

**TOFAŞ TÜRK OTOMOBİL
FABRİKASI ANONİM ŞİRKETİ**

CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025 AND
INDEPENDENT AUDITOR'S REPORT

**(CONVENIENCE TRANSLATION OF THE
REPORT AND THE CONSOLIDATED
FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)**

(CONVENIENCE TRANSLATION OF THE REPORT AND THE FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT

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

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of TOFAŞ Türk Otomobil Fabrikası A.Ş. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

2) Basis for Opinion

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

3) Key Audit Matter

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

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3) Key Audit Matter (cont'd)

Key audit matter	How the matter was addressed in the audit
<p><i>Recognition of revenue related to contracts</i></p> <p>Revenue is recognized at the transaction price in accordance with TFRS 15 “Revenue from Contracts with Customers”. The transaction price is the amount that the entity expects to be entitled to in return for transferring the promised goods to the customer, excluding amounts collected on behalf of third parties. When the Company transfers control of goods and services to customers, the related amount is recognized as revenue in the financial statements.</p> <p>Revenue is the most important indicator in the evaluation of the Group's performance. Revenue is of significant importance for the evaluation of the result of the strategies implemented during the year and for performance monitoring and has been identified as a key audit matter for our audit as it is the most significant financial statement item for the statement of profit or loss and other comprehensive income for the year ended 31 December 2025.</p> <p>Disclosures on the Group's accounting policies for revenue for costumer contracts is disclosed in Note 2.3 and Note 16.</p>	<p>The following procedures were performed in relation to the audit of revenue:</p> <ul style="list-style-type: none"> - The sales processes have been understood, and the design and implementation of controls related to these processes have been evaluated. - The conformity of the accounting policies applied by the Group management for the recognition of revenue with TFRS has been assessed. - Analytical procedures have been applied to determine whether the revenue recognized in the financial statements is at expected levels. - Tests have been performed using sampling to verify the accuracy of sales invoices, and these invoices have been matched with delivery notes. - Control over the products in the sampled invoices has been tested to determine whether they have been transferred to the customer. - Selections made through sampling from shipment documents have been matched with accounting records and relevant invoices to test the completeness of revenue. - Confirmation letters have been obtained from customers for the commercial receivable balances selected using the sampling method, and the responses received have been compared with the accounting records. - To verify the correct calculation and recording of sales commissions, documents related to commission contracts and calculations have been reviewed, and it has been tested whether commission payments have been recorded in the correct period. - It has been tested whether sales commissions are only recorded when the relevant sales and performance criteria are met, and the accuracy of actual sales and related commission payments has been checked.

3) Key audit matters (cont'd)

Key audit matter	How the matter was addressed in the audit
<p><i>Business Combinations</i></p> <p>As of 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 Stellantis Otomotiv Pazarlama A.Ş., including the distribution operations of Stellantis brands Peugeot Citroën Opel and DS Automobiles in Türkiye, have been fulfilled, and the transfer of all shares of the Company to Tofaş has been completed as of 30 April 2025.</p> <p>Following the relevant share transfer transactions, fair value calculations must be made in accordance with TFRS 3 Business Combinations, and the purchase accounting must be reflected in the consolidated financial statements.</p> <p>For the allocation of the purchase price and the calculation of goodwill value, Group Management has recognised the identifiable assets acquired and the liabilities assumed at their fair value at the date of acquisition. Therefore, the recognition of this acquisition and goodwill has been identified as a key audit matter for our audit.</p> <p>The Group's accounting policies and related disclosures regarding procurement accounting are included in Notes 2.3 and 29.</p>	<p>The following audit procedures have been carried out regarding the accounting of the business combination.</p> <ul style="list-style-type: none"> - Share transfer agreements have been reviewed. - Fair value studies have been reviewed. - In consultation with the Group Management, future plans and assumptions used in these studies were evaluated within the framework of macroeconomic data. - Market sentiment of assumptions used in the purchase price allocation process, goodwill calculation and appropriateness of acquired assets and fair value adjustments have been evaluated. - The mathematical accuracy of the calculations obtained from the above studies and the compatibility of accounting records with TFRS have been evaluated. - Furthermore, the adequacy of disclosures made in the consolidated financial statements regarding the accounting for business combinations under TFRS has also been assessed.

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

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

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

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

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

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

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

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

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



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

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

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

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

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

B) Report on Other Legal and Regulatory Requirement

In accordance with paragraph four of the Article 398 of the Turkish Commercial Code No. 6102 ("TCC"), the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 9 February 2026.

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

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

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

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

Osman Arslan
Partner

İstanbul, 9 February 2026

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TOFAŞ TÜRK OTOMOBİL FABRİKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 31 December 2025, unless otherwise stated.)

	Notes	Audited	
		Current Period	Prior Period
		31 December 2025	31 December 2024
ASSETS:			
Current assets:			
Cash and cash equivalents	28	19,967,321	25,806,496
Financial investments	26	171,293	106,278
Trade receivables		50,686,020	27,336,971
<i>Trade receivables from related parties</i>	4	18,499,119	15,845,194
<i>Trade receivables from third parties</i>	5	32,186,901	11,491,777
Receivables from finance sector operations	6	31,037,806	16,059,754
Other receivables		34,287	1,922
Inventories	7	16,855,555	11,389,226
Prepaid expenses	8	432,599	296,021
Current tax assets	22	36,874	801,925
Other current assets		1,171,267	292,017
Total Current Assets		120,393,022	82,090,610
Non-Current Assets:			
Receivables from finance sector operations	6	8,828,571	6,037,096
Other receivables		984	1,347
Investment properties	9	324,055	307,545
Property, plant and equipment	10	21,664,395	18,959,064
Right-of-use assets		35,468	49,471
Intangible assets	11	12,259,724	5,448,998
<i>Goodwill</i>	11	7,378,612	-
<i>Other intangible fixed assets</i>		4,881,112	5,448,998
Prepaid expenses	8	1,950,306	2,354,394
Deferred tax asset	22	8,067,681	4,727,359
Total Non-Current Assets		53,131,184	37,885,274
Total Assets		173,524,206	119,975,884

The consolidated financial statements for the accounting period 1 January – 31 December 2025 were approved by the Board of Directors on 9 February 2026. These consolidated financial statements will be finalized upon the approval of the General Assembly.

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

TOFAŞ TÜRK OTOMOBİL FABRİKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 31 December 2025, unless otherwise stated.)

	Notes	<i>Audited</i>	
		<i>Current Period</i> 31 December 2025	<i>Prior Period</i> 31 December 2024
Current liabilities:			
Short-term portion of long-term borrowings	24	16,253,582	14,315,835
Trade payables		43,400,941	14,845,615
<i>Trade payables to related parties</i>	4	18,733,851	5,052,708
<i>Trade payables to third parties</i>	5	24,667,090	9,792,907
Payables related to employee benefits	14	1,828,014	1,200,787
Other payables	5	2,227,610	124,975
Liabilities arising from customer contracts	8	1,078,488	317,621
Deferred income		820,108	451,751
Short-term provisions	13	4,915,315	3,369,184
Other current liabilities		266,573	81,619
Total current liabilities		70,790,631	34,707,387
Non-current liabilities:			
Long-term borrowings	24	37,415,420	22,204,378
Long-term other payables	5	3,674,000	-
Long-term provisions		1,612,908	1,411,720
<i>Long-term provisions for employee benefits</i>	14	1,612,908	1,411,720
Total non-current liabilities		42,702,328	23,616,098
Total liabilities		113,492,959	58,323,485
Equity:			
Paid-in capital	15	500,000	500,000
Capital adjustment differences	15	25,639,112	25,639,112
Accumulated other comprehensive income or expenses not to be reclassified to profit or loss		(468,287)	(315,702)
<i>Loss on remeasurement of defined benefit plans</i>		(468,287)	(315,702)
Accumulated other comprehensive income or expenses to be reclassified to profit or loss		(2,724,184)	(21,828)
<i>Cash flow hedge losses</i>	15	(2,724,184)	(21,828)
Restricted reserves appropriated from profit	15	7,301,469	6,590,892
Prior years' profit		21,429,204	22,425,462
Net profit for the period		8,353,933	6,834,463
Total equity		60,031,247	61,652,399
Total liabilities and equity		173,524,206	119,975,884

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

TOFAŞ TÜRK OTOMOBİL FABRİKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 31 December 2025, unless otherwise stated.)

		<i>Audited Current Period</i>	<i>Audited Prior Period</i>
	Notes	1 January - 31 December 2025	1 January - 31 December 2024
Revenue	16	319,413,508	157,419,715
Cost of sales (-)	16	(301,107,616)	(141,996,375)
Gross profit from trading activities		18,305,892	15,423,340
Revenue from finance sector operations		12,831,486	11,847,104
Expenses from finance sector operations (-)		(10,510,067)	(9,767,688)
Gross profit from finance sector operations		2,321,419	2,079,416
Gross profit		20,627,311	17,502,756
Marketing expenses (-)	17	(12,014,928)	(5,971,631)
General administrative expenses (-)	17	(4,434,404)	(4,777,256)
Research and development expenses (-)	17	(1,661,323)	(2,721,761)
Other income from operating activities	18	11,319,347	10,547,136
Other expenses from operating activities (-)	18	(10,230,854)	(9,183,374)
Operating profit / (loss)		3,605,149	5,395,870
Income from investing activities	19	1,038,478	516,796
Operating profit / (loss) before finance expense		4,643,627	5,912,666
Finance income	21	9,635,916	12,984,011
Finance expenses (-)	21	(5,388,201)	(6,190,574)
Net monetary position gains / (losses)	30	(53,151)	(6,305,513)
Profit before tax from continuing operations		8,838,191	6,400,590
Current tax income / (expense)		(484,258)	433,873
Tax income / (expense) for the period	22	(1,139,074)	(1,540,333)
Deferred tax income	22	654,816	1,974,206
Net profit for the period		8,353,933	6,834,463
Distribution of net profit for the period:			
Equity holders of the parent		8,353,933	6,834,463
Earnings per share (Kr)	23	16.71	13.67

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

TOFAŞ TÜRK OTOMOBİL FABRİKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 31 December 2025, unless otherwise stated.)

	<i>Audited Current Period</i>	<i>Audited Prior Period</i>
	1 January - 31 December 2025	1 January - 31 December 2024
Net profit for the period	8,353,933	6,834,463
Other comprehensive income:		
Items not to be reclassified to profit or loss		
Remeasurement losses of defined benefit plans	14	(203,447)
Remeasurement losses of defined benefit plans, tax effect	22	50,862
Items to be reclassified to profit or loss		
Other comprehensive income/(expense) related to cash flow hedges	2.3	(3,582,648)
Other comprehensive income/(expense) related to cash flow hedges, tax effect	22	895,662
Other comprehensive income/(expense)(after tax)	(2,839,571)	1,546,643
Total comprehensive income	5,514,362	8,381,106
Distribution of total comprehensive income:		
Equity holders of the parent	5,514,362	8,381,106

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

TOFAŞ TÜRK OTOMOBİL FABRİKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 December 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 appropriated from profit	Prior years' profit	Net profit for the period	Total equity
Balance as of 1 January 2024	500,000	25,639,112	(296,378)	(4,611,400)	5,003,083	14,956,100	28,504,794	69,695,311
Transfers	-	-	-	3,023,605	1,587,809	23,893,380	(28,504,794)	-
Total comprehensive income	-	-	(19,324)	1,565,967	-	-	6,834,463	8,381,106
Dividends	-	-	-	-	-	(16,424,018)	-	(16,424,018)
Balance as of 31 December 2024	500,000	25,639,112	(315,702)	(21,828)	6,590,892	22,425,462	6,834,463	61,652,399
Balance as of 1 January 2025	500,000	25,639,112	(315,702)	(21,828)	6,590,892	22,425,462	6,834,463	61,652,399
Transfers	-	-	-	(15,370)	710,577	6,139,256	(6,834,463)	-
Total comprehensive income	-	-	(152,585)	(2,686,986)	-	-	8,353,933	5,514,362
Dividends	-	-	-	-	-	(7,135,514)	-	(7,135,514)
Balance as of 31 December 2025	500,000	25,639,112	(468,287)	(2,724,184)	7,301,469	21,429,204	8,353,933	60,031,247

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

TOFAŞ TÜRK OTOMOBİL FABRİKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 December 2025, unless otherwise stated.)

	Notes	Audited 31 December 2025	Audited 31 December 2024
A. Cash flows from operating activities		2,655,374	(9,629,971)
Profit for the period		8,353,933	6,834,463
Adjustments to reconcile net profit for the period		8,518,279	13,049,049
- Adjustments related to depreciation and amortization expenses	20	7,480,950	8,114,794
- Adjustments related to fair value gains on investment property	9,19	(16,510)	(26,569)
- Adjustments related to impairment of receivables	5,6	455,555	301,309
- Adjustments related to interest income	21	(5,137,329)	(7,900,449)
- Adjustments related to inventory impairment, net	7	75,797	98,796
- Adjustments related to gains arising from the disposal of property, plant and equipment	19	(1,021,968)	(490,227)
- Adjustments related to employment termination benefits	14	424,389	791,370
- Adjustments related to litigation provision, net	13	-	113,435
- Adjustments related to guarantee provisions	13,17	5,081,993	2,095,309
- Adjustments related to other provisions		227,473	(130,836)
- Adjustments related to interest expenses	21	638,594	212,081
- Adjustments related to tax expense / (income)	22	484,258	(433,873)
- Deferred finance income from forward purchases and sales, net		(473,661)	(206,428)
- Adjustments related to unrealised foreign currency translation differences		(905,841)	5,752,008
- Adjustments related to monetary loss		1,204,579	4,758,329
Changes in working capital		(7,586,664)	(23,422,071)
- Adjustments related to decrease/(increase) in inventories		3,213,999	7,144,355
- Change in trade receivables from third parties		(6,021,197)	87,516
- Change in trade receivables from related parties		(6,270,000)	(3,073,289)
- Change in other receivables from operating activities		(29,650)	13,067
- Change in trade payables to third parties		8,837,621	(5,277,050)
- Change in trade payables to related parties		14,732,800	(10,759,051)
- Adjustments related to increase in liabilities arising from customer contracts		20,054	9,106
- Change in receivables from finance sector operations		(23,438,568)	(9,769,296)
- Change in prepaid expenses		(50,482)	81,622
- Change in deferred income		368,357	(104,223)
- Change in government incentives and grants		-	(26,197)
- Change in other operating assets		159,315	(814,245)
- Change in other operating liabilities		891,087	(934,386)
Cash flows generated from operations		9,285,548	(3,538,559)
- Tax payments		(3,196,265)	(3,835,325)
- Employment termination benefits paid	14	(62,968)	(896,852)
- Change in cash advances given	13	(3,370,941)	(1,359,235)
B. Cash flows generated from investing activities		(19,690,587)	(8,789,413)
- Cash outflows from purchase of property, plant and equipment and intangible assets		(8,723,589)	(8,973,350)
- Cash inflows from sale of property, plant and equipment		1,831,243	1,377,407
- Net cash flow effect related to purchases for the purpose of acquiring control of subsidiaries	29	(13,136,350)	-
- Cash advance given		403,124	(1,164,273)
- Change in financial investments	26	(65,015)	(29,197)
C. Cash flows from financing activities		16,194,477	9,936,505
- Cash inflows from borrowing	24	32,141,099	34,524,294
- Cash outflows related to debt payments	24	(18,162,588)	(15,915,705)
- Cash outflows related to debt payments arising from lease agreements	24	(23,353)	(26,143)
- Dividends paid		(7,135,514)	(16,424,021)
- Interest paid		3,418,103	(190,588)
- Other cash outflows (Blocked deposit change)		809,787	(234,825)
- Interest received		5,146,943	8,203,493
Net Increase (Decrease) in Cash and Cash Equivalents Before the Effect of Foreign Currency Translation Difference		(840,736)	(8,482,879)
D. Effect of foreign currency translation differences on cash and cash equivalents		1,911,638	1,876,044
Net Decrease/Increase in Cash and Cash Equivalents		1,070,902	(6,606,835)
E. Cash and Cash Equivalents at the Beginning of the Period		24,712,830	45,734,578
F. Inflation Effect on Cash and Cash Equivalents		(6,090,676)	(14,414,913)
Cash and Cash Equivalents at the End of the Period	28	19,693,056	24,712,830

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

TOFAŞ TÜRK OTOMOBİL FABRİKASI ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 31 December 2025, unless otherwise stated.)

1. ORGANISATION AND OPERATIONS OF THE GROUP

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. Stellantis Otomotiv Pazarlama A.Ş. (“Stellantis”) has merged with Tofaş through the acquisition by Tofaş of all its current assets and liabilities, and the relevant Board of Directors Resolutions and Merger Agreement have been registered on 31 October 2025. Following the merger, Stellantis ceased to exist as a legal entity as of 31 October 2025, and its rights and obligations continue under Tofaş.

The Company conducts a significant portion of its business activities with Koç Holding and Stellantis Group Companies (Note 4).

The Company’s subsidiaries as of 31 December 2025 and 2024 which are subject to consolidation are as follows:

Company	Field of activity	Rate of ownership of the Company (%)	
		31 December 2025	31 December 2024
Koç Fiat Kredi Finansman A.Ş. (“KFK”) (Note:25) (*)	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
BPF Pazarlama ve Acentelik Hizmetleri A.Ş. (**)	Agency	100	-

(*) Koç Fiat Kredi Finansman A.Ş. (“KFK”), a subsidiary of the Group, changed its trade name to Koç Stellantis Finansman A.Ş. (“KSF”) effective 17 October 2025.

(**) All shares of BPF Pazarlama ve Acentelik Hizmetleri A.Ş., engaged in the promotion of financing facilities to individual customers seeking to purchase vehicles, primarily Stellantis Group brands (Peugeot, Citroën, Opel and DS), and in the subagency activities of domestic and foreign insurance companies, have been purchased by Tofaş Türk Otomobil Fabrikası A.Ş. as of 30 December 2025.

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 A.Ş. (Stellantis Otomotiv) shares to the Company was completed on 30 April 2025 with a payment of 400 million euros (Note 22).

For 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 - 31 December 2025	1 January - 31 December 2024	1 January - 31 December 2025	1 January - 31 December 2024
Hourly-rated	2,973	3,917	2,947	2,996
Monthly-rated	1,635	1,615	1,665	1,506
Total	4,608	5,532	4,612	4,502

TOFAŞ TÜRK OTOMOBİL FABRİKASI ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 31 December 2025, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

Compliance to TFRS

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, the consolidated financial statements are presented in accordance with the “TFRS Taxonomy” published by POA on 3 July 2024 and the formats specified in the Financial Statement Examples and User Guide published by CMB, based on the CMB's financial statement and note formats.

Financial reporting in hyperinflationary economies

The financial statements and related figures for previous periods have been restated for changes in the general purchasing power of the functional currency and, consequently, the financial statements and related figures for previous periods are expressed in terms of the measuring unit current at the end of the reporting period in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies.

TAS 29 applies to the financial statements, including the consolidated financial statements, of each entity whose functional currency is the currency of a hyperinflationary economy. If an economy is subject to hyperinflation, TAS 29 requires an entity whose functional currency is the currency of a hyperinflationary economy to present its financial statements in terms of the measuring unit current at the end of the reporting period.

As at the reporting date, entities operating in Türkiye are required to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" for the reporting periods ending on or after 31 December 2025, as the cumulative change in the general purchasing power of the last three years based on the Consumer Price Index (“CPI”) is more than 100%.

POA made an announcement on 23 November 2023 regarding the scope and application of TAS 29. It stated that the financial statements of the entities applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2025 should be presented in accordance with the related accounting principles in TAS 29, adjusted for the effects of inflation.

In accordance with the CMB's decision dated 28 December 2023 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 2025.

In this framework, while preparing the consolidated financial statements dated 31 December 2025, inflation adjustment has been made in accordance with TAS 29.

TOFAŞ TÜRK OTOMOBİL FABRİKASI ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 December 2025, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Restatement of Financial Statements During Periods of High Inflation (cont'd)

The table below shows the inflation rates for the relevant years calculated by taking into account the Consumer Price Indices published by the Turkish Statistical Institute (TURKSTAT):

Date	Index	Adjustment coefficient	Three-year cumulative inflation rates
31.12.2025	3,513.87	1.00000	211%
31.12.2024	2,684.55	1.30892	291%
31.12.2023	1,859.38	1.44379	268%

The main lines of TAS 29 indexation transactions are as follows:

- As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.
- Monetary assets and liabilities are expressed in terms of the purchasing power at the balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.
- Fixed assets, subsidiaries and similar assets are indexed to their acquisition values, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in shareholders' equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the Company.
- All items in the income statement, except for the effects of non-monetary items in the balance sheet on the income statement, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognized in the financial statements.
- The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and income statement accounts. This gain or loss on the net monetary position is included in profit or loss.

The impact of the application of TAS 29 Inflation Accounting is summarized below:

Restatement of the Statement of Financial Position

Amounts in the statement of financial position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting period.

TOFAŞ TÜRK OTOMOBİL FABRİKASI ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 31 December 2025, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Restatement of the Statement of Financial Position (cont'd)

The gain or loss on the net monetary position arising from restatement of non-monetary items is included in profit or loss and separately presented in the statement of comprehensive income.

Restatement of Statement of Profit or Loss

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts are restated by applying the changes in the monthly general price index.

Cost of inventory sold is restated by using restated inventories balance.

Depreciation and amortization expenses is restated by using restated property and equipment, intangible assets and right-of-use assets balances.

Restatement of Statement of Cash Flows

All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

Consolidated financial statements

The financial statements of any subsidiary whose functional currency is the currency of a hyperinflationary economy is restated by applying a general price index before they are included in the consolidated financial statements issued by its parent. Where such a subsidiary is a foreign subsidiary, its restated financial statements are translated at closing rates. If financial statements with different ends of the reporting periods are consolidated, all items, whether non-monetary or monetary, are restated into the measuring unit current at the date of the consolidated financial statements.

Comparative figures

Comparative figures for the previous reporting period are restated by applying a general price index so that the comparative financial statements are presented in terms of the measuring unit current at the end of the reporting period. Information that is disclosed in respect of earlier periods is also expressed in terms of the measuring unit current at the end of the reporting period.

TOFAŞ TÜRK OTOMOBİL FABRİKASI ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 31 December 2025, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Going concern

The Group has prepared its consolidated financial statements in accordance with the going concern principle.

Comparative Information and Restatement of Prior Periods' Financial Statements

The Group's consolidated financial statements for the current period are prepared in comparison with the prior periods in order to be able to determine the financial position and performance trends. In order to comply with the presentation of the current period consolidated financial statements, comparative information is reclassified when deemed necessary.

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.

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.

Significant Accounting Judgements, 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.

TOFAŞ TÜRK OTOMOBİL FABRİKASI ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 December 2025, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Significant Accounting Judgements, Estimates and Assumptions (cont'd)

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 Group 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 31 December 2025, the amount of guarantee expense is TL 5,081,993 (31 December 2024: TL 2,095,309) (Note 13).
- b) The Group's subsidiary KSK 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 31 December 2025, there is a general loan loss provision amounting to TL 344,641 for receivables from finance sector operations (31 December 2024: 197,754) (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) Investment properties are reflected in the financial statements using the fair value method. Fair values are determined according to the annual valuation carried out by an independent real estate valuation company licensed by the CMB.
- g) 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.
- h) 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.

TOFAŞ TÜRK OTOMOBİL FABRİKASI ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 31 December 2025, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Significant Accounting Judgements, Estimates and Assumptions (cont'd)

1) The Group recognizes internally generated intangible assets resulting from development activities only when all of the following conditions are met:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale,
- the intention to complete the intangible asset and use or sell it,
- the ability to use or sell the intangible asset,
- how the intangible asset will generate probable future economic benefits,
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Other development costs are recorded as expenses when incurred. Development expenses recorded as expenses in the prior period are not capitalized in the next period. The Group capitalizes ongoing development expenditures and evaluates whether the asset will increase the Company's revenues or decrease its costs over its useful life in subsequent periods and whether there is an impairment in value on an annual basis. No impairment loss was detected for development expenses capitalized as of 31 December 2025 and 31 December 2024 (Note 11).

2.2 New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2025

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	<i>Insurance Contracts</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information</i>
TFRS 18	<i>Presentation and Disclosures in Financial Statements</i>
TFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i>
Amendments TFRS 9 and TFRS 7	<i>Classification and Measurement of Financial instruments</i>
Amendments TFRS 9 and TFRS 7	<i>Power Purchase Arrangements</i>

TOFAŞ TÜRK OTOMOBİL FABRİKASI ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 31 December 2025, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.2 New and Amended Turkish Financial Reporting Standards (cont'd)

b) New and revised TFRSs in issue but not yet effective (cont'd)

Annual Improvements	<i>Annual Improvements to TFRS Accounting Standards – Volume 11</i>
TFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i>

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.

TFRS 19 Subsidiaries without Public Accountability: Disclosures

TFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other TFRS Accounting Standards. Applicable to annual reporting periods beginning on or after 1 January 2027.

Amendments TFRS 9 and TFRS 7 Regarding the Classification and Measurement of Financial Instruments

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of TFRS 9 *Financial Instruments*. Amendments are effective from annual reporting periods beginning on or after 1 January 2026.

TOFAŞ TÜRK OTOMOBİL FABRİKASI ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 31 December 2025, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.2 New and Amended Turkish Financial Reporting Standards (cont'd)

b) New and revised TFRSs in issue but not yet effective (cont'd)

Amendments TFRS 9 and TFRS 7 Regarding Power Purchase Arrangements

The amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity. Amendments are effective from annual reporting periods beginning on or after 1 January 2026.

Annual Improvements to TFRS Accounting Standards - Volume 11

The pronouncement comprises the following amendments:

- TFRS 1: Hedge accounting by a first-time adopter
- TFRS 7: Gain or loss on derecognition
- TFRS 7: Disclosure of deferred difference between fair value and transaction price
- TFRS 7: Introduction and credit risk disclosures
- TFRS 9: Lessee derecognition of lease liabilities
- TFRS 9: Transaction price
- TFRS 10: Determination of a ‘de facto agent’
- TAS 7: Cost method

Annual reporting periods beginning on or after 1 January 2026.

TFRS 19 Subsidiaries without Public Accountability: Disclosures

TFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other TFRS Accounting Standards. Applicable to annual reporting periods beginning on or after 1 January 2027.

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

TOFAŞ TÜRK OTOMOBİL FABRİKASI ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 31 December 2025, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies

Cash and cash equivalents

Cash and cash equivalents include cash and bank deposits, short-term and highly liquid investments that are easily convertible into cash, with an insignificant risk of change in value and with a maturity of three months or less.

Financial assets

Classification

Group classified its financial assets in three categories; “financial assets carried at amortized cost,” “financial assets carried at fair value through profit or loss,” “financial assets carried at fair value through other comprehensive income.” Classification is performed in accordance with the business model determined based on the purpose of benefits from financial assets and expected cash flows. Group performs the classification of financial assets at the acquisition date.

Financial assets are not reclassified after initial recognition except when the Group's business model for managing financial assets changes; in the case of a business model change, subsequent to the amendment, the financial assets are reclassified on the first day of the following reporting period.

Recognition and Measurement

“Financial assets measured at amortized cost,” are non-derivative assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group's financial assets measured at amortized cost comprise “cash and cash equivalents,” “trade receivables,” “other receivables” and “financial investments.”

Financial assets carried at amortized cost are measured at their fair value at initial recognition and by effective interest rate method at subsequent measurements. Gains and losses on valuation of non-derivative financial assets measured at amortized cost are accounted for under the consolidated statement of profit or loss.

“Financial assets measured at amortized cost,” are non-derivative assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Gains or losses arising from related financial assets, other than impairment gains or losses and exchange rate difference income or expenses, are reflected in other comprehensive income.

The Group may choose to reflect subsequent changes in fair value to other comprehensive income for investments in equity-based financial assets, irrevocably at the time of initial recognition. If such an option is made, dividends received from the relevant investments are recognized in the consolidated statement of profit or loss.

TOFAŞ TÜRK OTOMOBİL FABRİKASI ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 December 2025, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

Recognition and Measurement (cont'd)

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

Derecognition

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Any interest in such transferred financial assets that was created or retained by the Group was recognized as a separate asset or liability.

Impairment

Impairment on financial and contract assets is calculated using the "Expected Credit Loss" (ECL) model. The impairment model is applied to financial assets at amortized cost and contract assets.

Loss provisions are measured on the following basis;

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

The lifetime ECL measurement is applied if the credit risk associated with a financial asset increases significantly after initial recognition at the reporting date. In all other cases, where the increase was not experienced, the 12-month ECL calculation was applied. The Group may determine that the credit risk of the financial asset has not increased significantly if the credit risk of the financial asset has a low credit risk at the reporting date. However, the lifetime ECL measurement (the simplified approach) always applies to trade receivables and contract assets that does not have significant financing component.

TOFAŞ TÜRK OTOMOBİL FABRİKASI ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 December 2025, unless otherwise stated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

Receivables from finance sector activities

The Group's receivables from its financial sector activities are accounted for at amortized cost using the effective interest method.

Provision for credit impairment

The Group allocates a certain amount of provision for losses that may arise from receivables whose collection is deemed doubtful as a result of the evaluations made on the loans granted. The provision amount is determined based on the Group's credit risk policy, the structure of the existing credit portfolio, the financial structures of its customers and the economic conjuncture, and is calculated by classifying as "Credits Under Follow-up." Changes in the reserve account are reflected in the consolidated statement of profit or loss in the period in which they occur. If the legal procedures are completed and it is determined that the loan cannot be collected, the relevant amounts are deleted from the accounts and the collections related to the deleted loans are recorded as income. The total provision for financing loans, determined as a result of the evaluation of financing loans, is determined to cover the doubtful receivables in the Group's financing loan portfolio.

The Group may make general provisions at the rates it determines, without including the collateral amount in the calculation, taking into account all data regarding the debtor's creditworthiness assessments for the receivable amounts, even if there is no delay in the collection of receivables. The Group has also adopted the provisioning method, without being directly related to any transaction, in order to cover the losses expected to arise from receivables with no delay in the collection of interest or principal or less than 90 days but the amount is not known with certainty, but has not considered it as a necessity. The Group sets aside special provisions for financing loans that have not become doubtful.

Trade receivables

Trade receivables arising upon delivering products or services to the buyer are recognized over the amortized value of the amounts to be obtained in the following periods of the receivables recognized at the original invoice amount, using the effective interest method. Short-term receivables with no determined interest rate are presented at the invoice amount if the effect of the original effective interest rate is not material. The "simplified approach" is applied within the scope of the impairment calculations of trade receivables that are recognized at amortized cost in the financial statements and that do not contain a significant finance component (with a maturity of less than 1 year). With this approach, in cases where the trade receivables are not impaired for certain reasons (except for the impairment losses realized), the loss allowance for trade receivables is measured at an amount equal to "lifetime expected credit losses."

After making a provision for impairment, if all or part of the receivable impaired is collected, the collected amount is deducted from the provision for impairment and recognized in other income from operating activities. Maturity difference income / expenses and foreign exchange gains / losses related to trade transactions are recognized in the "Other operating income and expenses" in the consolidated statement of profit or loss.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

Trade payables

Trade payables refer to the payments to be made for goods and services provided from suppliers in normal course of business. Trade payables, which are determined to be paid for one year or less, are classified as current liabilities, and trade payables determined to be longer than one year are classified as non-current liabilities.

Trade payables are recorded at their fair value and subsequently recognized at their discounted value using the effective interest rate method.

Inventories

Inventories are valued at the lower of net realizable value or cost value. The cost determination method is the monthly weighted average for all inventories, and the semi-finished products and finished goods take a share from the production costs. Net realizable value is the value after deducting the expenses incurred to prepare the stock for sale, marketing and sales expenses from the estimated sales price. A write-off is recorded for stocks that are unusable or unsellable (Note 7).

Derivative instruments

Derivative financial instruments, including forward exchange contracts, are reflected in the financial statements at their fair values and are valued at their fair values in the periods following their recording. The recognition of profits or losses from derivative financial instruments in the financial statements varies according to the classification of the derivative financial instruments. Although derivative financial instruments are used within the Group's risk management framework, they are initially reflected in the financial statements at their fair values, including the expenses incurred during acquisition, and are valued at their fair values in the periods following their recording, since they do not meet the necessary conditions in terms of hedge accounting. Gains and losses arising from changes in the fair values of these instruments are included in the consolidated income statement as profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation, including property under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value (Note 9). Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the year in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognized.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

Property, plant and equipment

Property and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. When property, plant and equipment are sold, the income or expense arising after deducting the cost of the asset, accumulated depreciation and any impairment provisions from the relevant accounts is included in the consolidated profit or loss statement.

The cost value of the property, plant and equipment consists of the purchase price, import duties, non-refundable taxes, and costs incurred to prepare the property, plant and equipment for use. After the property, plant and equipment's are started to be used, repair and maintenance expenses are recognized as expense in the period in which they are incurred. Capital expenditures that provide an economic value increase in the future use of the related property, plant and equipment are added to the cost of the property, plant and equipment.

Depreciation is provided for property, plant and equipment on a straight-line basis (Note 10). Useful life and the depreciation method are constantly reviewed, and accordingly, parallels are sought between the depreciation method and the period and the useful life to be derived from the related asset. The depreciation periods for property, plant and equipment are as follows:

	(Year)
Land improvements	33
Buildings	33
Machinery and equipment	12-33
Vehicles	4-10
Furniture and fixtures	8-14
Leasehold improvements	5-30

If there is an indication that the value of the asset has decreased, the net realizable value of the relevant asset is re-estimated and the impairment provision is reflected in the consolidated financial statements.

If the carrying amount of an asset is higher than the asset's recoverable amount, the carrying amount is immediately reduced to its recoverable amount. The recoverable value is the higher of the asset's net sales price or its value in use. The net selling price is determined by deducting the costs incurred to make the sale from the fair value of the asset. The value in use is determined by adding the residual values to the estimated future cash flows to be obtained by continuing to use the relevant asset as of the reporting period date.

Profits and losses arising from the sale of property, plant and equipment are included in the income and expenses from investment activities accounts.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

Intangible assets

Intangible assets are recognized at acquisition costs. Except for the expenses incurred for the development of new vehicles created and planned to be produced within the Group, intangible assets cannot be capitalized and the expenses incurred are expensed in the period in which they are incurred. Amortization is recognized on a straight-line basis over their estimated useful lives. Capitalized development costs are amortized on a straight-line basis over their estimated useful life after the product is in use. Intangible assets, their carrying value, changes in conditions and events that may indicate that the carrying value is impaired and necessary provision is made (Note 11).

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost less accumulated depreciation and impairment losses. In case of revaluation of lease liabilities, this amount is also corrected.

Right-of-use assets are measured at cost comprising the following:

- (a) The amount of the initial measurement of lease liability,
- (b) Any lease payments made at or before the commencement date, less any lease incentives received, and
- (c) Any initial direct costs incurred by the Group.

The Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use assets are subject to impairment.

Lease liabilities

The Group measures the lease liability based on the present value of the outstanding lease payments at the commencement date of the lease.

Lease payments included in the measurement of the lease liability at the effective date of the lease consist of the following payments to be made for the right to use the underlying asset during the lease period and not paid at the effective date of the lease:

- (a) fixed payments,
- (b) variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date,
- (c) the amount expected to be payable by the lessee under residual value guarantees
- (d) the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

Lease liabilities (cont'd)

Variable lease payments that do not depend on an index or rate are recognized as an expense in the period when the event or condition triggering the payment occurs.

The Group determines the revised discount rate for the remaining part of the Group's lease term, if the implied interest rate in the lease can be easily determined, as this rate, if it cannot be determined easily, as the alternative borrowing interest rate of the Group at the date of reassessment.

The Group measures the lease obligation after the lease actually starts as follows:

- (a) Increase the book value to reflect the interest on the lease obligation and
- (b) Reduces the book value to reflect the rent payments made.

Additionally, in the event of a change in lease duration, a change in substance of fixed lease payments, or a change in the assessment of the option to purchase an underlying asset, the value of lease liabilities is re-measured.

Research and development expenses

Research expenses are expensed when incurred. Expenses made for development, other than project expenditures that meet the criteria specified below, are recorded as expenses in the period in which they occur:

- The costs related to the product can be separately identified and measured reliably,
- The technical sufficiency/feasibility of the product is demonstrated,
- The product or process will be sold or used in-house,
- A potential market exists for the product or its usefulness in case of internal use is demonstrated,
- Adequate technical, financial and other resources required for completion of the project are available.

The costs of development projects that meet the above-mentioned criteria are capitalized and amortized using the straight-line method over their respective project lives (2 - 13 years).

Impairment on non-financial liabilities

For all its property, plant and equipment and intangible assets, the Group evaluates at each report date whether there is any indication that the asset is impaired. If such an indication exists, the carrying value of that asset is compared with the net realizable value, which is the higher of the amounts to be obtained through use or sale. An impairment has occurred if the carrying amount of the asset, or any cash-generating unit to which that asset belongs, is greater than the amount to be recovered through use or sale. In this case, the impairment losses are recognized in the consolidated statement of profit or loss.

The increase in the carrying value of the asset (or cash-generating unit) due to the reversal of the impairment must not exceed the carrying amount (net amount after depreciation) that would have occurred had the impairment been recognized in previous years. The reversal of the impairment is recognized in the statement of profit or loss.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

Revenue from customer contracts

In accordance with TFRS 15 “Income from Contracts with Customers”, the Company recognizes revenue in its financial statements within the scope of the following five-stage model.

- Identification of customer contracts
- Identification of performance liabilities according in the contract
- Determination of transaction price in the contract
- Allocation of transaction price to performance liabilities
- Recognition of revenue

In each contract with customers, the Group evaluates services committed and determines each commitment given for the transfer of relevant goods and services as another performance obligation. For each performance obligation, whether the performance obligation is performed as extended over time or in a particular time, is determined in the beginning of a contract.

If the Group transfers the control of goods and services in time and accordingly fulfills its performance obligations as extended over time, the progress related to fulfillment of the relevant performance obligations is measured and recognized as extended over time. Revenue related to the performance obligations that are the transfers of goods and services by nature is recognized when the control of the goods and services is transferred to the customer.

While the Group evaluates the transfer of control of the goods or services sold to the customer,

- a) Ownership of the Group's right to collect goods or services,
- b) The customer's legal ownership of the goods or services,
- c) Transfer of possession of goods or services,
- d) Customer's ownership of significant risks and rewards arising from ownership of the goods or services,
- e) Customer's acceptance of the good or service.

Performance obligations

Automotive activities:

Revenue is recognized when it is probable that economic returns will be generated from the activities of the Group and the return can be measured reliably (Note 16). Revenue is recognized after deducting any discounts granted and value added and sales taxes. The Group simultaneously transfers control of the goods or services sold to the customer and the revenue is recognized when the performance obligation is fulfilled. For this purpose, the amount of income must also be measured reliably. Revenue is the invoiced price of goods whose risks and benefits have been transferred, net of sales returns.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

Revenue from customer contracts (cont'd)

Performance obligations (cont'd)

Revenue from extended warranty sales

The Group sells warranty commitments for the periods starting from the end of the legal periods required by law for the products it produces. The price of the additional warranty commitments given is determined separately from the products sold and is considered as a different service promised within the contract. Therefore, the Group accounts for the service to be provided due to extended warranty sales as a separate performance obligation.

For each performance obligation, the Group determines whether it fulfills the performance obligation over time at the beginning of the contract or whether the performance obligation is fulfilled at a certain point in time. The Group transfers control of the service in extended warranty sales over time and therefore fulfills its performance obligations related to these sales over time and measures the progress towards the full fulfillment of this performance obligation and takes the revenue into the consolidated financial statements over time. The Group records the revenue from product sales in its consolidated financial statements following the transfer of control to the customer.

Financial sector activities

Interest income and expenses are recorded on an accrual basis using the effective interest method. When the collection of consumer finance loans allocated by the Group becomes questionable, the relevant interest income accrual is not reflected in the records.

Credit allocation fees consist of credit opening fees collected by the Group at the opening of credits given to customers and are deducted from the repayment periods of the credits with a systematic method and shown as net from the receivables from finance sector activities item in the consolidated financial statements.

In addition, the Group shares the insurance premiums it has credited for the life insurances it has made based on the loans it has provided with the insurance company within a certain plan. These insurance premium incomes falling to the Group share are shown under other liabilities in the consolidated financial statements as income collected in advance with a systematic method over the repayment periods of the loans.

If there is a significant financing cost in the sales, the reasonable price is determined by discounting the future collections with the implicit interest rate included in the financing cost. The difference between their real and nominal values is evaluated as interest income on an accrual basis.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

Borrowings

Borrowings are initially recognized at fair value, deducting transaction costs. Borrowings are measured at amortized cost after initial recognition. The difference between the amount collected (less transaction costs) and the amount received back is recognized in profit or loss during the period using the effective interest method. Fees paid for obtaining credit facilities are recognized as transaction costs of the credit if it is probable that some or all of the credit facility will be used. In this case, these fees are deferred until the loan is used. When there is no evidence that it is probable that all or part of the credit facility will be used, these fees are capitalized as an advance payment for the liquidity service and are amortized over the period to which the credit facility relates (Note 24).

Borrowing costs

The costs of general and special purpose liabilities that are directly attributable to the acquisition, construction or production of a specific asset are capitalized as part of the cost of the relevant asset for the period required to bring these assets into a ready state for their intended use or sale. Such costs are included in the cost of an asset if they can be measured reliably and it is probable that future economic benefits will accrue to the entity. Investment income earned by temporarily accreting special purpose debts that are expected to be spent on specific assets is deducted from the borrowing costs that meet the capitalization conditions. Borrowing costs that are not included in this scope are expensed when they are incurred. There is no capitalization for loans used in the accounting period ended 31 December 2025 (31 December 2024: None).

Current tax expense and deferred tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively (Note: 22).

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group and its subsidiaries operate. The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

The Group calculates deferred tax liability for all taxable temporary differences related to investments in subsidiaries and associates, except when the Group can control the closing time of the taxable temporary differences and it is unlikely that the temporary difference will be settled in a foreseeable time.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

Current tax expense and deferred tax (cont'd)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Provision for employment termination benefits

In accordance with the current labor law, the Group is obliged to pay a certain amount of severance pay to the personnel who quit their job due to retirement or who are dismissed for reasons other than resignation and bad behavior and who have served for at least one year.

The Group has calculated the severance pay provision in the accompanying consolidated financial statements using the projection method and based on the Group's experience in completing the personnel service period and entitlement to severance pay, and discounted it with the government bond earnings rate at the balance sheet date.

Current service cost for defined benefit plans, reflected in the income statement as employee expenses, represents the increase in the defined benefit obligation, benefit change curtailments and payments resulting from employee services in the current year, excluding those added to the cost of an asset. Past service costs are recorded in the consolidated income statement in the period in which they are incurred.

Net interest expense is calculated by applying a discount rate to the net value of the defined benefit obligation and the fair value of the planned asset. This cost is recognized under employee expenses in the consolidated statement of profit or loss.

Defined benefit plan remeasurement gains and losses arising from actuarial assumption changes and actuarial assumption difference adjustments are reflected in equity as other comprehensive income in the period in which they occur (Note 14).

Earnings per share

Earnings per share disclosed in the consolidated statement of profit or loss are determined by dividing net earnings by the weighted average number of shares that have been outstanding during the related period.

In Türkiye, companies can increase their share capital by making a pro-rata distribution of shares “bonus shares” to existing shareholders from retained earnings on equity items. Such kind of bonus shares are taken into consideration in the computation of earnings per share as issued share certificates. Accordingly, the weighted average number of shares used in these calculations has been calculated by taking into account the retrospective effects of the aforementioned share distributions (Note 23).

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

Provisions

Provisions are made when there is a current legal or implicit obligation arising from past events, when it is probable that resources containing economic benefits will be withdrawn from the company to fulfill the obligation, and when the amount of the obligation can be reliably estimated (Note 13). No provision is made for operating losses expected to occur in future periods.

The provision amount is measured as the present value of the estimated expenses to settle the liability using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the liability. The increase in the provision amount due to the passage of time is recorded as interest expense.

Provisions are reviewed at each balance sheet date and necessary adjustments are made to reflect management's best estimates.

Provision for warranty expense

The Group provides free maintenance and repair services for vehicles sold domestically for a certain period following the date of sale. The Group's export sales are not under warranty. The estimated warranty provision amount for vehicles under warranty is revised according to the expenses incurred in previous periods. The Group does not have any significant liabilities arising from the sale of insurance policies providing additional warranty periods (Note 13).

Contingent assets and liabilities

Contingent liabilities are not reflected in the consolidated financial statements but are disclosed in the footnotes unless there is a high probability that a resource transfer will occur. Contingent assets are not reflected in the consolidated financial statements but are disclosed in the footnotes if they are likely to generate economic returns.

Offsetting

The offsetting of a financial asset and liability and presenting the net amount on the balance sheet, is only permitted if the entity has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. The legal right must not be contingent on a future event and must be enforceable both in the normal course of business and in the event of default, insolvency, or bankruptcy of the entity or the counterparty.

Foreign currency transactions

Income and expenses incurred in foreign currencies are converted using the exchange rates valid on the transaction date. The exchange rates announced by the Central Bank of the Republic of Türkiye on the balance sheet date are used in the conversion of monetary assets and liabilities expressed in foreign currencies. Exchange rate difference income or expense arising from the conversion of transactions in foreign currencies or the valuation of amounts expressed in foreign currencies are reflected in the consolidated profit or loss statement in the relevant period.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

Segment reporting

A business segment should be identified as a reportable segment if a majority of its revenue is earned from sales to external customers and if its revenue from sales to external customers and from transactions with other segments is 10% or more of the total revenue, external and internal, of all segments; or its segment result, whether profit or loss, is 10% or more of the combined result of all segments in profit or the combined result of all segments in loss, whichever is the greater in absolute amount; or its assets are 10% or more of the total assets of all segments.

If management believes that the information about the segment will be useful to financial statement users, operating segments that do not meet any of the above numerical thresholds may also be considered as reportable segments and information about them may be disclosed separately.

The Group has determined its operating segments based on reports reviewed by the board of directors and effective in making strategic decisions. The Group's operating groups are considered as automobile and spare parts trading and consumer financing. The Group management evaluates the performance of its operating segments based on operating profit before financing income prepared in accordance with TFRS.

Cash flow hedging transactions

In an effective cash flow hedge, changes in the fair value of the hedging instrument are recognized directly in equity. The ineffective part is defined as profit or loss in the period profit. If a cash flow hedge transaction results in the creation of an asset or liability, all gains and losses that occurred in the past and were recognized in equity are included in the cost of the relevant asset or liability. Otherwise, for all other cash flow hedges, the gains and losses initially recognized in equity are associated with the relevant profit or loss accounts in the periods in which the hedged liability is fulfilled or the anticipated transaction affects the profit or loss statement. As of 31 December 2025, other comprehensive expense related to cash flow hedges recognized in the consolidated other comprehensive income statement is TL 3,582,648 (31 December 2024: Other comprehensive income related to cash flow hedging amounting to TL 2,087,956).

If the hedge fails to meet the conditions required for the application of hedge accounting, the accumulated gains and losses recognized in the financial statements within equity while there is an effective hedge in relation to the hedging instrument are kept within equity until the forecast transaction occurs. If the forecast transaction is not expected to occur, the accumulated gains or losses recognized in equity are included in the financial statements as profit or loss for the period.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

Cash flow hedging transactions (cont'd)

Under the production agreements between the Company and Stellantis Europe S.p.A., a portion of the revenues from sales to Stellantis Europe S.p.A. relating to the K0 model for the period from 2024 through December 2032 will be used to repay the related long-term loan liabilities. An effective cash flow hedge relationship exists between the long-term foreign currency denominated loans related to investment costs (non-derivative hedging instrument) and the realized and forecast sales of light commercial vehicles (K0) (hedged item).

The effectiveness of the hedge is continuously evaluated in each financial reporting period, and the hedge is effective in offsetting changes in cash flows attributable to the hedged risk, consistent with the documented risk management strategy for the relevant hedge relationship.

Related parties

If one of the following criteria is met, the party is deemed to be related to the Group (Note 4):

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) has control or joint control over the reporting entity,
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the same group.
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

2.3 Summary of Significant Accounting Policies (cont'd)

Investing, research and development incentives

All government incentives are recognized at fair value when there is reasonable assurance that the Group will meet the conditions required for their acquisition and that the incentive can be obtained by the Group. If government aid is related to an expense, it is incomred to match the expenses that the aid will cover. If the government aid is related to an asset, the related income is recorded as deferred income.

Government incentives received for expenses are deferred until the period in which the expenses are incurred in order to match the period in which the expenses are incurred and are recognized in the income statement in the period in which the corresponding expenses are incurred.

Government grants related to property, plant and equipment are accounted for as deferred government grants under long-term liabilities and recorded in the income statement using the straight-line depreciation method throughout the economic life of the relevant assets. Investment, research and development incentives are defined when the Group's incentive requests are approved by the competent authorities (Note 12).

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.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont’d)

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.

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3. SEGMENT REPORTING

1 January- 31 December 2025

	Trading of spare part and automobile	Consumer financing	Total
Revenue	319,413,508	12,831,486	332,244,994
Gross profit	18,305,892	2,321,419	20,627,311
Operating expenses (-)	(17,656,855)	(453,800)	(18,110,655)
Other income from main operations	11,327,576	10,792	11,338,368
Other expenses from main operations (-)	(9,793,012)	(437,842)	(10,230,854)
Operating profit / (loss)	2,183,601	1,440,569	3,624,170

1 January- 31 December 2024

	Trading of spare part and automobile	Consumer financing	Total
Revenue	157,419,715	11,847,104	169,266,819
Gross profit	15,423,340	2,079,416	17,502,756
Operating expenses (-)	(13,058,054)	(412,594)	(13,470,648)
Other income from main operations	10,530,518	16,618	10,547,136
Other expenses from main operations (-)	(8,887,546)	(295,828)	(9,183,374)
Operating profit / (loss)	4,008,258	1,387,612	5,395,870

As of 31 December 2025, the distribution of assets and liabilities of consumer financing segment is followed by TL 36,175,872 in current asset, TL 8,856,198 in non-current asset, TL 16,527,600 in current liabilities and TL 26,273,191 in non-current liabilities as financial liabilities. (As of 31 December 2024, TL 19,255,390 in current asset, TL 6,170,398 in non-current asset and TL 13,297,869 in current liabilities, TL 10,182,250 in non-current liabilities as financial liabilities).

As of 31 December 2025, a significant portion of revenue consists of sales to related party's ratio to 25 % (31 December 2024: 45%) (Note 4).

The Group management focuses on operating profit before financial expense in segment reporting, so the Group does not distribute financial income and expenses on a segment basis.

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4. RELATED PARTY DISCLOSURES

Deposit and financial loan balances with related parties	31 December 2025	31 December 2024
Yapı ve Kredi Bankası A.Ş. (deposit) (1)	3,067,912	2,385,378
Yapı ve Kredi Bankası A.Ş. (financial loan) (1)	(6,144,454)	(1,683,206)
Trade receivables from related parties	31 December 2025	31 December 2024
Otokoç Otomotiv Tic. ve San. A.Ş. (1)	5,114,267	5,187,959
Stellantis Europe SPA (2)	13,407,643	10,338,018
Other (1)	345,648	399,886
Less: unearned finance income from forward sales	(368,439)	(80,669)
Total	18,499,119	15,845,194
Trade payables to related parties	31 December 2025	31 December 2024
Stellantis Europe SPA (2)	16,478,464	3,991,332
Other (1)	2,293,376	1,111,100
Rediscount receivables from related parties	(37,989)	(49,724)
Total	18,733,851	5,052,708
Sales		
	1 January - 31 December 2025	1 January - 31 December 2024
Otokoç Otomotiv Tic. ve San. A.Ş. (1)	38,390,025	43,098,069
Stellantis Europe SPA (2)	16,599,205	24,494,473
Stellantis Auto SAS (1)	18,991,683	-
Opel Automobile GMBH (1)	5,024,394	-
Other (1)	627,165	3,059,197
Total	79,632,472	70,651,739

(1) Joint Ventures represent the shareholders of these companies and their related parties, which are subsidiaries, joint ventures or associates.

(2) Represents the joint ventures.

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4. RELATED PARTY DISCLOSURES (cont'd)

Domestic material and service purchases

	1 January - 31 December 2025	1 January - 31 December 2024
Otokoç Otomotiv Tic. ve San. A.Ş. (1)	4,055,005	4,104,349
Zer Merkezi Hizmetler ve Ticaret A.Ş. (1)	2,193,615	2,089,845
Ram Dış Ticaret A.Ş. (1)	1,654,986	1,852,031
Koç Holding A.Ş. (2)(*)	367,516	378,458
Plastiform Plastik San. Tic. A.Ş. (1)	186,252	276,188
Opet Fuchs Madeni Yağlar Tic. A.Ş. (1)	243,502	274,020
Sistemi Comandi Meccanici Otomotiv San. Tic. A.Ş. (1)	174,747	188,608
Opet Petrolcülük A.Ş (1)	151,599	165,879
Ingage Dijital Pazarlama Hizmetleri (1)	627,663	153,059
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş. (1)	208,330	146,364
Setur Servis Turistik A.Ş.(1)	100,230	100,546
Diğer (1)	162,646	383,013
Toplam	10,126,091	10,112,360

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025

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4. RELATED PARTY DISCLOSURES (cont'd)

(1) Joint Ventures represent the shareholders of these companies and their related parties, which are subsidiaries, joint ventures 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.

Interest income from related parties for the twelve-month period ended 31 December 2025 is TL 428,823 (31 December 2024: TL 1,099,200).

TOFAŞ's top executives are determined as the Chairman and Members of the Board of Directors, the General Manager and the Directors directly subordinate to the General Manager. For the annual reporting period ended 31 December 2025, the total compensation and similar benefits provided by the Group to its key management personnel (35 individuals) (31 December 2024: 32 individuals), stated in terms of the purchasing power as of 31 December 2025, amounted to TL 645,023 (31 December 2024: TL 615,172).

As of 31 December 2025, the carrying value of the bonds of the subsidiary KFK sold to qualified investors by the related institution through a closed issuance method is TL 218,114 and is included in the short-term parts of long-term borrowings and long-term borrowings (31 December 2024: TL 121,312).

5. TRADE RECEIVABLES, PAYABLES AND OTHER PAYABLES

a) Trade Receivables:

As of the reporting date, the details of the Group's trade receivables are as follows:

	31 December 2025	31 December 2024
Buyers	32,801,271	11,738,394
Doubtful receivables	17,758	23,244
Less: provision for doubtful receivables	(17,618)	(21,097)
Less: unearned finance income		
arising from credit sales	(614,510)	(248,764)
	32,186,901	11,491,777

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5. TRADE RECEIVABLES, PAYABLES AND OTHER PAYABLES (cont'd)

The movement of provision for doubtful receivables is as follows:

	31 December 2025	31 December 2024
1 January	21,097	24,274
Change during the period, net	1,664	4,919
Inflation effect	(5,143)	(8,096)
	17,618	21,097

Collaterals received related with trade receivables

As of 31 December 2025, the Group has letters of guarantee amounting to TL 556,102, 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 26,728,638, (31 December 2024: Letter of guarantee amounting to TL 611,952, mortgage amounting to TL 2,911, mortgages amounting to TL 2,465, direct borrowing system limit amounting to TL 6,445,549).

b) Trade Payables:

As of the reporting date, the details of the Group's trade payables are as follows:

Trade payables to third parties

	31 December 2025	31 December 2024
Trade payables	24,807,939	9,835,242
Less: unrealised finance expense on credit purchases	(140,849)	(42,335)
	24,667,090	9,792,907

c) Short term other Payables:

	31 December 2025	31 December 2024
Contingent liabilities recognized as a result of the acquisition of the Stellantis Otomotiv Pazarlama A.Ş. subsidiary (*)	1,569,419	-
Contingent liabilities recognized as a result of the acquisition of the BPF Pazarlama ve Acentelik Hizmetleri A.Ş. subsidiary (*)	94,500	-
Taxes, fees and deductions payable	562,939	110,971
Other	752	14,004
	2,227,610	124,975

c) Long Term other Payables:

	31 December 2025	31 December 2024
Contingent liabilities recognized as a result of the acquisition of the Stellantis Otomotiv Pazarlama A.Ş. subsidiary (*)	3,674,000	-
	3,674,000	-

(*) It includes the contingent consideration to be transferred by the group as a result of the acquisition of Stellantis Otomotiv Pazarlama A.Ş. subsidiary (Note: 29).

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6. RECEIVABLES FROM FINANCE SECTOR OPERATIONS

	31 December 2025	31 December 2024
Short-term consumer finance loans	30,953,213	15,920,337
Doubtful loans	686,932	489,647
	31,640,145	16,409,984
Special provisions	(341,467)	(209,662)
General provisions	(260,872)	(140,568)
	31,037,806	16,059,754
Long-term consumer finance loans	8,912,340	6,094,282
General provisions	(83,769)	(57,186)
	8,828,571	6,037,096

As of 31 December 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:

	31 December 2025	31 December 2024
Between 1-2 years	6,630,232	4,898,218
Between 2-3 years	1,866,952	1,138,878
Between 3-4 years	331,254	-
4 years and over	133	-
	8,828,571	6,037,096

Movements in the allowance for loan impairment are as follows:

	31 December 2025	31 December 2024
1 January	407,416	224,624
Provision allocated during the period	453,891	296,390
Collected during the year (-)	(13,099)	(7,327)
Inflation Effect	(162,100)	(106,271)
Total	686,108	407,416

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 31 December 2025, the fair value of guarantees obtained for the consumer loans amounting to TL 52,111,125 (31 December 2024: TL 30,678,463). 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 398,469 (31 December 2024: TL 260,418) as of 31 December 2025.

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7. INVENTORIES

	31 December 2025	31 December 2024
Raw materials	4,532,557	2,962,540
Work-in-progress	1,972,019	2,740,421
Goods	837,689	637,227
Imported vehicles	3,335,086	2,343,077
Spare parts	3,492,590	1,291,138
Goods in transit	3,255,197	1,761,994
Provision for inventory impairment (-)	(569,583)	(347,171)
	16,855,555	11,389,226

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

	31 December 2025	31 December 2024
1 January	347,171	248,375
Provision for inventory impairment recognised as a result of the acquisition of Stellantis Otomotiv Pazarlama A.Ş. subsidiary	146,615	-
Movements during the period, net	75,797	98,796
	569,583	347,171

8. PREPAID EXPENSES AND DEFERRED INCOME

a) Short-term prepaid expenses

	31 December 2025	31 December 2024
Order advances given	59,587	46,691
Prepaid insurance and dealer expenses	373,012	249,330
	432,599	296,021

b) Long-term prepaid expenses

As of 31 December 2025, long-term prepaid expenses amounting to TL 1,950,306 (31 December 2024: TL 2,354,394) consist of advances given for purchases of property, plant and equipment amounting to TL 1,933,266 (31 December 2024: TL 2,336,390).

c) Liabilities arising from customer contracts

As of 31 December 2025, the liability of TL 1,078,488 consists of extended warranty amounts accounted for within the scope of TFRS 15 Revenue from Customer Contracts Standard (31 December 2024: TL 317,621).

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9. INVESTMENT PROPERTIES

The movement of investment properties for the years ended 31 December 2025 and 2024 is as follows:

	31 December 2025	1 December 2024
1 January	307,545	280,976
Fair value increase / (decrease) (*)	16,510	26,569
31 December 2025	324,055	307,545

(*) The fair value of the real estate aforementioned was determined as TL 324,055 as of 31 December 2025 (31 December 2023: TL 307,545) using the comparable comparison method. The increase in value of TL 16,510 (31 December 2024: TL 26,569 increase, income from investment activities) resulting from the valuation was accounted for in income from investment activities (Note 19). The valuation report is prepared by an independent valuation firm that has the relevant CMB license and the necessary professional knowledge.

The fair value hierarchy for the Group's investment properties as of 31 December 2025 and 2024 is indicated in the table below:

31 December 2025	Level 1	Level 2	Level 3
Investment properties	-	324,055	-
Total assets	-	324,055	-
<hr/>			
31 December 2024	Level 1	Level 2	Level 3
Investment properties	-	307,545	-
Total assets	-	307,545	-

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10. PROPERTY, PLANT AND EQUIPMENT

The movement of property, plant and equipment and the accumulated depreciation for the year ended 31 December 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	12,080,336	109,562,171	12,579,058	2,307,799	321,127	1,128,604	137,979,095
Accumulated depreciation	(8,254,378)	(98,721,228)	(10,921,295)	(888,646)	(234,484)	-	(119,020,031)
1 January 2025, net book value	3,825,958	10,840,943	1,657,763	1,419,153	86,643	1,128,604	18,959,064
Additions	201,758	3,107	702	23,908	-	6,126,473	6,355,948
Assets acquired through purchase (Note: 29)	896,598	-	5,733	801,150	-	-	1,703,481
Disposal cost	(949,773)	(3,351,115)	(109,737)	(487,762)	-	-	(4,898,387)
Depreciation of disposals	429,665	3,253,912	102,315	303,221	-	-	4,089,113
Transfers	-	3,360,173	370,315	634,212	-	(4,364,700)	-
Depreciation expense	(228,866)	(3,457,098)	(444,225)	(403,657)	(10,978)	-	(4,544,824)
31 December 2025, net book value	4,175,340	10,649,922	1,582,866	2,290,225	75,665	2,890,377	21,664,395
As of 31 December							
Cost	12,228,919	109,574,336	12,846,071	3,279,307	321,127	2,890,377	141,140,137
Accumulated depreciation	(8,053,579)	(98,924,414)	(11,263,205)	(989,082)	(245,462)	-	(119,475,742)
31 December 2025, net book value	4,175,340	10,649,922	1,582,866	2,290,225	75,665	2,890,377	21,664,395

As of 31 December 2025, there are no pledges or collaterals on property, plant and equipment.

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10. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The movement of property, plant and equipment and the accumulated depreciation for the year ended 31 December 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	11,990,954	106,782,909	12,264,397	2,104,699	317,885	1,066,546	134,527,390
Accumulated depreciation	(8,050,723)	(98,097,680)	(10,656,095)	(838,971)	(223,380)	-	(117,866,849)
1 January 2024, net book value	3,940,231	8,685,229	1,608,302	1,265,728	94,505	1,066,546	16,660,541
Additions	-	2,371	832	438,464	-	6,679,971	7,121,638
Disposal cost	(8,342)	(2,171,207)	(250,749)	(1,239,635)	-	-	(3,669,933)
Depreciation of disposals	6,588	2,122,775	243,068	410,321	-	-	2,782,752
Transfers	97,724	4,948,098	564,578	1,004,271	3,242	(6,617,913)	-
Depreciation expense	(210,243)	(2,746,323)	(508,268)	(459,996)	(11,104)	-	(3,935,934)
31 December 2024, net book value	3,825,958	10,840,943	1,657,763	1,419,153	86,643	1,128,604	18,959,064
As of 30 September							
Cost	12,080,336	109,562,171	12,579,058	2,307,799	321,127	1,128,604	137,979,095
Accumulated depreciation	(8,254,378)	(98,721,228)	(10,921,295)	(888,646)	(234,484)	-	(119,020,031)
31 December 2024, net book value	3,825,958	10,840,943	1,657,763	1,419,153	86,643	1,128,604	18,959,064

As of 31 December 2024, there are no pledges or collaterals on property, plant and equipment.

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11. INTANGIBLE ASSETS

The movement table of intangible assets for the interim periods ending as of 31 December 2025 and 2024 is as follows:

Goodwill

Cost value	2025	2024
Additional amount from business combinations during the period (Note: 29)	7,378,612	-
Closing balance	7,378,612	-

Other intangible assets

	Development costs (*)	Licenses and Other	Total
As of 1 January 2025			
Cost	71,220,387	7,462,336	78,682,723
Accumulated amortization	(66,253,919)	(6,979,806)	(73,233,725)
1 January 2025, net book value			
	4,966,468	482,530	5,448,998
Additions	2,072,373	295,268	2,367,641
Assets acquired through purchase (Note: 29)	-	599	599
Amortization expense	(2,655,500)	(280,626)	(2,936,126)
31 December 2025, net book value			
	4,383,341	497,771	4,881,112
As of 31 December			
Cost	73,292,760	7,758,203	81,050,963
Accumulated amortization	(68,909,419)	(7,260,432)	(76,169,851)
31 December 2025, net book value			
	4,383,341	497,771	4,881,112

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11. INTANGIBLE ASSETS (cont'd)

Other intangible assets (cont'd)

	Development costs (*)	Licenses and Other	Total
As of 1 January 2024			
Cost	69,535,358	7,295,654	76,831,012
Accumulated amortization	(61,933,908)	(6,842,466)	(68,776,374)
1 January 2024, net book value	7,601,450	453,188	8,054,638
Additions	1,685,029	166,682	1,851,711
Amortization expense	(4,320,011)	(137,340)	(4,457,351)
31 December 2025, net book value	4,966,468	482,530	5,448,998
As of 31 December			
Cost	71,220,387	7,462,336	78,682,723
Accumulated amortization	(66,253,919)	(6,979,806)	(73,233,725)
31 December 2024, net book value	4,966,468	482,530	5,448,998

(*) It consists of development costs made within the scope of increasing the efficiency and quality of automobile production and reducing costs. The aforementioned amount has been capitalized within the scope of TAS 38 and is recognized within intangible assets.

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12. GOVERNMENT INCENTIVES AND GRANTS

Investment incentive documents

The Group has various investment incentive certificates regarding its investment expenditures. The opportunities provided under these incentive certificates are as follows:

- i) 100% customs duty and VAT exemption on imported machinery and equipment
- ii) 100% VAT exemption for domestic investment expenditures
- iii) Reduced Corporate Tax exemption

As a result of the evaluation, the Group has recognized a deferred tax asset of TL 16,377,155 (31 December 2024: TL 9,683,200) for the discounted corporate tax of TL 6,870,805 (31 December 2024: TL 4,701,227), which is foreseeable on the temporary differences arising from the discounted corporate tax within the framework of Article 32/A of the Corporate Tax Law No. 5520 and can be used within the period in which the right to discounted corporate tax continues within the framework of tax laws (Note 22).

With the amendment made to Article 10 of the Corporate Tax Law No. 5520 and Article 35 of the Law No. 5746 on Support for Research and Development Activities, the R&D discount rate to be calculated on research and development expenses was increased from 40% to 100%. The said law entered into force on 1 April 2008. Accordingly, corporate taxpayers can take into account 100% of their expenses made within the company as of 2008 within the framework of research and development activities aimed at new technology and information search as R&D deduction in determining corporate income.

The Group's total R&D expenditure in 2025 is TL 1,903,329, and after deducting TL 19,168, which cannot be subject to the corporate tax R&D deduction, and TL 37,698 of total TEYDEB and European project supports collected during the year, the amount subject to the corporate tax R&D deduction is TL 1,846,463 (As of 31 December 2024, the Group's total R&D expenditure is TL 4,250,617, and after deducting TL 614,672, which cannot be subject to the corporate tax R&D deduction, and TL 86,789 of TEYDEB and European project supports collected during the year, the amount subject to the corporate tax R&D deduction is TL 3,549,156).

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13. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Provisions

Other short-term provisions

	31 December 2025	31 December 2024
Provision for warranty claims	3,939,819	2,926,582
Provision for legal cases	165,226	127,593
Other	810,270	315,009
	4,915,315	3,369,184

Movement table of the provision for litigation is as follows:

	31 December 2025	31 December 2024
1 January	2,926,582	3,289,829
Paid during the period	(3,370,941)	(1,359,236)
Increase during the year (Note: 17)	5,081,993	2,095,309
Inflation effect	(697,815)	(1,099,320)
	3,939,819	2,926,582

Movement table of the provision for litigation is as follows:

	31 December 2025	31 December 2024
1 January	127,593	41,532
Provision for lawsuits recognized as a result of the acquisition of the subsidiary Stellantis Otomotiv Pazarlama A.Ş.	78,224	-
Movement during the year, net	-	113,435
Inflation effect	(40,591)	(27,374)
	165,226	127,593

Litigations against the Group:

As of 31 December 2025, the total amount of outstanding legal claims brought against the Group is TL 193,600 (31 December 2024: TL 85,581). The Group has reflected a reserve amounting to TL 165,226 (31 December 2024: TL 127,593) in the financial statements.

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13. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

a) Provisions (cont'd)

Collaterals, pledges, mortgages and sureties:

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

	31 December 2025			31 December 2024		
	TL Equivalent	EUR	TL	TL Equivalent	EUR	TL
A. Total Amount of CPM Given for Its Own Legal Entity	1,519,310	2,007	1,418,404	880,116	2,000	783,929
B. Total Amount of CPM Given 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	-	-	-	-	-	-
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	1,519,310	2,007	1,418,404	880,116	2,000	783,929

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13. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

b) Other

Within the scope of the export incentive certificate dated 04 March 2021 and numbered 2021/D1-01051, which provides an export commitment of USD 3,288,142,000.00 to be realized until 30 April 2024, USD 2,918,148,554.37 has been exported. Within the scope of the export incentive certificate, which provides an import commitment of 1,950,184,800.00 USD, 1,491,043,569.14 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 USD 2,070,948,000.00 to be realized by 5 April 2025, USD 885,463,250.81 has been exported. Within the scope of the export incentive certificate, which provides an import commitment of 955,230,840.00 USD, 299,379,705.89 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 USD 3,201,849,200.00 to be realized by 22 February 2026, USD 641,560,327.04 of export has been realized. Within the scope of the export incentive certificate, which provides an import commitment of USD 1,142,480,951.20, USD 173,306,505.50 has been imported.

14. EMPLOYEE BENEFITS

a) Short-term payables for employee benefits:

	31 December 2025	31 December 2024
Due to personnel	547,987	466,147
Due to personnel within the Scope of the Collective Bargaining Agreement	455,057	-
Social security premiums payable	210,358	209,337
Personnel income tax	436,048	412,971
Other	68,135	63,116
Provision for unused vacation	110,429	49,216
	1,828,014	1,200,787

b) Long-term provisions for employee benefits:

In accordance with the current labor law, the Group is obliged to pay a certain amount of severance pay to the personnel who quit their job due to retirement or who are dismissed for reasons other than resignation and bad behavior and who have served for at least one year. The compensation to be paid is the amount of one month's salary for each year of service and this amount is limited to full TL 53,919.68 as of 31 December 2025 (31 December 2024: full TL 41,828.42, historical amount). The severance pay ceiling is revised every six months, and the ceiling amount of full TL 64,948.77 (1 January 2025: full TL 46,655.43, historical amount) valid as of 1 January 2026 has been taken into account in the calculation of the consolidated severance pay provision.

Based on the information obtained from past experiences, the Group management discounted the benefits to which employees who are entitled to receive severance pay were entitled, using the government bond rates valid on the balance sheet date, in accordance with TAS 19, and reflected them in the consolidated financial statements based on their reduced net values. The assumptions used in the calculation are as follows:

	31 December 2025	31 December 2024
Net discount rate (%)	3.65	3.38
Turnover rate for estimating the probability of retirement (%)	96.30	95.85

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14. EMPLOYEE BENEFITS (cont'd)

The movement of the provision for employment termination benefits for the years ended 31 December 2025 and 2024 is presented below:

	31 December 2025	31 December 2024
1 January	1,411,720	2,133,707
Current service cost	78,733	155,003
Cost/Gain as a Result of Termination of Employment	28,110	205,619
Interest cost	336,324	430,748
Paid during the period	(62,968)	(896,852)
Loss on remeasurement of defined benefit plans	203,447	25,765
Inflation effect	(382,458)	(642,270)
31 December	1,612,908	1,411,720

Sensitivity analyses of significant assumptions used in the calculation of provision for employment termination benefits as of 31 December 2025 are as follows:

	Net discount rate		Circulation rate for retirement probability	
	0.5% decrease	0.5% increase	0.5% decrease	0.5% increase
Rate (%)	3.15	4.15	95.80	96.80
Increase/(decrease) in provision for employment termination benefits	125,286	(125,286)	8,122	(8,122)

15. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Share capital

The Company's registered capital ceiling is TL 1,000,000,000 (full TL). The Company's paid-in capital amount based on historical cost as of 31 December 2025 and 31 December 2024 is TL 500,000,000 (full TL) and consists of 50 billion shares, each with a value of TL 0.01 (full TL). As of 31 December 2025 and 31 December 2024, the Company's capital and partnership structure is as follows:

	Share group	31 December 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 Fami	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

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15. SHARE CAPITAL RESERVES AND OTHER EQUITY ITEMS (cont'd)

a) Share capital (cont'd)

According to the articles of association, half of the members to be elected to the Board of Directors are chosen from among the candidates nominated by the Group A shareholders and the other half from among the candidates nominated by the Group D shareholders. The General Assembly is authorized to determine the number of Board members and to elect them. One of the candidates nominated by the A and D group shareholders must have the independent qualifications defined in the CMB regulations.

The historical values and inflation adjustment effects of the following equity accounts under the Company's balance sheet, in accordance with TFRS and TPL financial statements, as of 31 December 2025, are as follows:

31 December 2025 (TFRS)	Historical	Inflation	Indexed value
	value	adjustment effect	
Capital	500,000	25,639,112	26,139,112
Restricted reserves appropriated from profit	2,608,080	4,693,389	7,301,469

31 December 2025 (TPL)	Historical	Inflation	Indexed value
	value	adjustment effect	
Capital	500,000	15,621,312	16,121,312
Restricted reserves appropriated from profit	2,608,080	4,374,960	6,983,040

b) Profit reserves – prior years' profit/losses

Retained earnings in statutory accounts can be distributed except jurisdiction stated below related to legal reserves.

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in/authorized share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in/authorized share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in/authorized share capital.

The recorded values of capital inflation adjustment differences and extraordinary reserves can be used in free capital increases, cash profit distributions or loss offsetting. However, capital inflation adjustment differences will be subject to corporate tax if used in cash profit distribution.

With the decision taken at the 10th Board of Directors meeting dated 28 February 2025, the Company distributed a cash dividend of a total of TL 7,135,514 (Amount as of the Board of Directors decision date: TL 6,000,000) from the profits of 2024 (TL 16,424,018 from the profits of 2023 in 2024 (Amount as of the Board of Directors decision date: TL 10,000,000)) after deducting legal obligations from the profits of 2023. As of the years ending on 31 December 2025 and 31 December 2024, the dividend amount distributed per share is 14.27 kr and 32.85 kr, respectively (As of the date of the Board of Directors' decision, earnings per share are 12.00 kr and 20.00 kr).

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15. SHARE CAPITAL RESERVES AND OTHER EQUITY ITEMS (cont'd)

c) Analysis of other comprehensive income items

The movement of the cash flow hedge fund during the periods is as follows:

	31 December 2025	31 December 2024
Opening balance as of 1 January	(21,828)	(4,611,400)
Cash flow hedge losses	(3,582,648)	2,087,956
Deferred Tax Income/(Expense) Related to Total Comprehensive Income	895,662	(521,989)
Transfer of the inflation effect to retained earnings	(15,370)	3,023,605
Closing balance	(2,724,184)	(21,828)

16. REVENUE AND COST OF SALES

a) Revenue

	1 January - 31 December 2025	1 January - 31 December 2024
Foreign sales	276,964,297	122,719,710
Domestic sales	35,822,610	26,950,442
Other	6,626,601	7,749,563
Total	319,413,508	157,419,715

The amount of sales discounts is TL 11,384,977 (31 December 2024: TL 11,155,135).

The distribution of the Group's sales by product group in 2025 and 2024 is as follows:

	2025	2024
Passenger car	201,645,120	81,651,751
Commercial vehicle	94,264,491	54,400,704
Spare parts	16,877,296	13,617,697
Other	6,626,601	7,749,563
Total	319,413,508	157,419,715

b) Other

	2025	2024
Income from scrap sales	455,471	257,730
R&D income	3,506,912	2,676,777
Packaging sales income	124,629	192,492
Mold sales income	9,462	572,786
Second Hand Automobile sales income	1,763,168	3,493,027
Other	766,959	556,751
Total	6,626,601	7,749,563

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16. REVENUE AND COST OF SALES (cont'd)

c) Cost of sales

	1 January - 31 December 2025	1 January - 31 December 2024
Direct material expenses	(78,725,410)	(77,772,885)
Depreciation and amortization expense	(5,920,097)	(6,527,862)
Direct labor expenses	(2,002,587)	(2,594,362)
Other production expenses	(4,275,318)	(4,755,532)
Total cost of production	(90,923,412)	(91,650,641)
Cost of trade goods sold	(209,616,264)	(1,718,605)
Change in work-in-process	(768,402)	(46,054,989)
Change in goods	200,462	(2,572,140)
Cost of other sales		
Total	(301,107,616)	(141,996,375)

d) Production and sales volumes

	Production		Sales	
	December 2025	December 2024	December 2025	December 2024
Manufactured vehicles				
Egea	52,035	69,145	52,144	72,088
K0 Scudo	52,896	4,223	52,245	4,006
Egea Hatchback	26,714	28,731	26,723	28,892
Egea Stationwagon	-	3,821	1	3,916
MCV	-	34,564	6	34,782
Yeni Doblo	-	-	-	1
Total	131,645	140,484	131,109	143,685

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16. REVENUE AND COST OF SALES (cont'd)

	Production		Sales	
	December 2025	December 2024	December 2025	December 2024
Imported vehicles				
Peugeot	58,392	-	57,976	-
Citroen	56,068	-	55,230	-
Opel	53,915	-	52,737	-
Fiat	41,811	24,619	41,691	25,219
Jeep	3,016	3,256	3,247	3,284
Alfa Romeo	1,476	1,138	1,571	1,303
DS	1,706	-	1,618	-
Maserati	59	245	95	221
Ferrari	42	34	42	34
Transit	33	-	33	-
	216,518	29,292	214,240	30,061

17. GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

	1 January - 31 December 2025	1 January - 31 December 2024
Marketing expenses	(12,014,928)	(5,971,631)
General administrative expenses	(4,434,404)	(4,777,256)
Research and development expenses	(1,661,323)	(2,721,761)
Total	(18,110,655)	(13,470,648)
a) Marketing expenses		
	1 January - 31 December 2025	1 January - 31 December 2024
Warranty expenses (Note 13)	(5,081,993)	(2,095,309)
Transportation and insurance expenses	(3,060,858)	(1,313,477)
Advertisement expenses	(2,036,379)	(332,066)
Personnel expenses	(1,505,223)	(1,619,988)
Depreciation and amortization	(204,672)	(66,729)
Travel expenses	(77,588)	(58,217)
Other	(48,215)	(485,845)
	(12,014,928)	(5,971,631)

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17. GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES (cont'd)

b) General administrative expenses

	1 January - 31 December 2025	1 January - 31 December 2024
Personnel expenses	(1,588,409)	(1,837,449)
Depreciation and amortization	(1,301,541)	(1,432,103)
Outsourced benefits and services	(330,971)	(258,086)
Maintenance and repair expenses	(128,163)	(250,685)
Insurance expenses	(86,030)	(204,778)
Taxes, duties and charges	(63,689)	(100,181)
Travel expenses	(39,966)	(44,997)
Other	(895,636)	(648,977)
Total	(4,434,404)	(4,777,256)

c) Research and development expenses

	1 January - 31 December 2025	1 January - 31 December 2024
Personnel expenses	(1,299,317)	(1,707,504)
Outsourced R&D expenses	(36,165)	(235,628)
Depreciation and amortization expenses	(54,640)	(88,100)
Prototype expenses	(64,511)	(424,926)
Transport and travel expenses	(44,460)	(44,910)
Energy expenses	(12,291)	(17,081)
Other	(149,939)	(203,612)
Total	(1,661,323)	(2,721,761)

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18. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

a) Other income from operating activities

	1 January - 31 December 2025	1 January - 31 December 2024
Foreign exchange income from operating activities	6,371,838	3,799,005
Maturity difference income from operating activities	4,416,707	3,851,834
Other	530,802	407,033
Total	11,319,347	8,057,872

b) Other expenses from operating activities

	1 January - 31 December 2025	1 January - 31 December 2024
Foreign exchange expenses from operating activities	(7,659,965)	(4,531,584)
Maturity difference expenses from operating activities	(1,752,521)	(1,641,643)
Other	(818,368)	(842,749)
Total	(10,230,854)	(7,015,976)

19. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

	1 January - 31 December 2025	1 January - 31 December 2024
Revaluation income from investment properties (Note: 9)	16,510	26,569
Gain on sale of property, plant and equipment	1,021,968	490,227
Total	1,038,478	516,796

20. EXPENSES BY NATURE

As of 1 January– 31 December 2025, the Group's personnel and depreciation and amortization expenses are 9,135,014 and TL7,480,950, respectively (1 January– 31 December 2024: TL 10,235,919 and TL 8,114,794).

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21. FINANCE INCOME AND EXPENSES

	1 January - 31 December 2025	1 January - 31 December 2024
Foreign exchange income	4,498,587	5,083,562
Interest income	5,137,329	7,900,449
Total finance income	9,635,916	12,984,011
	1 January - 31 December 2025	1 January - 31 December 2024
Foreign exchange expenses	(4,747,099)	(5,976,042)
Interest expenses	(638,594)	(212,081)
Other	(2,508)	(2,451)
Total finance expenses	(5,388,201)	(6,190,574)

22. INCOME TAXES (INCLUDING DEFERRED 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 Türkiye, 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.

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 31 December 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.

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.

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22. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Corporate tax

The Company and its subsidiaries in the scope of consolidation are subject to the tax legislation and practices in force in the countries they are operating.

The corporate tax rate in Türkiye is 25%. (It was applied as 25% for corporate earnings for the 2024 taxation period.) 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.

Dividend payments made to resident companies in Türkiye, to those who are not liable and exempt from corporate tax and income tax, and to real persons and non-resident legal entities in Türkiye are subject to 10% income tax.

Dividend payments made from companies residing in Türkiye to joint stock companies residing in Türkiye are not subject to income tax. In addition, if the profit is not distributed or added to the capital, income tax is not calculated.

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 31 December 2025 and 31 December 2024, taxes payable are netted off for each Subsidiary and classified separately in the consolidated financial statements.

As of 2025, pursuant to Law No. 7571, the inflation adjustment required under the Tax Procedure Law has been deferred for the fiscal years 2025, 2026 and 2027. In this context, the Company has revalued its depreciable assets in accordance with Article 298/Ç of the Tax Procedure Law, and the resulting revaluation surplus has been recognized in equity under a revaluation fund in the statutory records. This revaluation is carried out solely for tax purposes and has no impact on the carrying amounts presented in the financial statements prepared in accordance with TFRS

Tax Advantages Obtained Under the Investment Incentive System:

The Group's earnings from investments subject to incentive certificates are subject to corporate tax at reduced rates from the accounting period in which the investment is partially or fully operated until the investment contribution amount is reached. In this context, as of 31 December 2025, the tax advantage of TL 5,885,850 (31 December 2024: TL 4,701,227) that the Group will benefit from in the foreseeable future has been reflected in the consolidated financial statements as a deferred tax asset. As a result of the recognition of the tax advantage as of 31 December 2025, a deferred tax income of TL 1,184,623 has arisen in the consolidated profit or loss statement for the period 1 January– 31 December 2025.

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22. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Tax Advantages Obtained Under the Investment Incentive System (cont'd)

Deferred tax assets are recorded when it is determined that taxable income will occur in the future years. In cases where it is probable that taxable income will be generated, deferred tax assets are calculated based on the tax advantages earned due to deductible temporary differences, tax losses and unlimited-life investment allowances that allow for reduced corporate tax payments. In this context, the Group bases the reflection of deferred tax assets arising from investment incentives in the consolidated financial statements on long-term plans and evaluates the recoverability of deferred tax assets related to investment discounts as of each balance sheet date, based on business models that include taxable profit estimates. It is anticipated that the deferred tax assets will be recovered within 5 years from the balance sheet date.

In the sensitivity analysis conducted as of 31 December 2025, there was no change in the recovery period of deferred tax assets related to investment incentives, which was foreseen as 5 years, when the inputs included in the basic macroeconomic and sectoral assumptions forming the business plans were increased/decreased by 10%.

	1 January - 31 December 2025	1 January - 31 December 2024
Current tax income / (expense)	(1,139,074)	(1,540,333)
Deferred tax income / (expense)	654,816	1,974,206
Total	(484,258)	433,873

	1 January - 31 December 2025	1 January - 31 December 2024
Current corporate tax	1,139,074	1,540,333
Less: Prepaid corporate tax	(1,175,948)	(2,342,258)
Prepaid corporate tax (-)	(36,874)	(801,925)

The analysis of tax income reflected in the statement of profit or loss as of 31 December 2025 and 2024 is presented below:

	1 January - 31 December 2025	1 January - 31 December 2024
Profit before tax	8,838,191	6,400,590
Tax expense based on effective tax (25%)	(2,209,548)	(1,600,148)
Non-deductible expenses	(20,204)	(19,674)
Discount provided from R&D expenses made during the period	512,175	933,485
Effect of reduced tax rate	1,893,942	1,950,734
Investment incentives utilised and earned, net	2,169,578	2,573,372
Other	326,573	2,468,316
Inflation effect	(3,156,774)	(5,872,212)
Total	(484,258)	433,873

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22. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Deferred tax assets and liabilities

	Cumulative temporary differences		Deferred tax asset/(liability)	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Discounted corporate tax (*)	16,377,155	9,683,200	6,870,805	4,701,227
Provision for employment termination benefits and unused vacation	1,727,520	1,486,517	431,880	371,629
Liabilities arising from customer service	1,078,488	317,621	269,622	95,286
Warranty expense provision	3,939,819	2,926,582	985,682	731,645
Depreciable assets	(8,300,714)	(5,080,222)	(2,075,179)	(1,270,056)
Inventories	(448,056)	(610,436)	(112,014)	(152,609)
Land and investment property	346,739	429,414	86,685	107,354
Other	6,501,250	571,534	1,610,200	142,883
Deferred tax asset, net	21,222,201	9,724,210	8,067,681	4,727,359

(*) The Group uses different discounted tax rates in proportion to the investment amounts as a result of its fixed asset investments.

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

	1 January - 31 December 2025	1 January - 31 December 2024
Deferred tax asset as of 1 January	4,727,359	3,268,701
Deferred tax income	654,816	1,974,206
Related to other comprehensive income statement	946,524	(515,548)
<i>Remeasurement gains/(losses)</i>	<i>50,862</i>	<i>6,441</i>
<i>on defined benefit plans</i>		
<i>Cash flow hedge losses</i>	<i>895,662</i>	<i>(521,989)</i>
Effect of acquisition of a subsidiary (Note: 29)	1,738,982	-
	8,067,681	4,727,359

23. 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 31 December 2025 and 2024 earnings per share is Kr 16.71 and Kr 13.67, respectively.

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24. FINANCIAL INSTRUMENTS

Financial Liabilities

a) Short-term portion of long-term borrowings

	31 December 2025			31 December 2024		
	Foreign currency amount (thousand)	TL equivalent	Annual interest rate (%)	Foreign currency amount (thousand)	TL equivalent	Annual interest rate (%)
TL loans (*)	-	13,846,748	50.00%	-	9,757,409	52.00%
EUR loans	20,035	1,007,500	2.96%	34,718	1,669,741	3.26% -6.8%
Bonds issued (1,2,3,4,5,6,7,8)	-	1,367,750	45.73%	-	2,865,910	46.97%
Short-term portions of long-term lease liabilities	-	31,584	-	-	22,775	-
Total	20,035	16,253,582		34,718	14,315,835	

b) Long-term borrowings

	31 December 2025			31 December 2024		
	Foreign currency amount (thousand)	TL equivalent	Annual interest rate (%)	Foreign currency amount (thousand)	TL equivalent	Annual interest rate (%)
TL loans (*)	-	22,509,012	50.00%	-	9,208,859	52.00%
EUR loans	222,006	11,163,785	2.96%	249,928	12,019,963	3.26% -6.8%
Bonds issued (1,2,3,4,5,6,7,8)	-	3,739,192	45.73%	-	948,625	46.97%
Long-term lease liabilities	-	3,431	-	-	26,931	-
Total	222,006	37,415,420		249,928	22,204,378	

As of 31 December 2025, TL 1,285,947 (31 December 2024: TL 1,683,206) of short-term and long-term financial liabilities have been acquired from banks that are related institutions. (Note 4).

(*) As of 31 December 2025, the total of short and long-term loans in the amount of 36,555 (31 December 2024: 18,966,267) consists of loans received by the consolidated subsidiary KSK to finance the consumer loans it has provided.

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24. FINANCIAL INSTRUMENTS (cont'd)

Financial Liabilities (cont'd)

- (1) The Company 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.
- (2) The Company 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.
- (3) The Company 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.
- (4) The Company 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.
- (5) The Company issued a bond with a nominal payment of TL 650,000 with a nominal interest rate of 47.30% and a maturity of 15 months on 1 July 2025.
- (6) The Company issued a bond with a nominal payment of TL 500,000 with a nominal interest rate of 42.75% and a maturity of 18 months on 1 September 2025.
- (7) The Company issued a bond with a nominal payment of TL 800,000 with a nominal interest rate of 41.21% and a maturity of 15 months on 5 December 2025.
- (8) The Company issued a bond with a nominal payment of TL 650,000 with a nominal interest rate of 41.19% and a maturity of 16 months on 17 December 2025.

As of 31 December 2025, the interest rate on TL loans is fixed and the interest rate on EUR loans is variable.

As of 31 December 2025 and 31 December 2024, the repayment schedule of the Group's long-term loans is as follows:

	31 December 2025	31 December 2024
Between 1-2 years	23,315,222	11,608,852
Between 2-3 years	6,656,265	2,326,234
Between 3-4	1,861,642	1,647,988
Between 4-5	1,861,642	1,648,334
Over 5 years	3,717,218	4,946,039
	37,411,989	22,177,447

The movements of financial liabilities for the twelve-month periods ended 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
1 January	36,520,213	22,357,910
Financial liabilities recognised as a result of the acquisition of Stellantis Otomotiv Pazarlama A.Ş. subsidiary (Note: 29)	6,233,792	-
Cash flow effect, net	13,978,511	18,608,589
Effect of unrealized exchange differences	4,588,445	5,540,095
Changes in lease liabilities under TFRS 16	(23,353)	(26,143)
Change in accrual of interest	4,056,697	21,493
Inflation effect	(11,685,303)	(9,981,731)
	53,669,002	36,520,213

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25. 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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25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Credit risk (cont'd)

Types of credit exposed by types of financial instruments;

	Trade Receivables	Other Receivable	Cash and Cash Equivalents	Financial Investments	Receivables from financial sector activities
31 December 2025	Related Party	Other Party	Other Party		
Maximum exposure to credit risk as of reporting date (A + B + C + D + E) (1)	18,499,119	32,186,901	35,271	19,967,321	171,293
- The portion of the maximum risk secured by collateral, etc. (-) (2)	45,950	27,206,623	-	-	39,866,377
A. Net book value of financial assets that are not overdue or impaired	18,249,291	32,043,512	35,271	19,967,321	171,293
a- The portion of the maximum risk secured by collateral, etc. (-)	45,950	27,193,622	-	-	39,025,135
- General loan provisions	-	-	-	-	(344,641)
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	249,828	143,249	-	-	495,777
c- The portion of the maximum risk secured by collateral, etc. (-)	-	13,001	-	-	(490,819)
D. Net book values of impaired assets	-	140	-	-	345,465
- Past due (gross book value)	-	17,758	-	-	686,932
- Impairment (-)	-	(17,618)	-	-	(341,467)
- 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.	-	-	-	-	398,469
E. Off-balance sheet items that include credit risk	-	-	-	-	-

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25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Credit risk (cont'd)

	Trade Receivables	Other Receivable	Cash and Cash Equivalents	Financial Investments	Receivables from financial sector activities
31 December 2024	Related Party	Other Party	Other Party		
Maximum exposure to credit risk as of reporting date (A + B + C + D + E) (1)	15,845,194	11,491,777	3,269	25,806,496	106,278
- The portion of the maximum risk secured by collateral, etc. (-) (2)	39,202	7,006,466	-	-	22,096,850
A. Net book value of financial assets that are not overdue or impaired	14,442,435	11,276,348	3,269	25,806,496	106,278
a- The portion of the maximum risk secured by collateral, etc. (-)	39,202	7,006,298	-	-	21,393,284
- General loan provisions					(197,754)
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	1,402,759	213,282	-	-	423,581
c- The portion of the maximum risk secured by collateral, etc. (-)	-	168	-	-	(419,345)
D. Net book values of impaired assets	-	2,147	-	-	279,985
- Past due (gross book value)	-	23,244	-	-	489,647
- Impairment (-)	-	(21,097)	-	-	(209,662)
- 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.	-	-	-	-	14,406
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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25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Aging analysis for trade receivables and receivables from financial sector activities

The aging of trade receivables and receivables from the financial sector that are overdue but no provision has been made is as follows:

31 December 2025	
1-30 days past due	387,704
1-3 months past due	216,915
3-12 months past due	156,380
1-5 years past due	127,855
	888,854
31 December 2024	
1-30 days past due	1,095,715
1-3 months past due	341,624
3-12 months past due	451,338
1-5 years past due	150,945
	2,039,622

As of 31 December 2025, TL 249,188 of a total past due receivables of the Group is due from Group's related party, Stellantis Europe SPA (31 December 2024: TL 457,970). As of 31 December 2025, the Group's trade payables to Stellantis Europe SPA are TL 16,478,464 (31 December 2024: TL 3,991,332).

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.

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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25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk (cont'd)

	31 December 2025	TL equivalent (functional currency)	USD ('000)	EUR ('000)	Other ('000)
1.	Trade Receivables	11,456,396	1,945	226,168	-
2a.	Monetary Financial Assets (including cash, bank acco	5,066,831	17	100,746	-
2b.	Non-Monetary Financial Assets	3,652,914	-	65,472	-
3.	Other	503,107	-	10,005	-
4.	Current Assets (1+2+3)	20,679,248	1,962	402,391	-
5.	Trade Receivables	-	-	-	-
6a.	Monetary Financial Assets	-	-	-	-
6b.	Non-Monetary Financial Assets	2,145,429	-	38,453	-
7.	Other	2,218,161	-	44,111	-
8.	Non-Current Assets (5+6+7)	4,363,590	-	82,564	-
9.	Total Assets (4+8)	25,042,838	1,962	484,955	-
10.	Trade Payables	(20,648,972)	(9,432)	(402,485)	(947)
11.	Financial Liabilities	(1,007,500)	-	(20,035)	-
12a.	Monetary Other Liabilities	-	-	-	-
12b.	Non-Monetary Other Liabilities	-	-	-	-
13.	Current liabilities (10+11+12)	(21,656,472)	(9,432)	(422,520)	(947)
14.	Trade Payables	-	-	-	-
15.	Financial Liabilities	(11,163,785)	-	(222,006)	-
16a.	Monetary Other Liabilities	-	-	-	-
16b.	Non-Monetary Other Liabilities	-	-	-	-
17.	Non-Current Liabilities (14+15+16)	(11,163,785)	-	(222,006)	-
18.	Total Liabilities (13+17)	(32,820,257)	(9,432)	(644,526)	(947)
19.	Net Asset/(Liability) Position of Off-Balance Sheet				
	Derivative Instruments (19a-19b)	12,171,250	-	242,041	-
19a.	Hedged Portion of Asset Amount	-	-	-	-
19b.	Hedged Portion of Liabilities Amount	(12,171,250)	-	(242,041)	-
20.	Net Foreign Currencies Assets / (Liability)				
	position (9+18+19)	4,393,831	(7,470)	82,470	(947)
21.	Monetary Items Net Foreign Currency				
	Asset/Liability Position				
	(1+2a+3+5+6a+10+11+12a+14+15+16a)	(15,793,923)	(7,470)	(307,607)	(947)
22.	Total Fair Value of Financial Instruments				
	Used for Foreign Currency Hedges	-	-	-	-
23.	Export	37,094,326	-	801,325	45,693
24.	Import	126,929,381	9,581	1,924,347	41,162,060

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25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk (cont'd)

31 December 2024	TL equivalent (functional currency)	USD ('000)	EUR ('000)	Other ('000)
1. Trade Receivables	10,729,956	1,994	221,194	-
2a. Monetary Financial Assets (including cash, bank acco	8,147,240	9	169,394	8
2b. Non-Monetary Financial Assets	1,978,698	-	35,844	-
3. Other	377,435	-	7,848	-
4. Current Assets (1+2+3)	21,233,329	2,003	434,280	8
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	2,313,061	-	41,901	-
7. Other	-	-	-	-
8. Non-Current Assets (5+6+7)	2,313,061	-	41,901	-
9. Total Assets (4+8)	23,546,390	2,003	476,181	8
10. Trade Payables	(6,192,072)	(1,676)	(126,882)	(1,987)
11. Financial Liabilities	(1,669,741)	-	(34,718)	-
12a. Monetary Other Liabilities	-	-	-	-
12b. Non-Monetary Other Liabilities	(276)	-	(5)	-
13. Current Liabilities (10+11+12)	(7,862,090)	(1,676)	(161,605)	(1,987)
14. Trade Payables	-	-	-	-
15. Financial Liabilities	(12,019,964)	-	(249,928)	-
16a. Monetary Other Liabilities	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-
17. Non-Current Liabilities (14+15+16)	(12,019,964)	-	(249,928)	-
18. Total Liabilities (13+17)	(19,882,055)	(1,676)	(411,533)	(1,987)
19. Net Asset/(Liability) Position of Off-Balance Sheet				-
Derivative Instruments (19a-19b)	13,689,662	-	284,646	-
19a. Hedged Portion of Asset Amount	-	-	-	-
19b. Hedged Portion of Liabilities Amount	(13,689,662)	-	(284,646)	-
20. Net Foreign Currencies Assets / (Liability) position (9+18+19)	17,353,997	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)	(627,147)	327	(13,092)	(1,979)
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedges	-	-	-	-
23. Export	23,941,166	4,212	518,088	76,501
24. Import	72,236,767	8,900	1,461,340	394,356

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25. 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 31 December 2025 and 31 December 2024:

31 December 2025	Profit/loss		Equity	
	Appreciation of foreign currency	Depreciation foreign currency	Appreciation of foreign currency	Depreciation foreign currency
<i>In case of a 10% appreciation of USD against TL:</i>				
1- USD net asset/liability				
1- USD net asset/liability	(32,006)	32,006	-	-
2- Portion hedged against USD risk (-)	-	-	-	-
3- USD net effect (1+2)	(32,006)	32,006	-	-
<i>In case of a 10% appreciation of EUR against TL:</i>				
4- EUR net asset/liability	(1,546,829)	1,546,829	(1,298,828)	1,298,828
5- Portion hedged against EUR risk (-)	1,298,828	(1,298,828)	-	-
6- EUR net effect (4+5)	(248,001)	248,001	(1,298,828)	1,298,828
<i>In case of a 10% appreciation of other foreign exchange rates against TL:</i>				
7- Other foreign currency net asset/liability	(553)	553	-	-
8- Other foreign currency hedged portion (-)	-	-	-	-
9- Other foreign currency assets net effect (7+8)	(553)	553	-	-
Total (3+6+9)	(280,560)	280,560	(1,298,828)	1,298,828

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25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

	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	1,508	(1,508)	-	-
2- Portion hedged against USD risk (-)	-	-	-	-
3- USD net effect (1+2)	1,508	(1,508)	-	-
<i>In case of a 10% appreciation of EUR against TL:</i>				
4- EUR net asset/liability	(62,988)	62,988	(1,277,699)	1,277,699
5- Portion hedged against EUR risk (-)	1,277,699	(1,277,699)	-	-
6- EUR net effect (4+5)	1,214,711	(1,214,711)	(1,277,699)	1,277,699
<i>In case of a 10% appreciation of other foreign exchange rates against TL:</i>				
7- Other foreign currency net asset/liability	(1,254)	1,254	-	-
8- Other foreign currency hedged portion (-)	-	-	-	-
9- Other foreign currency assets net effect (7+8)	(1,254)	1,254	-	-
Total (3+6+9)	1,214,965	(1,214,965)	(1,277,699)	1,277,699

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 31 December 2025, there are no interest rate sensitive financial instruments in the balance sheet (31 December 2024: None).

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.

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25. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk (cont'd)

31 December 2025

Contractual maturities	Book value	Total contracted 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)	
			3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	More than 5 years (IV)				
Non-derivative financial liabilities										
Bank loans	48,527,045	85,858,580	2,674,325	34,309,217	45,157,821	3,717,217				
Lease liabilities	35,015	37,233	1,524	32,278	3,431	-				
Trade payables	43,400,941	43,594,557	43,593,990	567	-	-				
Debt securities issues	5,106,942	6,896,236	550,651	3,314,824	3,030,761	-				
Employee benefit payables	1,828,014	1,828,014	1,828,014	-	-	-				
Other payables	5,901,610	5,901,610	5,901,610	-	-	-				
Total	104,799,567	144,116,230	54,550,114	37,656,886	48,192,013	3,717,217				

31 December 2024

Contractual maturities	Book value	Total contracted 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)	
			3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	More than 5 years (IV)				
Non-derivative financial liabilities										
Bank loans	32,655,972	42,764,156	3,611,001	12,702,187	21,504,929	4,946,038				
Lease liabilities	49,708	60,425	8,894	24,601	26,930	-				
Trade payables	14,845,615	14,974,564	14,973,040	1,524	-	-				
Debt securities issues	3,814,535	5,213,977	1,035,577	2,646,225	1,532,175	-				
Employee benefit payables	1,200,787	1,200,787	1,200,787	-	-	-				
Other payables	124,973	124,973	124,973	-	-	-				
Total	52,691,590	64,338,882	20,954,272	15,374,537	23,064,034	4,946,038				

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25. 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 31 December 2025, there have been no changes in objectives, policies or processes.

As of 31 December 2025 and 2024, consolidated net debt/equity ratios are as follows:

	31 December 2025	31 December 2024
Total financial debt	53,669,002	36,520,213
Cash and cash equivalents (-)	(19,967,321)	(25,806,496)
Net financial debt	33,701,681	10,713,717
Equity	60,031,247	61,652,399
Net financial debt/equity ratio	56%	17%

26. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING)

The Group has determined the estimated fair values of financial instruments using currently available market information and appropriate valuation methods. However, evaluating market information and estimating fair values requires interpretation and judgment. As a result, the estimates presented herein may not be indicative of the amounts the Group could realize in a current market transaction. The following methods and assumptions were used to estimate the values of financial instruments the fair value of which can be estimated:

Financial assets are translated using end-of-period exchange rates because the balance sheet value of monetary items in foreign currencies is close to their current value. Financial assets (excluding consumer finance loans) are considered to be close to their carrying values because they are short-term and credit losses are negligible. Related fair values are calculated by discounting the future cash flows of consumer finance loans with the current interest rate of 34.61% per annum (31 December 2024: 51.97%).

	31 December 2025		31 December 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Receivables from financial sector activities	39,866,377	34,722,560	22,096,850	16,674,827

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26. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING) (cont'd)

Financial liabilities and monetary items denominated in foreign currencies are translated at year-end exchange rates as the balance sheet value approximates their fair values. The fair values of trade payables and other monetary liabilities are considered to approximate their carrying values due to their short-term maturities.

Accordingly, there is an effective cash flow hedge relationship between long-term foreign currency denominated borrowings related to investment costs (the non-derivative hedging instrument) and actual and expected future sales (the hedged item) of the vehicles (Egea, Doblo, Yeni Doblo and Mini Cargo (MCV)).

Fair value measurements

The table below contains the analysis of financial instruments at fair value determined by the fair value valuation method. The fair value calculations have been made based on the steps described below:

- Quoted prices (unadjusted) in active markets for specific assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs (unobservable inputs) for the asset or liability that are not based on observable market data (Level 3).

31 December 2025

	Level 1	Level 2	Level 3
Financial investments	-	171,293	-
Total		171,293	

31 December 2024

	Level 1	Level 2	Level 3
Financial investments	-	106,278	-
Total		106,278	

During the period ended 31 December 2025, the Group did not make any transfers between the second level and the first level and to or from the third level.

27. FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDIT FIRM

The fees for services received by the Group from the Independent Audit Firm (IAF) in the periods of 1 January–31 December 2025 and 1 January–31 December 2024 are as follows:

Independent audit fee for the reporting period	1 January - 31 December 2025	1 January - 31 December 2024
Legal and voluntary independent audit services	6,362	7,244
Fees for other assurance services	2,818	-
Fees related to tax consultancy services	-	-
Fees for other non-audit services	-	-
Total	9,180	7,244

(*) The service fee for the 2024 Turkey Sustainability Reporting Standards (TSRS) assurance engagement was shown in 2025.

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28. CASH AND CASH EQUIVALENTS

	31 December 2025	31 December 2024
Bank		
-Time deposits	18,104,128	24,271,650
-Demand deposits	1,598,491	460,357
-Blocked demand deposits	264,550	1,074,462
-Blocked time deposit	152	27
	19,967,321	25,806,496

Details of time deposits as of 31 December 2025 and 2024 are as follows:

	31 December 2025		31 December 2024	
	Amount	Annual interest rate (%)	Amount	Annual interest rate (%)
EUR	5,065,718	2,45%	8,145,798	1,80%
TL	13,038,410	42,65%	16,125,852	48,47%
18,104,128				24,271,650

As of 31 December 2025, the maturity of time deposits is 2 days (31 December 2024: 2 days).

As of 31 December 2025, a total of TL 3,067,810 (31 December 2024: TL 2,385,378) of time and demand deposits are in the related institution bank.

The cash and cash equivalents in the consolidated cash flow statements for the years ended 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Cash and Banks	19,967,321	25,806,496
Less: interest accruals	(9,563)	(19,177)
Less: blocked deposits	(264,702)	(1,074,489)
19,693,056		24,712,830

As of 31 December 2025, there are blocked deposits of TL 264,702. TL 264,550 of this amount consists of the required reserve amount of the Central Bank of the Republic of Türkiye (31 December 2024: TL 1,074,462).

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29. BUSINESS COMBINATIONS

Acquired Subsidiary

	Principal business activity	Acquisition date	Share of acquired working capital (%)	Transferred worth
Stellantis Otomotiv Pazarlama A.Ş.	Sales marketing	30 April 2025	100%	26,059,155
BPF Pazarlama ve Acentelik Hizmetleri AŞ.	Marketing, Agency	30 December 2025	100%	116,000
				<u>26,175,155</u>

Amount Transferred

	Stellantis Otomotiv Pazarlama A.Ş.
Cash	20,176,750
Contingent worth (i)	5,882,405
Total	<u>26,059,155</u>

(i) 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.

The contingent consideration has been calculated by discounting the expected future cash flows to be generated by the acquired companies to their present value. In calculating the net present value of future cash flows, assumptions regarding the growth in earnings before interest, tax, depreciation and amortisation (EBITDA) and discount rates have been taken into account. According to the Group's assessments, the significant assumption used in determining the contingent consideration as of 31 December 2025 is the EBITDA growth rate.

Goodwill incurred during acquisition

	Stellantis Otomotiv Pazarlama A.Ş.
Amount transferred	26,059,155
Less: Value of net assets of the acquired company	18,680,543
Goodwill (Note: 11)	<u>7,378,612</u>

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

Net amount paid for the acquisition of a subsidiary

	30 April 2025
Paid in cash	20,176,750
Negative: Cash and cash equivalents of acquired companies	7,040,400
	<u>13,136,350</u>

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29. 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	7,040,400
Trade receivables	16,896,894
<i>Trade receivables from related parties</i>	123,601
<i>Trade receivables from third parties</i>	16,773,293
Other receivables	3,124
Inventories	8,756,125
Prepaid expenses	85,132
Other current assets	305,095

Total Current Assets **33,086,770**

Non-Current Assets:

Property, plant and equipment	1,703,481
	23,336
Intangible assets	599
Deferred tax asset	1,738,982

Total Non-Current Assets **3,466,398**

Total Assets **36,553,168**

LIABILITIES

Current Liabilities

Short-term borrowings	(6,209,348)
Short-term portion of long-term borrowings	(15,704)
Trade payables	(8,347,818)
<i>Trade payables to third parties</i>	(8,347,818)
Payables related to employee benefits	(108,364)
Liabilities arising from customer contracts	(264,776)
Current tax liability	(2,057,191)
Short-term provisions	(346,012)
Other current liabilities	(19,857)

Total Current Liabilities **(17,369,070)**

Non-Current Liabilities:

Long-term borrowings	(8,740)
Liabilities arising from customer contracts	(476,037)
Long-term provisions	(18,778)
<i>Long-term provisions for employee benefits</i>	(18,778)
Total Non-Current Liabilities	(503,555)

Total Liabilities **(17,872,625)**

Net Assets **18,680,543**

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30. EXPLANATIONS ON NET MONETARY POSITION GAINS / (LOSSES)

Non-monetary items	31 December 2025	31 December 2024
Statement of financial position items		
Inventories	(1,044,071)	(6,684,688)
Prepaid expenses (ST)	(1,371)	(4,490)
Investment properties	(71,952)	(86,365)
Property, plant and equipment	(4,040,246)	(7,602,950)
Intangible assets	(2,142,365)	(22,568)
Goodwill	(983,246)	-
Prepaid expenses (LT)	240,769	(249,165)
Deferred tax asset	(1,188,503)	(928,358)
Deferred income	113,952	112,937
Capital adjustment differences	6,151,883	8,034,572
Accumulated other comprehensive income or expenses not to be reclassified to profit or loss	(273,116)	(349,759)
Accumulated other comprehensive income or expenses to be reclassified to profit or loss	(303,902)	(1,312,372)
Prior years' profit	3,886,110	11,675,622
Statement of profit or loss items		
Revenue	21,903,878	21,739,225
Revenue from finance sector operations	1,138,619	1,387,452
Cost of sales (-)	(20,736,496)	(17,339,997)
Expenses from finance sector operations (-)	(925,108)	(1,140,998)
Marketing expenses (-)	(924,404)	(716,481)
General administrative expenses (-)	(664,686)	(496,539)
Research and development expenses (-)	(246,068)	(292,115)
Other income from operating activities	1,124,490	1,286,890
Other expenses from operating activities (-)	(1,077,136)	(1,152,587)
Income from investing activities	(409,837)	54,259
Expenses from investing activities (-)	-	(166)
Finance income	1,153,431	1,759,918
Finance expenses (-)	(594,850)	(745,762)
Tax expense for the period	(32,624)	(620,002)
Net monetary position gains/(losses)	53,151	6,305,513

31. EVENTS AFTER THE REPORTING PERIOD

None.