



1 JULY - 30 SEPTEMBER 2025

INTERIM ANNUAL REPORT

TABLE OF CONTENTS

03 1. GENERAL INFORMATION

- 03 1.1. CAPITAL AND SHAREHOLDING STRUCTURE
- 03 1.2. BOARD OF DIRECTORS, COMMITTEES AND SENIOR MANAGEMENT
 - 03 1.2.1. BOARD OF DIRECTORS
 - 04 1.2.2. COMMITTEES OF THE BOARD OF DIRECTORS
 - 05 1.2.3. SENIOR MANAGEMENT
- 06 1.3. STAFF AND LABOR TURNOVER
- 06 1.4. DIRECT OR INDIRECT SUBSIDIARIES OF THE COMPANY
- 07 1.5. INFORMATION ON COMPANY SHARES

07 2. COMPANY'S OPERATIONS AND SIGNIFICANT DEVELOPMENTS PERTAINING TO THE OPERATIONS

- 07 2.1. PRODUCTION FACILITIES
- 08 2.2. PRODUCTS
- 09 2.3. PRODUCTION AND SALES
- 10 2.4. CAPACITY UTILIZATION RATE
- 11 2.5. OVERVIEW OF THE INDUSTRY IN WHICH HE COMPANY OPERATES, THE COMPANY'S STANDING WITHIN THE INDUSTRY
- 11 2.6. RESEARCH AND DEVELOPMENT ACTIVITIES
- 11 2.7. INVESTMENTS AND UTILIZING INCENTIVES
- 11 2.8. AMENDMENTS TO THE ARTICLES OF ASSOCIATION DURING THE REPORTING PERIOD
- 11 2.9. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT
- 12 2.10. SUSTAINABILITY ACTIVITIES

14 3. FINANCIAL STATUS

- 14 3.1. SUMMARY FINANCIAL STATEMENTS
- 14 3.2. KEY INDICATORS AND RATIOS
- 15 3.3. ISSUED CAPITAL MARKET INSTRUMENTS
- 15 3.4 CREDIT RATINGS

15 4. ASSESSMENT OF THE BOARD OF DIRECTORS ON CORPORATE RISK MANAGEMENT, INTERNAL AUDIT AND INTERNAL CONTROL SYSTEM

18 5. EVENTS AFTER THE BALANCE SHEET DATE

18 6. OTHER MATTERS-INFORMATION FOR SHAREHOLDERS

INTERIM REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD OF 1 JULY - 30 SEPTEMBER 2025 PREPARED PURSUANT TO THE COMMUNIQUE ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS (II-14.1)

1 JULY - 30 SEPTEMBER 2025 INTERIM ANNUAL REPORT

1. GENERAL INFORMATIN

1.1. CAPITAL AND SHAREHOLDING STRUCTURE

Registered Capital Ceiling : TL 4,500,000,000
Issued (Paid) Capital : TL 900,000,000

30.09.2025

ORTAKLIĞIN UNVANI	PAY TUTARI (TL)	PAY ORANI (%)
Kıraça Holding A.Ş.	526.618.813	58,51
Group A Preferred	64.028.613	7,11
Group B	462.590.200	51,40
Other	373.381.188	41,49
Group A preferred	1.554.776	0,17
Group B	371.826.412	41,31
TOTAL	900.000.000	100,00

As of the end of September 2025 Karsan's free-float rate listed under the Central Registry Agency (CRA) is 39.41%.

1.2. BOARD OF DIRECTORS, COMMITTEES AND SENIOR MANAGEMENT

1.2.1. BOARD OF DIRECTORS

At the Ordinary General Assembly held on 12 August 2025, the Independent Members of the Board of Directors were elected in accordance with the Turkish Commercial Code, applicable regulations, and the Company's Articles of Association, to serve for a term of two years, provided that their independence qualifications are reassessed annually. They shall remain in office in any case until their successors are duly appointed.

Members of the Board of Directors as of 30 September 2025:

Board of Directors	Position	Date of Appointment
Giancarlo Boschetti	Chairman of the Board	12.08.2025
Mehmet Altan Sungar	Deputy Chairman of the Board	12.08.2025
Okan Baş	Executive Board Member	12.08.2025
Nevzat Tüfekçioğlu	Board Member	12.08.2025
Ahmet Nezir Olcay	Independent Board Member	12.08.2025
Müfit Ataseven	Independent Board Member	12.08.2025
Hüseyin Kaan Özkan	Independent Board Member	12.08.2025

As the Board of Auditors is no longer considered a mandatory body of a corporation under the New Turkish Commercial Code, no election for Board of Auditors members was conducted during the Ordinary General Assembly convened on 12 August 2025. In line with the provisions of the Turkish Commercial Code No. 6102 and the Capital Markets Law No. 6362, and upon the recommendation of the Audit Committee, PWC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., which had been appointed as the Independent External Audit Company at the Board of Directors meeting numbered 2025/15 dated 11 July 2025, was approved to serve as the independent external audit company for a duration of one year.

INTERIM REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD OF 1 JULY - 30 SEPTEMBER 2025 PREPARED PURSUANT TO THE COMMUNIQUE. ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS (II-14.1)

1 JULY - 30 SEPTEMBER 2025 INTERIM ANNUAL REPORT

1.2.2. COMMITTEES OF THE BOARD OF DIRECTORS

The duties and working principles of the Board of Directors Committees have been publicly disclosed through publication on the Public Disclosure Platform and in the investor relations section of the company's official website, www.karsan.com/en.

Board Committees as of 30.09.2025

Committee	Committee Member	Role on the Committee	Qualification	Meeting Frequency
Audit Committee	Ahmet Nezih Olcay	Chairman	Independent Member	Quarterly - at least four times a year
	Hüseyin Kaan Özkan	Member	Independent Member	
Corporate Governance Committee	Müfit Ataseven	Chairman	Independent Member	At least twice a year
	Mehmet Altan Sungar	Member	Non-Independent Member	
	İbrahim Onur Baysal (*)	Member	Executive	
Early Detection of Risk Committee	Ahmet Nezih Olcay	Chairman	Independent Member	Every two months -at least six times a year
	Mehmet Altan Sungar	Member	Non-Independent Member	
	Hüseyin Kaan Özkan	Member	Independent Member	

(*) As per the guidelines outlined in Article 11 of the Corporate Governance Communiqué, numbered CMB II-17.1, the Investor Relations Department Manager was appointed to the Corporate Governance Committee.

INTERIM REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD OF 1 JULY - 30 SEPTEMBER 2025 PREPARED PURSUANT TO THE COMMUNIQUE ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS (II-14.1)

1 JULY - 30 SEPTEMBER 2025 INTERIM ANNUAL REPORT

1.2.3. SENIOR MANAGEMENT

Senior Managers as of 30.09.2025

Senior Management	Position	Date of Appointment	Profession
Okan Baş (*)	CEO	2016	Mechanical Engineer (M.Sc.)
Kenan Kaya (**)	CFO- Deputy General Manager of Financial Affairs and Finance	2019	Economist - CPA
Ahmet Muzaffer Arpacioğlu (***)	Deputy General Manager of Domestic Market Sales and Foreign Relations	2020	Business Administrator
Deniz Çetin (****)	Deputy General Manager of Export	2024	Mechanical Engineer
Aslı Ör Arkunkütak	Marketing & Export Operations Director	2020	Business Administrator
Barış Hulisioğlu	R&D Director	2020	Mechanical Engineer
Ergün Kuru	Deputy General Manager of Purchasing and Supply Chain	2024	Mechanical Engineer
Hazım Kubilay Dinçer	Spare Parts and Domestic After Sales Services Director	2020	Mechanical Engineer
Mustafa Tükenmez	Quality Director	2022	Mechanical Engineer
Orhan Dönmez	Deputy General Manager of R&D	2024	Mechanical Engineer
Mücahit Korkut	Human Resources Director	2022	Mechanical Engineer
Ender Kayhan	Production Director	2024	Chemical Engineer
İbrahim Onur Baysal	Legal and Internal Audit Director	2024	Lawyer
Kemal Cihan Yaycıoğlu	After-Sales Services Director	2024	Electrical and Electronics Engineer
Yusuf Serkan Murat	Purchasing Director	2025	Industrial Engineer
Haydar Vural	Agile Lead for Digital Transformation, IT and Cybersecurity	2023	Computer Engineer

(*) Mr. Okan Baş also holds the position of the Chairman of the Board of Directors of Karsan Europe Srl, Chairman of the Board of Directors of Karsan İç ve Dış Ticaret A.Ş., and as a Board Member of Kiraça Holding.

(**) Mr. Kenan Kaya also serves as the Vice Chairman of the Board of Directors at Karsan İç ve Dış Ticaret A.Ş., the Board Member at Karsan Europe Srl, Hervouet Corporate Industry SAS, and Karsan Otomotiv Sanayi Mamülleri Pazarlama A.Ş. in Liquidation.

(***) Mr. Ahmet Muzaffer Arpacioğlu also serves as the Executive Board Member of Karland Otomotiv Ürünleri Sanayi ve Ticaret A.Ş.

(****) Mr. Deniz Çetin also serves as a member of the Board of Directors of Karsan İç ve Dış Ticaret A.Ş.

The sum of the rights, benefits, and remuneration allocated to the Board Members and Senior Management for the period of 1 January - 30 September 2025 is reported in the financial statement footnotes as TL TL 133,155 thousand, and these footnotes are published on the Public Disclosure Platform (PDP) and the Company's official website. During the Ordinary General Assembly convened on 12 August 2025, a resolution was made to allocate each Independent Board Member a gross monthly salary of TL 58,000 and each Board Member a gross monthly salary of TL 50,750 effective from the beginning of the month following the General Assembly.

INTERIM REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD OF 1 JULY - 30 SEPTEMBER 2025 PREPARED PURSUANT TO THE COMMUNIQUE ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS (II-14.1)

1 JULY - 30 SEPTEMBER 2025 INTERIM ANNUAL REPORT

1.3.STAFF AND LABOR OVERVIEW

	30 September 2025			30 September 2024		
	White Collar	Blue Collar	Total	White Collar	Blue Collar	Total
Karsan Otomotiv	616	1,634	2,250	613	1,630	2,243
Karsan Europe	6	0	6	5	0	5
Karsan İç ve Dış Ticaret A.Ş.	0	0	0	0	0	
Karsan North America LLC	0	0	0	0	0	0
Hervouet Corporate Industry SAS (HCI)	15	6	21	8	8	16
E-Buskar Sociedad Limitada UNIPERSONAL	1	0	1	-	-	-
TOTAL	638	1,640	2,278	626	1,638	2,264

As of 30 September 2025 the Group's total workforce stands at 2,278 employees, comprising 638 white-collar and 1,640 blue-collar staff.

1.4.DIRECT OR INDIRECT SUBSIDIARIES OF THE COMPANY

Company Title	Field of Activity	Company's Shareholding			
		30.09.2025		31.12.2024	
		Direct and Indirect Partnership Ratio	Effective Partnership Ratio	Direct and Indirect Partnership Ratio	Effective Partnership Ratio
Karsan Otomotiv Sanayi Mamülleri Pazarlama A.Ş. in Liquidation	Automotive and Spare Parts Marketing	6.43%	6.43%	6.43%	6.43%
Karsan Europe SRL	Vehicle Sales and After-Sales Services	100%	100%	100%	100%
Karsan İç ve Dış Ticaret A.Ş.	Domestic and International Sales and Marketing of Vehicles and Spare Parts	100%	100%	100%	100%
Karsan North America LLC	Sales and Marketing	100%	100%	100%	100%
Hervouet Corporate Industry SAS (HCI)	Automotive and Spare Parts Marketing	20%	20%	20%	20%
Hervouet Corporate Lease SAS	Financial Leasing	20%	20%	20%	20%
E-Buskar Sociedad Limitada Unipersonal	Vehicle Sales and After-Sales Services	100%	-	-	-

INTERIM REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD OF 1 JULY - 30 SEPTEMBER 2025 PREPARED PURSUANT TO THE COMMUNIQUE ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS (II-14.1)

1 JULY - 30 SEPTEMBER 2025 INTERIM ANNUAL REPORT

1.5. INFORMATION ON COMPANY SHARES

Karsan Otomotiv Sanayii ve Ticaret A.Ş. began trading on Borsa Istanbul on 21 February 2000. As of 30 September 2025, Karsan Otomotiv Sanayii ve Ticaret A.Ş. is featured in the following indices and stock information:

Issuer Name: KARSAN OTOMOTİV SANAYİ VE TİCARET A.Ş.

Stock Market: BORSA ISTANBUL (BIST)

Market Included: YILDIZ PAZAR

BIST Indices: BIST STARS / BIST 500 / BIST METAL GOODS, MACHINERY / BIST ALL / BIST INDUSTRIAL / BIST BURSA / BIST 100 / BIST PARTICIPATION 50 / BIST PARTICIPATION ALL

BIST Ticker: KARSN

Bloomberg Ticker: KARSN.TI

Reuters Ticker: KARSN.IS

2. COMPANY'S OPERATIONS AND SIGNIFICANT DEVELOPMENTS PERTAINING TO THE OPERATIONS

2.1. PRODUCTION FACILITIES

The Company conducts its production operations in three factories situated in Bursa.

- **Hasanağa Organized Industrial Zone Factory (Headquarters)**

Hasanağa Organized Industrial Zone Factory (Headquarters), where Karsan and Menarinibus brand vehicles (Paint, Assembly) and the Oyak Renault Megane Sedan model (Bodywork, Paint, Assembly) are produced, spans a total area of 227 thousand m², with 96 thousand m² designated as a closed space.

- **Hasanağa Organized Industrial Zone Factory (Branch)**

Hasanağa Organized Industrial Zone Factory (Branch), where the bodies of the Karsan and Menarinibus branded vehicles are produced, spans a total area of 15 thousand m², with 11 thousand m² designated as a closed space.

- **Bursa Organized Industrial Zone Factory (Branch)**


Bursa Organized Industrial Zone (OSB) Factory, where tractor cabins, cataphoresis, and spare parts are produced, spans a total area of 30 thousand m², with 19 thousand m² designated as a closed space.

INTERIM REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD OF 1 JULY - 30 SEPTEMBER 2025 PREPARED PURSUANT TO THE COMMUNIQUE ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS (II-14.1)

1 JULY - 30 SEPTEMBER 2025 INTERIM ANNUAL REPORT

2.2. PRODUCTS

3. KARSAN BRANDED VEHICLES	MODEL	SEGMENT
	JEST	Minibus (6 m - urban)
	e-JEST/RHD	Electric Minibus (6 m - urban, Right Hand Drive)
	e-JEST	Electric Minibus (6 m - urban)
	ATAK	Bus (8 m - urban)
	e-ATAK	Electric Bus (8 m - urban)
	Otonom e-ATAK	Electric Autonomous Bus (8 m - urban)
	e-ATA	Electric Bus (10 - 12 - 18 m)
	e-ATA Hydrogen	Electric Hydrogen Fuel Cell Bus (12 m)
	e-ATA LE	Class 2 e-ATA LE (12m)

RENAULT BRANDED VEHICLES	MODEL	SEGMENT
	Megane Sedan	Passenger Car

INTERIM REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD OF 1 JULY - 30 SEPTEMBER 2025 PREPARED PURSUANT TO THE COMMUNIQ. ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS (II-14.1)

1 JULY - 30 SEPTEMBER 2025 INTERIM ANNUAL REPORT

2.3. PRODUCTION AND SALES

Below are the production figures for our Company, categorized by product type, in comparison to the previous period.

Product Type	January-September 2025 (Units)	January- September 2024 (Units)
Karsan Diesel	109	162
Karsan Electric	328	237
Renault Megane	35,475	33,614
TOTAL	35,912	34,013

Below are the sales figures and revenues for our Company, categorized by product type, in comparison to the previous period.

Product Type	January-September 2025 (Units)	January- September 2024 (Units)
Karsan Diesel	107	162
Karsan Electric	266	236
Renault Megane	35,475	33,614
TOTAL	35,848	34,012

Product Type	January- September 2025 Sales Revenue (TL thousand)	January- September 2024 Sales Revenue (TL thousand)
Karsan Diesel	476.96	616.00
Karsan Electric	4,455.62	3,075.71
Menarinibus	0	0,19
Contracted and Industrial Production - Other (**)	3,112.06	4,103.95
TOTAL	8,044.63	7,795.86

(**) The "Other" item consists of spare parts and material sales, services including cataphoresis coating, spare part manufacturing, painting and cabin manufacturing operations provided to the automotive key and sub-industry.

2.4. CAPACITY UTILIZATION RATE

	January- September 2025	January- September 2024
Capacity Utilization Rate (%)	78.3%	74.1%

Our Company's current capacity is 61,189 vehicles/year. As of the end of September 2025, a total of 35,912 vehicles were produced with a capacity utilization rate of 78.3%.

INTERIM REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD OF 1 JULY - 30 SEPTEMBER 2025 PREPARED PURSUANT TO THE COMMUNIQUE ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS (II-14.1)

1 JULY – 30 SEPTEMBER 2025 INTERIM ANNUAL REPORT

2.5. OVERVIEW OF THE INDUSTRY IN WHICH THE COMPANY OPERATES, THE COMPANY'S STANDING WITHIN THE INDUSTRY

The developments in the industry and in Karsan Otomotiv for the January–September 2025 period can be summarized in line with OSD (Automotive Manufacturers Association) data as follows.

The total vehicle production in the January–September 2025 period increased by 3.1% compared to the same period of 2024, reaching 1,031,527 units, while automobile production decreased by 3.0% to 637,450 units compared to the previous year.

In Türkiye's commercial vehicle production, where our Company is also included, compared to the same period of the previous year, production increased by 83.7% in minibuses with 75,818 units, and by 20.7% in buses with 8,844 units, while it decreased by 2.5% in midibuses with 3,513 units.

In the Turkish commercial vehicle market, total light commercial vehicle sales grew by 5.9% compared to the same period of the previous year, reaching 184,960 units.

Domestic light commercial vehicle sales in this group decreased by 26.4% to 38,193 units, whereas imported light commercial vehicle sales increased by 19.6% to 146,767 units.

The share of imports in the light commercial vehicle market reached 79.4% in the January–September 2025 period.

Karsan manages the entire automotive value chain, from R&D to production, and from marketing to sales and after-sales services. Under its own brand, Karsan has developed and produced its environmentally friendly e-JEST and e-ATAK models. Starting its electric transformation journey in 2018 with Karsan e-JEST, followed by Karsan e-ATAK in 2019, the driverless Autonomous e-ATAK in 2021, the e-ATA family with 10m, 12m, and 18m models in the same year, and finally the 12-meter hydrogen-fueled Karsan e-ATA HYDROGEN in 2022, Karsan has become the first and only company in Europe to offer a fully electric product range from 6 to 18 meters. As of 2022, Karsan has also been producing Megane Sedan cars for the Renault brand.

Karsan continues to strengthen its position as a rapidly rising power in electric mobility. By the end of 2025, more than 2,000 Karsan electric vehicles will be on the roads in 27 different countries—primarily France,

Romania, Portugal, Spain, Luxembourg, and Italy—demonstrating its leading role in shaping the future of global public transportation.

In addition to vehicle manufacturing, Karsan also provides industrial services at its plant located in the Organized Industrial Zone. Guided by its vision of being "One Step Ahead in the Future of Mobility," Karsan continues to be the preferred choice of European cities in public transportation by reinforcing its pioneering role in the continent's electric vehicle transformation. Since 2019, 82% of Turkey's electric public transportation exports to Europe have been made by Karsan. Karsan's e-JEST and e-ATAK models have maintained their leadership in the European market for five consecutive years between 2020 and 2024. After entering the North American market with the e-JEST model in 2022, Karsan launched a right-hand-drive version for the Japanese market at the end of 2023 and introduced it to the UK market by the end of 2024. Karsan, the first and only European company operating in the electric public transportation sector in the United States, currently has 183 e-JEST vehicles in operation across Canada and the U.S.

Karsan achieved another significant milestone by rolling out its 10,000th unit of JEST, one of its most successful models that entered production in 2013. Additionally, Karsan delivered its 250th electric vehicle to Italy at the beginning of 2025. Having implemented autonomous projects at 13 locations across 12 countries, Karsan has accumulated over 150,000 kilometers of autonomous driving experience and carried more than 60,000 passengers with the Autonomous e-ATAK. The Autonomous e-ATAK operated at Michigan State University campus in the U.S. for 1.5 years over a 5-kilometer route, marking a world first. In Stavanger, Norway, the Autonomous e-ATAK, which has been carrying fare-paying passengers in open traffic since 2022, successfully expanded its route to include a tunnel, becoming the first autonomous vehicle to operate through a tunnel. Following its deliveries to the U.S., France, Romania, Turkey, and Norway, the Autonomous e-ATAK was also delivered to the Netherlands and Switzerland in 2025. Its operation in Rotterdam marked another milestone, becoming the first driverless vehicle used for airport transfers. Following the success of the Autonomous e-ATAK, Karsan launched the autonomous version of its 6-meter e-JEST model, named Autonomous e-JEST, in October 2025. Karsan made a strong start to 2025 by being awarded the "Company of the Year 2025" title by Frost & Sullivan, one of the world's most prestigious research and consulting companies, in recognition of its pioneering work in electric minibuses and autonomous vehicles. In addition, through its collaboration with Enerjisa in 2024, Karsan received a renewable energy certificate, ensuring that 100% of the electricity used in production is sourced from renewable energy. Furthermore, in 2024, Karsan announced a collaboration with Toyota Motor Europe in hydrogen technology. With this significant partnership in fuel cell technology, the 12-meter e-ATA HYDROGEN will be on the roads with Toyota technology in 2025.

INTERIM REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD OF 1 JULY - 30 SEPTEMBER 2025 PREPARED PURSUANT TO THE COMMUNIQUE ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS (II-14.1)

1 JULY – 30 SEPTEMBER 2025 INTERIM ANNUAL REPORT

2.6. RESEARCH AND DEVELOPMENT ACTIVITIES

As disclosed on the Public Disclosure Platform on 24 July 2019, our Company announced that its application to the General Directorate of R&D Incentives under the Ministry of Industry and Technology of the Republic of Türkiye, for the purpose of benefiting from the incentives and exemptions provided under Law No. 5746 on Supporting Research, Development, and Design Activities, had been reviewed and approved, and that an R&D Center Certificate had been granted to the Company.

While maintaining our leadership in urban mobility with our electric minibus, midi-bus, and bus product family, we are also shaping the smart cities of the future today through our capabilities in developing 8-meter buses and 6-meter minibuses equipped with Level-4 autonomous driving technologies. With e-ATA Hydrogen, one of our next-generation energy solutions, we have become a key player in hydrogen-powered public transportation technologies. At the same time, we address the expectations of global markets through innovative applications such as the “hot climate package,” designed to adapt to diverse climate conditions. All these innovative product development and advanced technology-driven R&D activities are carried out by our Company’s R&D Center within a holistic innovation approach.

2.7. INVESTMENTS AND UTILIZING INCENTIVES

The investment amounting to TL 207,368,873 carried out by our Company under the scope of product diversification with the support of an Investment Incentive Certificate, was officially concluded in March 2024 by the General Directorate of Incentive Implementation and Foreign Capital under the Ministry of Industry and Technology of the Republic of Türkiye.

The following are the supported matters provided for the investment considered in the 4th region under the framework of “Regional Incentive Practices”:

- Social Security Employer Premium Contribution
- Tax Deduction
- Customs Duty Exemption
- VAT Exemption
- Interest Support

2.8. AMENDMENTS TO THE ARTICLES OF ASSOCIATION DURING THE REPORTING PERIOD

No amendment was made on the Articles of Association during the first nine months of 2025.

2.9. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

Following the resolution of the Capital Markets Board (CMB) dated 10 January 2019 and numbered 2/49, the format to be used by companies obliged to prepare the Corporate Governance Principles Compliance Report within the scope of the Corporate Governance Communiqué No. II-17.1 has been revised. The Corporate Governance Compliance Report for the period from 1 January 2024 to 31 December 2024 has been prepared in accordance with the updated format and can be accessed through the link available on our Company’s website. Our Company regularly publishes the necessary updates on the Public Disclosure Platform (PDP) and its official website.



<https://www.karsan.com/tr/yatirimci-iliskileri/kurumsal-yonetim/kurumsal-yonetim-uyum-raporu>

INTERIM REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD OF 1 JULY - 30 SEPTEMBER 2025 PREPARED PURSUANT TO THE COMMUNIQUE ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS (II-14.1)

1 JULY – 30 SEPTEMBER 2025 INTERIM ANNUAL REPORT

2.10. SUSTAINABILITY ACTIVITIES

Our Sustainability Approach and Activities

Today, the world is undergoing critical transformations such as net-zero commitments, energy transition, and sustainable urbanization. These developments are increasing the demand for greener, more efficient, and smarter mobility solutions in the transportation sector. At Karsan, we are not only part of this transformation but also position ourselves as a pioneer that produces solutions. Our business model is built on a structure that supports zero-emission mobility and reduces environmental footprint. With this awareness, we continuously align our strategies with sustainability goals and shape all business processes in line with our social and environmental responsibilities. From corporate governance to supply chain management, and from production to product design, we operate with a focus on building sustainable business processes.

- We manage our sustainability performance transparently through an ESG-oriented governance model.
- We set sub-targets in line with our net-zero commitment and closely monitor our progress.
- As a stakeholder-focused company, we integrate our sustainability approach with our corporate values and encourage the active participation of our employees and stakeholders.

At Karsan, we view our sustainability journey as a transformational opportunity to carry our business model into the future. We are accelerating our investments in innovation, digitalization, and technology to realize carbon-neutral mobility and shape our business strategies for a sustainable future.

In line with this vision, we published our first Integrated Annual Report–2024 Integrated Annual Report–in the first quarter of 2025. The report transparently presents Karsan's economic, environmental, and social performance in accordance with GRI Standards.

Highlights from Our Sustainability Journey:

Climate Change and Energy Management

In collaboration with Enerjisa, we transitioned to 100% renewable electricity to reduce the carbon impact of our energy use, verified through IREC certificates. Our internal carbon pricing system and energy efficiency projects focus on reducing greenhouse gas emissions and minimizing the environmental impact of our production processes.

CDP and Climate Performance

Our progress in combating climate change was recognized internationally with a “B” score in the CDP Climate Change Assessment, reflecting a two-level improvement and reaffirming our industry leadership.

Zero-Emission Mobility

With our electric and hydrogen-powered vehicles, we offer zero-emission solutions for urban transportation. Our Autonomous e-ATA model became the first driverless public transport vehicle to operate through a tunnel in Europe. We have also completed Life Cycle Assessment (LCA) studies for our 12- and 18-meter e-ATA models using a cradle-to-grave approach.

Supply Chain and Responsible Production

Through our Green Procurement project, we assess our suppliers based on environmental, social, and governance (ESG) performance and develop improvement processes. Our assessments via the Ecovadis platform support transparency and progress in these areas.

Occupational Health and Safety & Digitalization

We integrate digitalization into our operations to enhance employee safety. Our Robotic Process Automation (RPA)-enabled Unsafe Behavior Management Project digitally tracks and manages over 1,500 potential risks annually.

R&D and Innovation

Our strategic partnership with Toyota Motor Europe in hydrogen technology contributes significantly to our goal of developing carbon-neutral vehicles. We have increased our number of intellectual property applications to 18, strengthening our leadership in innovation. Additionally, we participated in the SAYEM Green Transformation Call under the Türkiye Green Industry Project, coordinated by the Ministry of Industry and Technology with support from the World Bank, TÜBİTAK, and KOSGEB.

By offering transparent, responsible, and innovative solutions to all stakeholders, we continue to fulfill our sustainability commitments with determination. For more information and the latest updates, our sustainability reports are publicly available at www.karsan.com/en

INTERIM REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD OF 1 JULY - 30 SEPTEMBER 2025 PREPARED PURSUANT TO THE COMMUNIQ. ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS (II-14.1)

1 JULY - 30 SEPTEMBER 2025 INTERIM ANNUAL REPORT

3. FINANCIAL STATUS

3.1. SUMMARY OF FINANCIAL STATEMENTS

The financial statements have been prepared on a consolidated basis in accordance with the CMB Series II-14.1, and the consolidated financial statements as of September 30, 2025, have not been subjected to a limited independent review.

Summary Balance Sheet (TL thousand)		
ASSETS	31 September 2025	31 September 2024
Current Assets	10,826,349	10,696,221
Fixed Assets	9,266,481	8,622,947
TOTAL ASSETS	20,092,830	19,319,167
LIABILITIES	31 September 2025	31 September 2024
Short-Term Liabilities	11,961,503	10,202,909
Long Term Liabilities	2,022,450	2,876,682
Equity	6,108,877	6,239,577
TOTAL LIABILITIES	20,092,830	19,319,167

SUMMARY INCOME STATEMENT	31 September 2025	31 September 2024
Revenues	8,044,634	7,795,860
Gross profit	1,839,151	1,114,956
Operating Profit/(Loss)	817,752	406,656
PERIOD PROFIT/(LOSS)	-676,257	-1,121,329

The Company's total assets increased from TL 19,319,167 thousand in the third quarter of 2024 to TL 20,092,830 thousand as of September 30, 2025. The revenue, which amounted to TL 7,795,860 thousand in the first nine months of 2024, reached TL 8,044,634 thousand in the first nine months of 2025, while the operating profit, which was TL 406,656 thousand in the first nine months of 2024, amounted to TL 817,752 thousand in the first nine months of 2025.

3.2. KEY INDICATORS AND RATIOS

Key Indicators (TL)	31 September 2025	31 September 2024
Gross Profit Margin	0.23	0.14
Operating Profit Margin	0.10	0.05
Net Profit Margin	-0.08	-0.14

INTERIM REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD OF 1 JULY - 30 SEPTEMBER 2025 PREPARED PURSUANT TO THE COMMUNIQUE ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS (II-14.1)

1 JULY - 30 SEPTEMBER 2025 INTERIM ANNUAL REPORT

Liquidity Ratios	31 September 2025	31 September 2024
Current Ratio	0.91	1.05
Liquidity Ratio	0.57	0.63
Cash Ratio	0.03	0.11

Financial Structure Ratios	31 September 2025	31 September 2024
Total Liabilities/Equity	2.29	2.10
Short Term Liabilities / Total Assets	0.60	0.53
Long Term Liabilities / Total Assets	0.10	0.15
Tangible Assets /(Equity + Long Term Liabilities)	0.65	0.58

Profitability Ratios	31 September 2025	31 September 2024
Net Profit for the Period / Total Assets	-0.034	-0.058
Net Profit for the Period / Equity	-0.111	-0.180

3.3. ISSUED CAPITAL MARKET INSTRUMENTS

If available, the information regarding the outstanding debt security issuances of the fund user, as well as any other issuances in which it acts as a fund user, is provided below.

Issuer Institution	Type of Issuance	Type of Security	Issuance Date	Maturity Date	Term to Maturity	Total Issuance Amount
Karsan Otomotiv Sanayii Ve Ticaret A.Ş.	Lease Certificate	Private Placement - Qualified Investor Sale	17.10.2024	16.10.2025	364	250,000,000
Karsan Otomotiv Sanayii Ve Ticaret A.Ş.	Lease Certificate	Private Placement - Qualified Investor Sale	5.03.2025	4.03.2026	364	250,000,000
Karsan Otomotiv Sanayii Ve Ticaret A.Ş.	Commercial Paper	Private Placement - Qualified Investor Sale	30.04.2025	31.10.2025	184	500,000,000
Karsan Otomotiv Sanayii Ve Ticaret A.Ş.	Commercial Paper	Private Placement - Qualified Investor Sale	23.05.2025	22.05.2026	364	500,000,000
Karsan Otomotiv Sanayii Ve Ticaret A.Ş.	Lease Certificate	Private Placement - Qualified Investor Sale	25.06.2025	24.12.2025	182	311,000,000
Karsan Otomotiv Sanayii Ve Ticaret A.Ş.	Lease Certificate	Private Placement - Qualified Investor Sale	09.07.2025	07.01.2026	182	350,000,000
Karsan Otomotiv Sanayii Ve Ticaret A.Ş.	Lease Certificate	Private Placement - Qualified Investor Sale	25.07.2025	23.01.2026	182	189,000,000
Karsan Otomotiv Sanayii Ve Ticaret A.Ş.	Commercial Paper	Private Placement - Qualified Investor Sale	04.08.2025	03.08.2026	364	250,000,000
Karsan Otomotiv Sanayii Ve Ticaret A.Ş.	Lease Certificate	Private Placement - Qualified Investor Sale	14.08.2025	10.02.2026	180	150,000,000
Karsan Otomotiv Sanayii Ve Ticaret A.Ş.	Commercial Paper	Private Placement - Qualified Investor Sale	20.08.2025	21.08.2026	364	250,000,000
Karsan Otomotiv Sanayii Ve Ticaret A.Ş.	Commercial Paper	Private Placement - Qualified Investor Sale	17.09.2025	18.09.2026	364	250,000,000

INTERIM REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD OF 1 JULY - 30 SEPTEMBER 2025 PREPARED PURSUANT TO THE COMMUNIQUE ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS (II-14.1)

1 JULY - 30 SEPTEMBER 2025 INTERIM ANNUAL REPORT

3.4. CREDIT RATINGS

In the Credit Rating Report dated May 30, 2025, prepared by JCR Eurasia Rating Inc. (JCR), our Company's Long-Term and Short-Term National Institution Credit Ratings and Outlooks were determined as "A (tr) / Stable" and "J1 (tr) / Stable," respectively, which correspond to the "investment grade" (high credit quality) level. The Company's International Credit Ratings were limited to the sovereign rating of "BB / Stable. There is no conflict of interest between JCR and our Company.

4. ASSESSMENT OF THE BOARD OF DIRECTORS ON CORPORATE RISK MANAGEMENT, INTERNAL AUDIT AND INTERNAL CONTROL SYSTEM

Corporate Risk Management

Karsan implements a comprehensive risk management strategy to ensure the sustainability and success of its operations. This strategy offers an integrated approach encompassing the early identification, assessment, and management of potential risks. Karsan's risk management is organized to report to the Board of Directors through the Early Detection of Risk Committee in order to anticipate risks that may affect our corporate strategies and objectives, primarily for the benefit of shareholders, to assess their impact and likelihood in alignment with the company's risk appetite, and to ensure the planning and monitoring of necessary actions in terms of risk and crisis management.

The Early Detection of Risk Committee was established at the Board of Directors meeting of Karsan Otomotiv Sanayi ve Ticaret A.Ş. dated June 28, 2013, in accordance with Article 378 of the Turkish Commercial Code No. 6102 and the provisions set forth in the Capital Markets Board's Corporate Governance Principles, with the aim of ensuring the effective operation of the committees within the Board of Directors. The Committee is chaired by Independent Board Member Ahmet Nezih Olcay, and its other members are Independent Board Member Nevzat Tüfekçioğlu and Board Member Mehmet Altan Sungar.

The Committee issued four reports during the first nine-month period of 2025 and submitted its opinions and recommendations to the Board of Directors regarding the risks included in the Company's risk inventory, along with suggestions related to these risks, as well as potential risks that may arise under current conditions in relation to the Company's strategic objectives.

Risk management activities at Karsan are carried out under the leadership of the Corporate Risk Management and Internal Audit Manager, reporting to the Director of Legal Affairs and Internal Audit, who in turn reports to the CEO. In this context, the Corporate Risk Management and Internal Audit Unit assumes responsibility for establishing a common risk framework within the company and guiding its implementation, developing trainings and awareness programs for defining and applying corporate risk management methodologies, preparing current status reports for the Board of Directors and senior management through the Early Detection of Risk Committee, and coordinating the corporate risk management processes.

All department management teams and process owners within the Karsan organization are responsible for identifying and assessing risks related to their processes within the defined risk framework, monitoring those risks in line with defined responses, and reporting them to the Corporate Risk Management and Internal Audit Unit.

INTERIM REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD OF 1 JULY - 30 SEPTEMBER 2025 PREPARED PURSUANT TO THE COMMUNIQUE ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS (II-14.1)

1 JULY - 30 SEPTEMBER 2025 INTERIM ANNUAL REPORT

The risks within Karsan are identified and prioritized under four categories: financial, strategic, operational, and compliance. The basis of risk management is addressed in four stages: identifying the company's activities and the uncertainties that may arise in achieving its strategic objectives as threats and opportunities; determining their root causes and evaluating their potential impact and likelihood; responding to these based on the company's risk appetite; and finally, identifying, monitoring, and reporting activities aimed at reducing the impact and likelihood of these risks.

The identification and evaluation of current risks were carried out through a risk workshop held in 2024. One-on-one information sessions and interviews were conducted with the management teams of departments and process owners to identify risks and analyze their root causes. This process has facilitated the increase of awareness on risk management, enabled the update of the risk inventory, and allowed for the creation of risk management plans aligned with the company's priorities and strategies.

Internal Control and Internal Audit

An internal control and audit system has been designed with a risk-oriented approach to ensure that activities are carried out effectively, efficiently, and in compliance with legal regulations. This system aims to enhance the reliability of financial reporting, safeguard assets, and minimize risks that the company may encounter. Under the responsibility of the Audit Committee, Karsan's accounting, reporting, and internal control systems, along with the evaluation of independent audit reports and the assessments regarding the compliance of annual and interim financial statements with accounting principles and their accuracy, are reported in writing to the Board of Directors.

In addition, risk-oriented internal audit planning is carried out based on priority issues identified within the scope of the company's risk management efforts. Action plans developed as a result of internal audit activities aim to establish an effective internal control structure. Violations, notices, and complaints related to the company's operations are also evaluated and investigated by the Corporate Risk Management and Internal Audit Unit in cooperation with the relevant departments. The findings, along with recommendations for ensuring effective control of operations, are reported and concluded. The Audit Committee periodically monitors all internal control and audit activities, reviews and approves the annual audit plans. During the first half of 2025, the Audit Committee submitted a total of 3 reports to the Board of Directors.



INTERIM REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD OF 1 JULY - 30 SEPTEMBER 2025 PREPARED PURSUANT TO THE COMMUNIQUE ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS (II-14.1)

1 JULY - 30 SEPTEMBER 2025 INTERIM ANNUAL REPORT

5. EVENTS AFTER THE BALANCE SHEET

On 9 October 2025, our Company disclosed on the Public Disclosure Platform (PDP) the Board of Directors' resolution regarding the issuance of lease certificates.

On 16 October 2025, our Company disclosed on the PDP the redemption payment announcement regarding the lease certificates with ISIN code TRDDGERE2514.

On 16 October 2025, our Company announced on the PDP its Capital Markets Board (CMB) application for the lease certificate issuance ceiling.

On 31 October 2025, our Company disclosed on the PDP the second coupon payment and redemption announcement regarding the bond with ISIN code TRFKRSNE2518.

6. OTHER MATTERS-INFORMATION FOR SHAREHOLDERS

You can access our investor presentations, which include our expectations for the relevant and upcoming periods, through the links below.



<https://www.karsan.com/en/investor-relations/investor-presentation-list>

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

With the decision of the Capital Markets Board (CMB) dated 10.01.2019 and numbered 2/49, within the scope of the CMB Corporate Governance Communiqué numbered II-17.1, the format to be taken as a basis by companies obliged to prepare a Corporate Governance Principles Compliance Report has been redefined, and the Corporate Governance Compliance Report for the period 01.01.2024 - 31.12.2024 can be accessed via the link below on our website. Our Company regularly publishes the necessary updates on the Public Disclosure Platform and on our website.



<https://www.karsan.com/en/corporate-governance-compliance-report>

SUSTAINABILITY PRINCIPLES AND COMPLIANCE REPORT

The Sustainability Principles Compliance Framework, established within the scope of the Capital Markets Board's (CMB) Corporate Governance Communiqué No. II-17.1, includes the basic principles for the environmental, social, and corporate governance (ESG) practices of publicly traded companies. Although the implementation of these principles is voluntary, reporting is mandatory in line with the "Comply or Disclose" principle.

Starting from 2021 for the relevant partnerships and from the year following the initial public offering for publicly traded companies, this framework must be included in annual reports.

Our company's Sustainability Principles Compliance Report for the period 01.01.2024 - 31.12.2024 is available via the link provided on our website. In addition, developments and updates on sustainability are regularly published on the Public Disclosure Platform (PDP) and on our website.



<https://www.karsan.com/en/investor-relations/special-circumstance-disclosures>

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DISCLAIMER

The Board of Directors Report, Auditor's Report, Consolidated Financial Statements, and Independent Auditor's Report regarding the Company's 2025 activities and accounts included in this Annual Report have been prepared in compliance with the applicable legislation. This Report has been prepared solely for informational purposes to provide transparency to shareholders and does not constitute a basis for any investment decision. The forward-looking statements and projections contained herein reflect the management's current views regarding future expectations; however, actual results may differ materially depending on various factors and assumptions underlying such projections. Accordingly, Karsan Otomotiv Sanayii ve Ticaret A.Ş., its Board members, consultants, or employees shall not be held liable for any direct or indirect loss or damage arising from any information or communication included in or omitted from this Report. All information contained in this Report is believed to be accurate as of the publication date; however, Karsan Otomotiv assumes no responsibility for any errors that may occur during the drafting or printing processes.

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Design Consultant

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1 JULY - 30 SEPTEMBER 2025

INTERIM ANNUAL REPORT

