604
Additions	25,584	649	833	312,874	-	2,284,009	2,623,949
Assets acquired by business combinations (Note: 22)	175,582	-	5,110	714,125	-	-	894,817
Disposal cost	-	(81,561)	(40,904)	(1,028,224)	-	-	(1,150,689)
Depreciation of disposals	-	81,561	40,703	216,873	-	-	339,137
Transfers	29,719	1,677,353	140,039	137,944	-	(1,985,055)	-
Depreciation expense	(99,486)	(1,368,897)	(227,905)	(175,836)	(5,067)	-	(1,877,191)
30 June 2025, net book value	3,541,756	9,972,432	1,395,562	1,442,751	72,166	1,304,960	17,729,627
Cost	10,998,974	99,257,238	11,317,715	2,193,830	286,246	1,304,960	125,358,963
Accumulated depreciation	(7,457,218)	(89,284,806)	(9,922,153)	(751,079)	(214,080)	-	(107,629,336)
30 June 2025, net book value	3,541,756	9,972,432	1,395,562	1,442,751	72,166	1,304,960	17,729,627

As of 30 June 2025, there are no pledges or collaterals on property, plant and equipment (30 June 2024: None).

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 30 June 2025, unless otherwise stated.)

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT (cont’d)

The movement of property, plant and equipment and the accumulated depreciation for three months period ended 30 June 2024 is as follows:

	Land, land improvements and buildings	Machinery and equipments	Furniture and fixtures	Vehicles	Leasehold improvements	Construction in progress	Total
As of 1 January							
Cost	10,688,414	95,183,439	10,932,155	1,876,074	283,356	950,684	119,914,122
Accumulated depreciation	(7,176,197)	(87,441,657)	(9,498,558)	(747,836)	(199,116)	-	(105,063,364)
1 January 2024, net book value	3,512,217	7,741,782	1,433,597	1,128,238	84,240	950,684	14,850,758
Additions	-	1,417	710	7,943	-	1,795,986	1,806,056
Disposal cost	(1,596)	(539,441)	(106,147)	(274,076)	-	-	(921,260)
Depreciation of disposals	1,361	422,432	60,811	108,439	-	-	593,043
Transfers	20,411	132,445	57,936	514,502	-	(725,294)	-
Depreciation expense	(93,479)	(1,320,558)	(234,093)	(206,547)	(4,833)	-	(1,859,510)
30 June 2024, net book value	3,438,914	6,438,077	1,212,814	1,278,499	79,407	2,021,376	14,469,087
As of 31 June							
Cost	10,707,229	94,777,860	10,884,654	2,124,443	283,356	2,021,376	120,798,918
Accumulated depreciation	(7,268,315)	(88,339,783)	(9,671,840)	(845,944)	(203,949)	-	(106,329,831)
30 June 2024, net book value	3,438,914	6,438,077	1,212,814	1,278,499	79,407	2,021,376	14,469,087

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 30 June 2025, unless otherwise stated.)

NOTE 9 – INTANGIBLE ASSETS

The movement table of intangible assets for the interim periods ending as of 30 June 2025 and 2024 is as follows:

Goodwill

Cost value	2025	2024
Cost value at the beginning of the period	-	-
Additional amount from business combinations during the period (Note: 22)	7,203,569	-
Closing value	7,203,569	-

Other intangible assets

	Development costs	Licenses and Other	Total
As of 1 January 2025			
Cost	63,483,952	6,651,729	70,135,681
Accumulated amortization	(59,056,976)	(6,221,614)	(65,278,590)
1 January 2025, net book value	4,426,976	430,115	4,857,091
Additions	1,174,157	27,898	1,202,055
Assets acquired by business combinations (Note:22)	-	534	534
Amortization expense	(1,735,713)	(63,561)	(1,799,274)
30 June 2025, net book value	3,865,420	394,986	4,260,406
As of 30 June			
Cost	64,658,109	6,680,161	71,338,270
Accumulated amortization	(60,792,689)	(6,285,175)	(67,077,864)
30 June 2025, net book value	3,865,420	394,986	4,260,406

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

NOTE 9 – INTANGIBLE ASSETS (cont'd)**Other intangible assets (cont'd)**

	Development costs	Licenses and Other	Total
As of 1 January 2024			
Cost	61,981,961	6,503,152	68,485,113
Accumulated amortization	(55,206,234)	(6,099,190)	(61,305,424)
1 January 2024, net book value	6,775,727	403,962	7,179,689
Additions	426,253	71,205	497,458
Amortization expense	(2,187,945)	(60,461)	(2,248,406)
30 June 2024, net kayıtlı değer	5,014,035	414,706	5,428,741
As of 30 June			
Cost	62,408,214	6,574,357	68,982,571
Accumulated amortization	(57,394,179)	(6,159,651)	(63,553,830)
30 June 2024, net book value	5,014,035	414,706	5,428,741

NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**Short-term debt provisions:**

	30 June 2025	31 December 2024
Provision for warranty claims	2,883,382	2,608,677
Provision for legal cases	165,225	113,733
Other	690,207	280,791
	3,738,814	3,003,201

Movement table of the warranty provision is as follows:

	30 June 2025	30 June 2024
1 January	2,608,677	2,932,467
Paid during the period	(770,711)	(528,147)
Increase during the year (Note:14)	1,424,256	741,852
Inflation effect	(378,840)	(606,279)
	2,883,382	2,539,893

Movement table of the provision for litigation is as follows:

	30 June 2025	30 June 2024
1 January	113,733	37,021
Provision for litigation recognized as a result of the acquisition of Stellantis Otomotiv Pazarlama A.Ş. Subsidiary	69,726	-
Movement during the year, net	-	6,077
Inflation effect	(18,234)	(7,341)
	165,225	35,757

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

Short-term debt provisions (cont'd)

Litigations against the Group

As of 30 June 2025, the total amount of outstanding legal claims brought against the Group is TL 31,027 (31 December 2024: TL 36,200), The Group has reflected a reserve amounting to TL 160,726 (31 December 2024: TL 113,733) in the financial statements.

Guarantees, pledges, mortgages and sureties:

As at 30 June 2025 and 31 December 2024, guarantees, pledges, mortgages and sureties ("GPMs") given by the Group are as follows in original currencies:

	30 June 2025			31 December 2024		
	TL equivalent	EUR	TL	TL equivalent	EUR	TL
A. Total Amount of CPM Given for Its Own Legal Entity	625,633	2,003	532,295	784,512	2,000	698,773
B. Total Amount of CPM Given on Behalf of the Fully Consolidated Entities						
on Behalf of the Fully Consolidated Entities	-	-	-	-	-	-
C. Total Amount of CPM Given on Behalf of Third Parties Debts for Continuation of Their Economic Activities	-	-	-	-	-	-
Their Economic Activities	-	-	-	-	-	-
D. Total Other CPM Given	-	-	-	-	-	-
i. Total CPM Given on Behalf of the Parent Company	-	-	-	-	-	-
ii) Total CPM Given on Behalf of Other Group Companies which are not included in the Scope of Items B and C	-	-	-	-	-	-
iii. Total CPM Given on Behalf of Third Parties which are not included in the Scope of Items C	-	-	-	-	-	-
Total	625,633	2,003	532,295	784,512	2,000	698,773

As of 30 June 2025 and 31 December 2024, the ratio of other GPMs given by the Group to the Group's equity is zero.

Other

Within the scope of the export incentive certificate dated 04 March 2021 and numbered 2021/D1-01051, which provides an export commitment of full 3,288,142,000 USD to be realized until 30 April 2024, full 2,918,148,554 USD has been exported. Within the scope of the export incentive certificate, which provides an import commitment of full 1,950,184,800 USD, full 1,491,043,569 USD has been imported.

Within the scope of the export incentive certificate dated 21 February 2023 and numbered 2023/D1-01035, which provides an export commitment of full 2,070,948,000 USD to be realized by 05 April 2025, full 885,463,250 USD has been exported. Within the scope of the export incentive certificate, which provides an import commitment of full 955,230,840 USD, full 299,379,705 USD has been imported.

Within the scope of the export incentive certificate dated 22 November 2024 and numbered 2024/D1-06175, which provides an export commitment of full 1,748,667,200 USD to be realized by 22 November 2025, full 150,301,941 USD of export has been realized. Within the scope of the export incentive certificate, which provides an import commitment of full 1,127,480,951 USD, full 72,738,221 USD has been imported.

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

NOTE 11 - PREPAID EXPENSES AND INCOME, OTHER ASSETS AND LIABILITIES

a) Short-term prepaid expenses

	30 June 2024	31 December 2024
Order advances given	139,478	41,619
Prepaid insurance and dealer expenses	356,318	222,246
	495,796	263,865

b) Long-term prepaid expenses

As of 30 June 2025, long term prepaid expenses amounting to TL 1,374,170 (31 December 2024: TL 2,098,644) consist of advances given for the purchase of property, plant and equipment amounting to TL 1,357,658 (31 December 2024: TL 2,082,596).

NOTE 12 - SHAREHOLDER'S EQUITY

Share capital

Registered capital ceiling of the Company is 1,000,000,000 (exact TL). The Company's historical authorized and issued share capital as of 30 June 2025 and 31 December 2024 is KTL 500,000,000 (exact TL) and consists of 50 billion shares with TL 0.01 (exact TL) par value each. As of 30 June 2025 and 31 December 2024, the breakdown of issued share capital of the Company is as follows:

	Share group	30 June 2025		31 December 2024	
		Amount (TL)	Amount (%)	Amount (TL)	Amount (%)
Stellantis Europe SPA	D	189,280	37.856	189,280	37.856
Koç Holding A.Ş.	A	188,115	37.623	188,115	37.623
Koç Group Companies and Koç Family	A	1,166	0.233	1,166	0.233
Other, including publicly traded shares	E	121,439	24.288	121,439	24.288
Total		500,000	100.000	500,000	100.000

Half of the Board of Directors' ("BoD") members are required to be elected from the nominees of A group shareholders, while the remaining half is to be nominated by D group shareholders. The General Assembly is authorized for determining the number and election of BoD members. At least one nominee from both A and D type of shareholders have to fulfill the requirements of an independent member as prescribed by the CMB legislation.

The historical values and inflation adjustment effects of the following equity accounts under the Company's balance sheet, in accordance with IFRS and Tax Law financial statements, as of 30 June 2025, are as follows:

30 June 2025 (IFRS)	Historical Value	Inflation adjustment effect	Indexed value
Share capital	500,000	22,799,707	23,299,707
Restricted reserves appropriated from profit	2,608,081	3,900,254	6,508,335

30 June 2025 (TPL)	Historical Value	Inflation adjustment effect	Indexed value
Share capital	500,000	15,621,312	16,121,312
Restricted reserves appropriated from profit	2,608,081	4,374,616	6,982,697

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

NOTE 13 - SALES AND COST OF SALES**a) Net sales**

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Domestic sales	79,864,807	59,538,244	59,426,661	24,601,554
Foreign sales	10,922,330	6,612,012	18,081,507	6,078,206
Other	4,311,117	3,290,087	3,865,284	1,416,470
	95,098,254	69,440,343	81,373,452	32,096,230

The amount of sales discounts is TL 14,765,908 (30 June 2024: TL 5,339,859).

b) Production and sales quantities

	Production		Sales	
	June 2025	June 2024	June 2025	June 2024
Manufactured vehicles				
Egea	22,903	40,812	22,856	39,199
K0 Scudo	22,861	-	21,966	-
Egea Hatchback	13,686	17,770	13,581	17,469
Egea Stationwagon	-	3,817	1	3,496
MCV	-	32,254	4	29,499
Yeni Doblo	-	-	-	1
Total	59,450	94,653	58,408	89,664

	Import		Sales	
	June 2025	June 2024	June 2025	June 2024
Imported vehicles				
Peugeot	14,318	-	14,540	-
Citroen	13,721	-	12,955	-
Opel	11,570	-	11,143	-
Doblo	11,428	5,037	10,875	4,525
Ducato	4,608	3,277	4,550	3,224
Jeep	1,069	1,478	1,243	1,626
Alfa Romeo	568	260	702	390
Scudo	379	551	320	523
Fiat Topolino	378	337	422	270
Fiat 600	237	2	197	2
Transit	13	-	13	-
Maserati	15	121	46	133
Ferrari	12	15	12	15
Ulysse	-	263	2	296
Panda Futura	-	91	-	90
Fiat 500	-	47	194	160
DS	315	-	281	-
Toplam	58,631	11,479	57,495	11,254

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

NOTE 13 - SALES AND COST OF SALES (cont'd)**c) Cost of sales**

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Direct material expenses	(30,123,675)	(17,198,785)	(46,415,786)	(18,884,041)
Depreciation and amortization expense	(3,057,521)	(1,563,105)	(3,342,620)	(1,598,464)
Direct labor expenses	(830,309)	(454,143)	(1,246,593)	(604,001)
Other production expenses	(1,819,822)	(980,499)	(2,179,289)	(1,118,823)
Total cost of production	(35,831,327)	(20,196,532)	(53,184,288)	(22,205,329)
Cost of trade goods sold	(51,888,022)	(44,935,224)	(17,436,679)	(15,378,393)
Change in work-in-process	(2,021,800)	(34,655)	(1,987,543)	(3,848,418)
Change in goods	365,981	358,661	2,441,749	13,022,386
Total	(89,375,168)	(64,807,750)	(70,166,761)	(28,409,754)

NOTE 14 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING EXPENSES, GENERAL ADMINISTRATIVE EXPENSES

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Marketing expenses	(4,162,319)	(2,917,241)	(2,541,491)	(927,161)
General administrative expenses	(2,108,507)	(1,165,749)	(2,194,496)	(940,840)
Research and development expenses	(774,508)	(356,182)	(1,143,458)	(529,187)
	(7,045,334)	(4,439,172)	(5,879,445)	(2,397,188)

a) Marketing Expenses

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Warranty expenses (Note:10)	(1,424,256)	(949,555)	(741,852)	(128,831)
Transportation and insurance expenses	(1,234,072)	(908,921)	(756,625)	(129,597)
Advertisement expenses	(671,767)	(592,474)	(179,386)	(84,666)
Personnel expenses	(569,659)	(307,745)	(597,181)	(459,109)
Depreciation and amortization	(21,368)	(10,333)	(26,434)	(12,225)
Travel expenses	(22,834)	(12,831)	(22,680)	(12,278)
Other	(218,363)	(135,382)	(217,333)	(100,455)
Total	(4,162,319)	(2,917,241)	(2,541,491)	(927,161)

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

NOTE 14 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING EXPENSES, GENERAL ADMINISTRATIVE EXPENSES (cont'd)

b) General Administrative Expenses

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Personnel expenses	(796,260)	(410,139)	(880,259)	(377,381)
Depreciation and amortization	(430,140)	(189,543)	(630,761)	(283,431)
Outsourced expenses	(436,878)	(362,846)	(118,509)	(33,198)
Maintenance and repair expenses	(67,376)	(34,297)	(113,750)	(19,267)
Insurance expenses	(35,362)	(2,006)	(96,087)	(40,706)
Taxes, duties and charges	(23,855)	(2,029)	(43,537)	(12,236)
Travel expenses	(16,377)	(8,101)	(19,756)	(7,608)
Other	(302,259)	(156,788)	(291,837)	(167,013)
	(2,108,507)	(1,165,749)	(2,194,496)	(940,840)

c) Research and development expenses

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Personnel expenses	(611,518)	(290,071)	(767,390)	(352,319)
Outsourced R&D expenses	(38,055)	(7,231)	(140,551)	(48,881)
Depreciation and amortization expenses	(28,227)	(15,824)	(51,025)	(23,151)
Prototype Expenses	(15,535)	(5,246)	(62,827)	(55,084)
Transport and travel expenses	(12,485)	(8,056)	(27,859)	(13,074)
Energy expenses	(4,525)	(1,995)	(7,887)	(3,637)
Other	(64,163)	(27,759)	(85,919)	(33,041)
	(774,508)	(356,182)	(1,143,458)	(529,187)

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

NOTE 15 - OTHER INCOME AND EXPENSES FROM MAIN OPERATIONS

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Foreign exchange income from operating activities	4,380,338	2,345,317	1,014,502	236,025
Maturity difference income from operating activities	1,398,034	779,442	2,896,343	1,280,864
Other	77,736	51,300	614,147	323,173
Total	5,856,108	3,176,059	4,524,992	1,840,062
	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Foreign exchange expenses from operating activities	(5,018,346)	(3,073,447)	(1,832,468)	(459,850)
Maturity difference expenses from operating activities	(391,502)	(202,891)	(1,454,887)	(741,061)
Other	(735,549)	(279,237)	(457,614)	(177,041)
Total	(6,145,397)	(3,555,575)	(3,744,969)	(1,377,952)

NOTE 16 - FINANCE INCOME / EXPENSES

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Foreign exchange income	3,204,616	2,175,141	1,906,585	452,567
Interest income	3,020,310	1,066,251	4,276,525	1,945,356
Total finance income	6,224,926	3,241,392	6,183,110	2,397,923
	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Foreign exchange expenses	(2,400,072)	(1,484,108)	(2,300,586)	(1,016,466)
Interest expenses	(921,425)	(774,138)	(67,146)	(41,116)
Other	(1,206)	(566)	(2,176)	(1,036)
Total finance expenses	(3,322,703)	(2,258,812)	(2,369,908)	(1,058,618)
Finance income, net	2,902,223	982,580	3,813,202	1,339,305

NOTE 17 - TAX ASSETS AND LIABILITIES**Current tax expense and deferred tax**

Tax expense includes current tax expense and deferred tax expense. Tax is included in the income statement, provided that it is not directly related to a transaction accounted for under equity. Otherwise, the tax is accounted for under the equity, together with the related transaction.

Current tax expense is calculated by taking into account the tax legislation, in force as of the financial statement date, in respective countries where the investments of the subsidiaries and investments accounted for by the equity method are active. According to Turkish tax legislation, all legal or business centers and institutions in Turkey, are subject to Corporate Income Tax.

In the Turkish taxation system, financial losses may be offset against taxable profits for up to next five years while may not be offset (retrospectively) from previous years' earnings.

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 30 June 2025, unless otherwise stated.)

NOTE 17 - TAX ASSETS AND LIABILITIES (cont’d)

In addition, to be deducted from the corporate tax, a provisional tax of 25% is paid over the tax bases declared in the interim periods during the year in 2025 (31 December 2024: 25%).

As of 30 June 2025 and 31 December 2024, tax provision has been made in accordance with the applicable tax legislation.

The Company recognizes deferred tax based upon temporary differences arising between its financial statements and its statutory tax financial statements by using liability method. In the calculation of deferred tax, the tax rates valid as of the date of the statement of financial position are used in accordance with the current tax legislation.

As of 30 June 2025, a tax rate of 25% (31 December 2024: 25%) has been used in the deferred tax calculation.

While deferred tax liability is calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by generating taxable profit in the future.

Provided that they are subject to the tax legislation of the same country and there is a legally enforceable right to set off current tax assets from current tax liabilities, deferred tax assets and liabilities are mutually offset.

Tax assets and liabilities

Corporate tax

The Company and its subsidiaries established in Turkey and other countries in the scope of consolidation, associates, and joint ventures are subject to the tax legislation and practices in force in the countries they are operating.

The corporate tax rate in Turkey is 25%. The corporate tax rate is applied to the net corporate income calculated as a result of adding non-deductible expenses in accordance with the tax laws to the trade income of the corporations and deducting the exceptions and deductions in the tax laws. Corporate tax is declared until the evening of the thirtieth day of the fourth month following the end of the relevant year and is paid in a single installment until the end of the relevant month.

Companies calculate a provisional tax of 25% on their quarterly financial profits and declare it by the 17th day of the second month following that period and pay it by the evening of the seventeenth day. The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated over the corporate tax return to be submitted in the following year. If the amount of temporary tax paid remains despite the deduction, this amount can be refunded in cash or set off against any other financial liabilities to the government.

Corporate tax losses can be carried forward for a maximum period of 5 years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

10% withholding applies to dividends distributed by resident real persons, those who are not liable to income and corporation tax, non-resident real persons, non-resident corporations and non-resident corporations exempted from income and corporation tax. Dividend distribution by resident corporations to resident corporations is not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

NOTE 17 - TAX ASSETS AND LIABILITIES (cont'd)

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis. As of 30 June 2025 and 31 December 2024, taxes payable are netted off for each Subsidiary and classified separately in the consolidated financial statements.

The breakdown of the tax expense reflected in the consolidated statement of profit or loss for the periods ending 30 June 2025 and 2024 is presented below:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Current tax income / (expense)	67,268	191,404	(2,396,842)	(521,662)
Deferred tax income / (expense)	269,989	94,976	2,841,782	1,181,527
Total	337,257	286,380	444,940	659,865

b) Deferred tax assets and liabilities

As of 30 June 2025 and 31 December 2024, temporary differences subject to deferred tax and the distribution of deferred tax assets calculated using the effective tax rates enacted as of the balance sheet date are summarized below:

	Cumulative temporary differences		Deferred tax asset/(liability)	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
Discounted corporate tax (*)	11,593,602	8,631,346	5,205,851	4,190,548
Warranty expense provision	2,883,382	2,608,677	720,836	652,169
Other provisions	2,359,157	-	589,789	-
Provision for employment termination benefits and unused vacation	1,393,046	1,325,041	348,262	331,261
Liabilities arising from customer service	938,088	283,119	234,522	84,935
Land and investment properties	328,067	382,768	82,017	95,692
Inventories	238,616	(544,127)	59,653	(136,031)
Depreciable assets	(2,743,659)	(4,528,375)	(685,915)	(1,132,094)
Other	526,371	509,450	131,592	127,361
Deferred tax asset, net	17,516,670	8,667,899	6,686,607	4,213,841

(*) As a result of its fixed asset investments, the Group uses different reduced tax rates in proportion to different rates of investment amounts.

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

NOTE 17 - TAX ASSETS AND LIABILITIES (cont'd)

The movement of the deferred tax asset balance during the period is as follows:

	1 January - 30 June 2025	1 January - 30 June 2024
Deferred tax asset as of 1 January	4,213,841	2,913,634
Deferred tax income	269,989	2,841,782
Related to other comprehensive income statement	652,695	(216,061)
<i>Remeasurement gains/(losses)</i>	<i>21,599</i>	<i>38,813</i>
<i>on defined benefit plans</i>		
<i>Cash flow hedge losses</i>	<i>631,096</i>	<i>(254,874)</i>
Effect of acquisition of a subsidiary (Note: 22)	1,550,082	-
	6,686,607	5,539,355

The analysis of tax income reflected in the statement of profit or loss as of 30 June 2025 and 2024 is presented below:

	1 January - 30 June 2025	1 January - 30 June 2024
Profit before tax	1,264,915	5,401,376
Tax expense based on effective tax (25%)	(316,229)	(1,350,344)
Non-deductible expenses	(4,341)	(12,703)
Discount provided from R&D expenses made during the period	222,621	294,334
Effect of reduced tax rate	242,853	1,258,378
Investment incentives utilised and earned, net	1,015,303	2,334,008
Other	738,079	122,667
Inflation effect	(1,561,029)	(2,201,400)
	337,257	444,940

NOTE 18 - EARNINGS PER SHARE

Earnings per share are determined by dividing net income by the weighted average number of shares that have been outstanding during the related period concerned. In 2025 and 2024, the weighted average number of shares outstanding is 50,000,000,000 and as of 30 June 2025 and 2024 earnings per share is Kr 3.20 and Kr 11.69 respectively.

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Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

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NOTE 19 - RELATED PARTY DISCLOSURES

Balances with related parties

Deposit and financial loan balances		
with related parties	30 June 2025	31 December 2024
Yapı ve Kredi Bankası A.Ş. (deposit) (1)	3,216,356	2,126,262
Yapı ve Kredi Bankası A.Ş. (financial loan) (1)	(1,048,300)	(1,500,365)
Total	2,168,056	625,897

Trade receivables from related parties	30 June 2025	31 December 2024
Otokoç Otomotiv Tic. ve San. A.Ş. (1)	3,074,866	4,624,409
Stellantis Europe SPA (2)	9,358,007	7,119,645
Other (1)	911,244	2,451,836
Less: unearned finance income from forward sales	(43,606)	(71,906)
Total	13,300,511	14,123,984

Trade payables to related parties	30 June 2025	31 December 2024
Stellantis Europe SPA	12,873,616	3,557,767
Automobiles Peugeot S.A. (1)	2,417,303	-
Opel Automobile GMBH (1)	1,638,065	-
Other (1)	1,564,685	990,405
Rediscount receivables from related parties (-)	(37,989)	(44,323)
	18,455,680	4,503,849

Transactions with related parties

Sales

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Otokoç Otomotiv Tic. ve San. A.Ş. (1)	14,834,394	8,477,522	20,648,313	9,042,423
Stellantis Europe SPA (2)	4,991,792	2,507,353	15,786,800	5,658,090
Stellantis Auto SAS (1)	6,675,540	4,572,658	6,936	5,657
Opel Automobile GMBH (1)	1,824,182	1,086,930	-	-
Other	188,218	76,772	379,179	223,894
Total	28,514,126	16,721,235	36,821,228	14,930,064

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NOTE 19 - RELATED PARTY DISCLOSURES (cont'd)

Transactions with related parties (cont'd)

Domestic material and service purchases:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Otokoç Otomotiv Tic. ve San. A.Ş. (1)	1,308,935	986,486	1,309,395	987,314
Zer Merkezi Hizmetler ve Ticaret A.Ş. (1)	709,287	390,236	1,096,198	589,814
Ram Dış Ticaret A.Ş. (1)	309,732	193,621	962,424	314,395
Koç Holding A.Ş. (2)(*)	83,304	40,236	78,359	37,470
Plastiform Plastik San. Tic. A.Ş. (1)	66,175	35,153	170,589	78,198
Opet Fuchs Madeni Yağlar Tic. A.Ş. (1)	102,725	58,484	141,281	73,227
Sistemi Comandi Meccanici Otomotiv San. Tic. A.Ş. (1)	50,985	32,377	116,829	52,431
Opet Petrolcülük A.Ş. (1)	52,061	31,821	66,857	34,898
Ingage Dijital Pazarlama Hizmetleri (1)	55,045	37,643	56,062	41,242
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş. (1)	71,292	31,073	81,094	34,390
Setur Servis Turistik A.Ş.(1)	28,367	18,448	52,788	38,454
Other (1)	65,183	31,594	98,785	66,345
Total	2,903,091	1,887,172	4,230,663	2,348,178

(1) Represents the related parties of joint ventures; comprise of subsidiaries, joint managing company or associates.

(2) Represents the joint ventures.

(*) It includes the service fee invoiced to the Group as a result of the distribution of the expenses, including personnel and senior management expenses, incurred by Koç Holding A.Ş. in relation to the companies to which services are provided, in return for the services provided to the companies within Koç Holding A.Ş. in areas such as finance, law, planning, tax and senior management, within the framework of the "11- Intragroup Services" regulation of the General Communiqué Serial No.1 on Disguised Profit Distribution through Transfer Pricing.

(**) It includes premiums paid and accrued in accordance with the policies signed between Ram Sigorta Aracılık Hizmetleri A.Ş., which operates as an insurance agency, and insurance companies that are not related parties.

Foreign trade good, material and service purchase:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
Stellantis Europe SPA (2)	25,486,869	14,786,436	34,457,256	24,328,546.0
Automobiles Peugeot S.A. (1)	12,923,322	12,923,322	-	-
Automobiles Citroen S.A (1)	10,465,842	10,465,842	-	-
Opel Automobile GMBH (1)	9,439,298	9,439,298	-	-
Stellantis Auto SAS (1)	5,227,235	3,906,471	-	-
Other (1)	37,502	13,676	497,131	497,131.0
Total	63,580,068	51,535,045	34,954,387	24,825,677

Interest income from related parties for the six-month period ended 30 June 2025 is TL 210,943 (30 June 2024: TL 979,798).

Salaries and similar benefits paid to the top management consisting of (28 persons) (30 June 2024: 32 persons) for the six-month period of 2025 is TL 113,129 (30 June 2024: TL 108,351). TOFAŞ's top management are determined as the Chairman and Members of the Board of Directors, the General Manager and the Directors directly reporting to the General Manager.

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

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NOTE 20- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's principal financial instruments are cash and cash equivalents and financial liabilities. The main purpose of these financial instruments is to raise financing for the Group's operations. The Group has various other financial instruments such as trade payables and trade receivables, which arise directly from its operations. The main risks arising from Group's financial instruments are interest rate risk, liquidity risk, currency risk and credit risk. The Group's management reviews and develops policies for managing each of these risks which are summarized below.

Credit risk

Credit risk is the risk that the other party will incur a financial loss as a result of the failure of the parties to fulfill their obligations with respect to a financial instrument. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of the counterparties. It is the Group policy that all customers who wish to trade on credit terms are subject to credit screening procedures and the Group also obtains collaterals from customers when appropriate. In addition, the Group's doubtful loan / receivable risk is minimized by continuously reviewing the receivables. Trade receivables are evaluated by the Group management based on past experiences and the current economic situation and are presented net in the balance sheet after an appropriate amount of allowance for doubtful receivables (Note 5).

The amounts stated in the balance sheets reflects the maximum risk exposure of the Group.

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Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

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NOTE 20- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont’d)

Types of credit exposed by types of financial instruments;

	Trade Receivables		Other Receivables	Cash and Cash Equivalents	Financial investments	Receivables from financial sector activities
30 June 2025	Related Party	Other	Other			
Maximum exposure to credit risk as of reporting date (A + B + C + D + E) (1)	13,300,511	26,110,257	26,217	15,984,204	83,382	19,266,981
- The portion of the maximum risk secured by collateral, etc. (-) (2)	3,068,621	20,440,629	-	-	-	19,266,981
A. Net book value of financial assets that are not overdue or impaired	12,822,178	25,890,397	26,217	15,984,204	83,382	18,469,762
a- The portion of the maximum risk secured by collateral, etc. (-)	3,068,621	20,440,000	-	-	-	18,469,762
- General loan provisions	-	-	-	-	-	(216,453)
Not past due or not impaired (gross carrying amount)	-	-	-	-	-	-
B. Carrying amount of financial assets that are renegotiated, otherwise considered overdue or impaired	-	-	-	-	-	-
b- The portion of the maximum risk secured by collateral, etc. (-)	-	-	-	-	-	-
C. Net book value of overdue but not impaired assets	478,333	219,720	-	-	-	477,779
c-The portion of the maximum risk secured by collateral, etc. (-)	-	629	-	-	-	(473,001)
D. Net book values of impaired assets	-	140	-	-	-	319,440
- Past due (gross book value)	-	17,758	-	-	-	524,621
- Impairment (-)	-	(17,618)	-	-	-	(205,181)
- Secured portion of the net book value by collateral, etc.	-	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Secured portion of the net book value by collateral, etc.	-	-	-	-	-	286,569
E. Off-balance sheet items that include credit risk	-	-	-	-	-	-

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NOTE 20- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

	Trade Receivables		Other Receivables	Cash and Cash Equivalents	Financial investments	Receivables from financial sector activities
31 December 2024	Related Party	Other	Other			
Maximum exposure to credit risk as of reporting date (A + B + C + D + E) (1)	14,123,984	10,243,464	2,914	23,003,222	94,733	19,696,543
- The portion of the maximum risk secured by collateral, etc. (-) (2)	34,944	6,245,377	-	-	-	19,696,543
A. Net book value of financial assets that are not overdue or impaired	12,873,602	10,051,439	2,914	23,003,222	94,733	19,069,402
a- The portion of the maximum risk secured by collateral, etc. (-)	34,944	6,245,227	-	-	-	19,069,402
- General loan provisions						(176,272)
Not past due or not impaired (gross carrying amount)	-	-	-	-	-	-
B. Carrying amount of financial assets that are renegotiated, otherwise considered overdue or impaired	-	-	-	-	-	-
b- The portion of the maximum risk secured by collateral, etc. (-)						
C. Net book value of overdue but not impaired assets	1,250,382	190,112	-	-	-	377,569
c-The portion of the maximum risk secured by collateral, etc. (-)	-	150	-	-	-	(373,793)
D. Net book values of impaired assets	-	1,913	-	-	-	249,572
- Past due (gross book value)	-	20,719	-	-	-	436,459
- Impairment (-)	-	(18,806)	-	-	-	(186,887)
- Secured portion of the net book value by collateral, etc.	-	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Secured portion of the net book value by collateral, etc.	-	-	-	-	-	12,841
E. Off-balance sheet items that include credit risk	-	-	-	-	-	-

⁽¹⁾ Guarantees received and factors increasing the loan reliability are not considered when determining this amount

⁽²⁾ Guarantees consist of guarantee notes, guarantee checks, mortgages and car pledges received from customers.

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NOTE 20- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Aging analysis of trade receivables

Aging of the Group's receivables which are overdue but not impaired is as follows:

30 June 2025	
1-30 days past due	447,765
1-3 months past due	544,631
3-12 months past due	76,450
1-5 years past due	106,986
	1,175,832
31 December 2024	
1-30 days past due	976,691
1-3 months past due	304,514
3-12 months past due	402,310
1-5 years past due	134,548
	1,818,063

Amount secured with guarantees

As of 30 June 2025 TL 284,053 of total past due trade receivables of the Group is due from the Group's related party, Stellantis Group. (31 December 2024: TL 408,222). As of 30 June 2025, the Group's payables to Stellantis Europe SPA amount to TL 12,873,616 (31 December 2024: TL 3,557,767).

Foreign currency risk

The Group is exposed to foreign exchange risk arising from the ownership of foreign currency denominated assets and liabilities with sales or purchase commitments. The policy of the Group is to compare every foreign currency type for the probable sales or purchases in the future.

As explained in detail in Note 4, according to the manufacturing agreements signed by the Group, the repayment obligations related to loans obtained for Egea, Doblo, Mini Cargo are guaranteed by Stellantis Group through future purchases. Therefore, the Stellantis Group has assumed the risk of fluctuations in foreign exchange rates and interest rates that may arise from the loan used for the production of the vehicles.

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NOTE 20- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

		TL equivalent			
		(functional currency)	USD ('000)	EUR ('000)	Other ('000)
30 June 2025					
1.	Trade Receivables	7,487,762	1,995	158,955	-
2a.	Monetary Financial Assets (including cash, bank accounts)	5,919,030	16	126,984	-
2b.	Non-Monetary Financial Assets	11,287,312	-	230,646	-
3.	Other	1,162	-	25	-
4.	Current assets (1+2+3)	24,695,266	2,011	516,610	-
5.	Trade Receivables	-	-	-	-
6a.	Monetary Financial Assets	-	-	-	-
6b.	Non-Monetary Financial Assets	1,402,754	-	28,664	-
7.	Other	48,052	-	1,031	-
8.	Non-current assets (5+6+7)	1,450,806	-	29,695	-
9.	Total assets (4+8)	26,146,072	2,011	546,305	-
	Trade Payables	(17,187,891)	(2,565)	(366,084)	(4,590)
11.	Financial Liabilities	(1,357,494)	-	(29,126)	-
12a.	Monetary Other Liabilities	-	-	-	-
12b.	Non-Monetary Other Liabilities	-	-	-	-
13.	Current liabilities (10+11+12)	(18,545,385)	(2,565)	(395,210)	(4,590)
14.	Trade Payables	-	-	-	-
15.	Financial Liabilities (*)	(11,153,508)	-	(239,308)	-
16a.	Monetary Other Liabilities	-	-	-	-
16b.	Non-Monetary Other Liabilities	-	-	-	-
17.	Non-current liabilities (14+15+16)	(11,153,508)	-	(239,308)	-
18.	Total liabilities (13+17)	(29,698,893)	(2,565)	(634,518)	(4,590)
19.	Net Asset/(Liability) Position of Off-Balance Sheet				
	Derivative Instruments (19a-19b)	12,511,011	-	268,434	-
19a.	Hedge edilen toplam varlık tutarı	-	-	-	-
19b.	Hedged portion of liabilities amount	(12,511,011)	-	(268,434)	-
20.	Net foreign currencies assets / (liability) position (9+18+19)	8,958,190	(554)	180,221	(4,590)
21.	Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+3+5+6a+10+11+12a+14+15+16a)	(16,290,939)	(554)	(348,554)	(4,590)
22.	Total fair value of financial instruments used for foreign currency hedges	-	-	-	-
23.	Export	12,554,591	-	296,588	33,772
24.	Import	35,701,203	3,921	842,421	58,898

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NOTE 20- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

31 December 2024		TL equivalent (functional currency)	USD (‘000)	EUR (‘000)	Other (‘000)
1.	Trade Receivables	9,564,397	1,994	221,194	-
2a.	Monetary Financial Assets (including cash, bank accounts)	7,262,232	9	169,394	8
2b.	Non-Monetary Financial Assets	1,763,759	-	35,844	-
3.	Other	336,435	-	7,848	-
4.	Current assets (1+2+3)	18,926,823	2,003	434,280	8
5.	Trade Receivables	-	-	-	-
6a.	Monetary Financial Assets	-	-	-	-
6b.	Non-Monetary Financial Assets	2,061,801	-	41,901	-
7.	Other	-	-	-	-
8.	Non-current assets (5+6+7)	2,061,801	-	41,901	-
9.	Total assets (4+8)	20,988,624	2,003	476,181	8
10.	Trade Payables	(5,519,448)	(1,676)	(126,882)	(1,987)
11.	Financial Liabilities	(1,488,363)	-	(34,718)	-
12a.	Monetary Other Liabilities	-	-	-	-
12b.	Non-Monetary Other Liabilities	(246)	-	(5)	-
13.	Current liabilities (10+11+12)	(7,008,057)	(1,676)	(161,605)	(1,987)
14.	Trade Payables	-	-	-	-
15.	Financial Liabilities (*)	(10,714,276)	-	(249,928)	-
16a.	Monetary Other Liabilities	-	-	-	-
16b.	Non-Monetary Other Liabilities	-	-	-	-
17.	Non-current liabilities (14+15+16)	(10,714,276)	-	(249,928)	-
18.	Total liabilities (13+17)	(17,722,333)	(1,676)	(411,533)	(1,987)
19.	Net Asset/(Liability) Position of Off-Balance Sheet				-
	Derivative Instruments (19a-19b)	12,202,600	-	284,646	-
19a.	Hedge edilen toplam varlık tutarı	-	-	-	-
19b.	Hedged portion of liabilities amount	(12,202,600)	-	(284,646)	-
20.	Net foreign currencies assets / (liability) position (9+18+19)	15,468,891	327	349,294	(1,979)
21.	Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+3+5+6a+10+11+12a+14+15+16a)	(559,022)	327	(13,097)	(1,979)
22.	Total fair value of financial instruments used for foreign currency hedges	-	-	-	-
23.	Export	21,340,517	4,212	518,088	76,501
24.	Import	64,389,928	8,900	1,461,340	394,356

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NOTE 20- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

The following table demonstrates the sensitivity to a possible change of 10% in the USD, EUR and other exchange rates in the Group's foreign currency denominated liabilities (excluding foreign currency denominated inventory and fixed asset purchase advances) with all other variables held constant on the Group's income before tax as of 30 June 2025 and 31 December 2024:

	Profit/loss		Equity	
	Appreciation of foreign currency	Depreciation foreign currency	Appreciation of foreign currency	Depreciation foreign currency
30 June 2025				
<i>In case of a 10% appreciation of USD against TL:</i>				
1- USD net asset/liability	(2,202)	2,202	-	-
2- Portion hedged against USD risk (-)	-	-	-	-
3- USD net effect (1 +2)	(2,202)	2,202	-	-
<i>In case of a 10% appreciation of EUR against TL:</i>				
4- EUR net asset/liability	(1,624,520)	1,624,520	(1,289,804)	1,289,804
5- Portion hedged against EUR risk (-)	1,289,804	(1,289,804)	-	-
6- EUR net effect (4+5)	(334,716)	334,716	(1,289,804)	1,289,804
<i>In case of a 10% appreciation of other foreign exchange rates against TL:</i>				
7- Other foreign currency net asset/liability	(2,373)	2,373	-	-
8- Other foreign currency hedged portion (-)	-	-	-	-
9- Other Foreign Currency Assets net effect (7+8)	(2,373)	2,373	-	-
Total (3+6+9)	(339,291)	339,291	(1,289,804)	1,289,804
	Profit/loss		Equity	
	Appreciation of foreign currency	Depreciation foreign currency	Appreciation of foreign currency	Depreciation foreign currency
31 December 2024				
<i>In case of a 10% appreciation of USD against TL:</i>				
1- USD net asset/liability	1,344	(1,344)	-	-
2- Portion hedged against USD risk (-)	-	-	-	-
3- USD net effect (1 +2)	1,344	(1,344)	-	-
<i>In case of a 10% appreciation of EUR against TL:</i>				
4- EUR net asset/liability	(56,146)	56,146	(1,138,907)	1,138,907
5- Portion hedged against EUR risk (-)	1,138,907	(1,138,907)	-	-
6- EUR net effect (4+5)	1,082,761	(1,082,761)	(1,138,907)	1,138,907
<i>In case of a 10% appreciation of other foreign exchange rates against TL:</i>				
7- Other foreign currency net asset/liability	(1,118)	1,118	-	-
8- Other foreign currency hedged portion (-)	-	-	-	-
9- Other Foreign Currency Assets net effect (7+8)	(1,118)	1,118	-	-
Total (3+6+9)	1,082,987	(1,082,987)	(1,138,907)	1,138,907

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

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NOTE 20- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Interest risk

Interest rate risk arises from the impact of changes in interest rates on the financial statements. The Group is exposed to interest rate risk due to timing mismatches or differences of assets and liabilities that are due to be expired or re-priced in a given period. The Group manages this risk by applying risk management strategies by matching the dates of interest rate change of assets and liabilities.

As of 30 June 2025, there are no interest rate sensitive financial instruments in the balance sheet (None as of 31 December 2024).

Liquidity risk

Liquidity risk is the risk that a company will be unable to meet its funding requirements. Liquidity risk is reduced by balancing cash inflows and outflows with the support of loans provided by qualified credit institutions.

The breakdown of financial assets and liabilities according to their maturities is disclosed considering from balance sheet date to due date period. Financial assets and liabilities that have no certain due dates are classified in over one-year column.

30 June 2025

Total Contracted						
Contractual maturities	Book value	Cash Outflows (=I+II+III)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	More Than 5 years (IV)
Non-derivative financial liabilities						
Bank loans	32,313,539	59,103,704	5,440,350	28,762,294	20,626,505	4,274,555
Lease liabilities	36,607	37,861	1,584	31,254	5,023	-
Trade payables	42,885,817	48,229,380	48,169,826	59,554	-	-
Debt securities issues	3,583,841	4,700,933	1,052,995	2,450,360	1,197,578	-
Employee benefit payables	1,167,608	1,167,608	1,167,608	-	-	-
Other payables	5,320,529	5,320,529	5,320,529	-	-	-
Total	85,307,941	118,560,015	61,152,892	31,303,462	21,829,106	4,274,555

31 December 2024

Total Contracted						
Contractual maturities	Book value	Cash Outflows (=I+II+III)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	More Than 5 years (IV)
Non-derivative financial liabilities						
Bank loans	29,108,663	38,118,827	3,218,750	11,322,391	19,168,920	4,408,766
Lease liabilities	44,308	53,861	7,928	21,929	24,004	-
Trade payables	13,232,986	13,347,926	13,346,569	1,358	-	-
Debt securities issues	3,400,175	4,647,601	923,086	2,358,775	1,365,740	-
Employee benefit payables	1,070,349	1,070,349	1,070,349	-	-	-
Other payables	111,398	111,398	111,398	-	-	-
Total	46,967,879	57,349,962	18,678,080	13,704,453	20,558,664	4,408,766

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

NOTE 20- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Capital management policy

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes amendments to it, in light of changes in economic conditions.

The Group may adjust dividend payments to shareholders or return capital to shareholders in order to adjust and maintain its capital structure. As of 30 June 2025, there have been no changes in objectives, policies or processes.

	30 June 2025	31 December 2024
Total financial debt	35,933,987	32,553,144
Cash and cash equivalents (-)	(15,984,204)	(23,003,222)
Net financial debt	19,949,783	9,549,922
Equity	48,238,985	54,955,304
Net financial debt/equity ratio	%41	%17

NOTE 21 – SEGMENT REPORTING

The reportable operational segments for segment reporting as of 30 June 2025 and 2024 are as follows:

1 January- 30 June 2025

	Trading of spare part and automobile	Consumer financing	Total
Revenue	95,098,254	5,180,171	100,278,425
Gross profit	5,723,086	945,587	6,668,673
Operating expenses (-)	(6,850,973)	(194,361)	(7,045,334)
Other income from main operations	5,846,128	9,980	5,856,108
Other expenses from main operations (-)	(5,997,936)	(147,461)	(6,145,397)
Operating profit / (loss)	(1,279,695)	613,745	(665,950)

1 January- 30 June 2024

	Trading of spare part and automobile	Consumer financing	Total
Revenue	81,373,452	5,228,445	86,601,897
Gross profit	11,206,691	812,276	12,018,967
Operating expenses (-)	(5,676,974)	(202,471)	(5,879,445)
Other income from main operations	4,519,374	5,618	4,524,992
Other expenses from main operations (-)	(3,662,208)	(82,761)	(3,744,969)
Operating profit / (loss)	6,386,883	532,662	6,919,545

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 30 June 2025, unless otherwise stated.)

NOTE 21 – SEGMENT REPORTING (cont’d)

As of 30 June 2025, the distribution of assets and liabilities of consumer financing segment is followed by TL 16,786,626 in current asset, TL 5,372,436 in non-current asset as receivables from finance sector operations and TL 11,374,897 in current liabilities, TL 9,065,650 in non-current liabilities as financial liabilities.

As of 30 June 2025, A significant portion of revenue consists of sales to related party’s ratio to 30% (30 June 2024: 45%) (Note 19).

The Group management focuses on operating profit/ (loss) in segment reporting, so the Group does not distribute financial income and expenses on a segment basis.

Tofaş Türk Otomobil Fabrikası Anonim Şirketi**Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025**

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

NOTE 22 – BUSINESS COMBINATIONS**Acquired Subsidiary**

	<u>Main Activity</u>	<u>Date of acquisition</u>	<u>Share in capital received (%)</u>	<u>Amount transferred</u>
Stellantis Otomotiv Pazarlama A.Ş.	Sales and marketing	30 April 2025	100%	23,228,436
				<u>23,228,436</u>

Amount Transferred

	<u>Stellantis Otomotiv Pazarlama A.Ş.</u>
Cash	17,985,017
Contingent amount (i)	5,243,419
Total	<u>23,228,436</u>

In each of the first eight fiscal years following the closing of the transaction, if the free cash flows generated by Stellantis Türkiye's operations exceed the reference free cash flows specified in the preliminaries, it is anticipated that a Contingent Payment equal to 77.5% of such additional cash flows will be made to the seller.

Temporary goodwill incurred during acquisition

	<u>Stellantis Otomotiv Pazarlama A.Ş.</u>
Amount transferred	23,228,436
Less: Value of net assets of the acquired company	16,024,867
Temporary goodwill (Note 9)	<u>7,203,569</u>

Since the purchase also includes a control acquisition, a temporary goodwill arise from the acquisition of Stellantis Otomotiv Pazarlama AŞ.

Net amount paid for the acquisition of a subsidiary

	<u>30 April 2025</u>
Amount paid in cash	17,985,017
Less: Cash and cash equivalents of acquired companies	6,275,625
	<u>11,709,392</u>

Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

NOTE 22 – BUSINESS COMBINATIONS (cont'd)**Assets acquired and liabilities assumed as of the acquisition date****Stellantis Otomotiv Pazarlama A.Ş.
30 April 2025**

ASSETS:	
Current assets:	
Cash and cash equivalents	6,275,625
Trade receivables	15,061,441
Trade receivables from related parties	110,175
<i>Trade receivables from third parties</i>	14,951,266
Other receivables	2,785
Inventories	7,804,976
Prepaid expenses	75,884
Other current assets	269,103
Total Current Assets	29,489,814
Non-Current Assets	
Property, Plant and Equipment	894,817
Right-of-Use Assets	20,801
Intangible assets	534
Deferred tax asset	1,550,082
Total Non-Current Assets	2,466,234
Total Assets	31,956,048
LIABILITIES AND EQUITY:	
Current liabilities:	
Short-term borrowings	(5,534,847)
Short-term portion of long-term borrowings	(13,998)
Trade payables	(7,441,022)
<i>Trade payables to third parties</i>	(7,441,022)
Payables related to employee benefits	(96,593)
Liabilities arising from customer contracts	(236,014)
Current tax liability	(1,833,725)
Short-term provisions	(308,426)
Other current liabilities	(17,700)
Total current liabilities	(15,482,325)
Non-current liabilities:	
Long-term borrowings	(7,791)
Non-current liabilities arising from customer contracts	(424,327)
Long-term provisions	(16,738)
<i>Long-term provisions related to employee benefits</i>	(16,738)
Total non-current liabilities	(448,856)
Total liabilities	(15,931,181)
Net assets	16,024,867

Assets and liabilities identifiable with the acquisition of Stellantis Otomotiv Pazarlama AŞ have been reported on a temporary basis

Tofaş Türk Otomobil Fabrikası Anonim Şirketi**Notes to the condensed consolidated interim financial statements for the interim period ended 30 June 2025**

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

NOTE 22 – BUSINESS COMBINATIONS (cont'd)**Stellantis Otomotiv Pazarlama A.Ş 1 May 2025- 30 June 2025 Statement of Profit/Loss**

Revenue	35,789,960
Cost of sales (-)	(32,923,304)
Gross profit from trade activities	2,866,656
Other	(2,323,362)
Net profit for the period	543,294

NOTE 23 - EXPLANATIONS ON NET MONETARY POSITION GAINS / (LOSSES).

Non Monetary Items	30 June 2025
Statement of financial position items	
Inventories	2,917,490
Prepaid expenses (ST)	5,360
Investment properties	39,250
Property, plant and equipment	2,864,106
Intangible assets	(1,681)
Goodwill	204,550
Prepaid expenses (LT)	(215,777)
Deferred tax asset	646,134
Deferred income	(42,972)
Capital adjustment differences	(3,329,773)
Accumulated other comprehensive income or expenses not to be reclassified to profit	147,412
Accumulated other comprehensive income or expenses to be reclassified to profit or l	64,678
Prior years' profit	(4,237,856)
Statement of profit or loss items	
Revenue	(2,458,259)
Revenue from finance sector operations	(253,917)
Cost of sales (-)	2,135,771
Expenses from finance sector operations (-)	205,180
Marketing expenses (-)	115,813
General administrative expenses (-)	80,133
Research and development expenses (-)	36,208
Other income from operating activities	(244,774)
Other expenses from operating activities (-)	240,326
Income from investing activities	(13,186)
Finance income	(281,446)
Finance expenses(-)	107,221
Tax expense for the period	8,154
Deferred tax income	(81)
Net monetary position gains/(losses)	(1,261,936)

NOTE 22 - EVENTS AFTER THE REPORTING PERIOD

None.