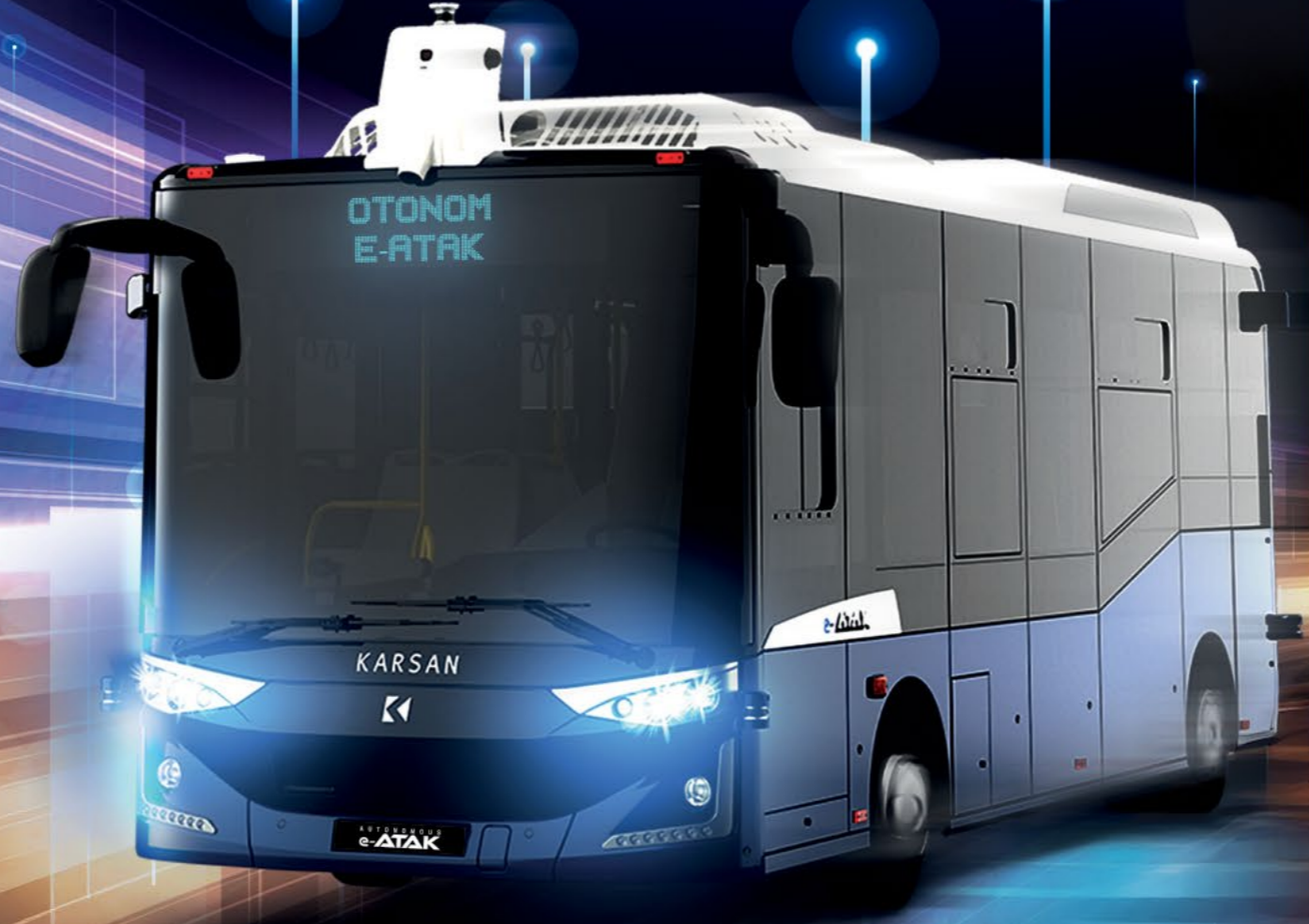


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1. 1. GENERAL INFORMATIN

1.1. CAPITAL AND SHAREHOLDING STRUCTURE

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

31.03.2026

COMPANY'S TITLE	SHARE AMOUNT (TL)	SHARE RATIO (%)
Kıraça Holding A.Ş.	526,618,812.39	58.51
Group A Preferred	64,028,613	7.11
Group B	462,590,199	51.40
Other	373,381,187.61	41.49
Group A Preferred	1,554,775	0.17
Group B	371,826,413	41.32
TOTAL	900,000,000	100.00

As of the end of March 2026 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 30 April 2026, the 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 one year and, in any case, until their successors are duly appointed. The independence qualifications of the Independent Members of the Board of Directors are reassessed annually.

Members of the Board of Directors as of 31 March 2026:

Board of Directors	Position	Date of Appointment
Giancarlo BOSCHETTI	Chairman of the Board	30.04.2026
Erhan EGEMEN	Deputy Chairman of the Board	30.04.2026
Okan BAŞ	Executive Board Member	30.04.2026
Dursun SAAT	Board Member	30.04.2026
Yasin DOĞAN	Board Member	30.04.2026
Utku Can AYYARKIN	Board Member	30.04.2026
Ahmet NeziH OLCAY	Independent Board Member	30.04.2026
Münevver ERÖZ	Independent Board Member	30.04.2026
Mert YAZICIOĞLU	Independent Board Member	30.04.2026

As the Board of Auditors is no longer considered a mandatory corporate body under the New Turkish Commercial Code, no election for Board of Auditors members was conducted at the Ordinary General Assembly held on 30 April 2026. In accordance 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 2026/08 dated 2 April 2026, was approved to serve as the independent external audit company for a term of one year.

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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 31 March 2026:

Committee	Committee Member	Role on the Committee	Qualification	Meeting Frequency
Audit Committee	Ahmet Nezh Olcay	Chairman	Independent Member	Quarterly - at least four times a year
	Münevver Eröz	Member	Independent Member	
Corporate Governance Committee	Mert Yazıcıoğlu	Chairman	Independent Member	At least twice a year
	Utku Ayyarkın	Member	Non-Independent Member	
	İbrahim Onur Baysal (*)	Member	Executive	
Early Detection of Risk Committee	Ahmet Nezh Olcay	Chairman	Independent Member	Every two months-at least six times a year
	Dursun Saat	Member	Non-Independent Member	
	Yasin Doğan	Member	Non-Independent Member	

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

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1.2.3. SENIOR MANAGEMENT

Senior Managers as of 31.03.2026

Senior Management	Position	Date of Appointment	Profession
Okan Bař (*)	CEO	2016	Mechanical Engineer (M.Sc.)
Kenan Kaya (**)	CFO- Deputy General Manager of Financial Affairs and Finance	2019	Economist - CPA
Ahmet Muzaffer Arpaciođlu (***)	Deputy General Manager of Domestic Market Sales and Foreign Relations	2020	Business Administrator
Deniz etin (****)	Global Ticari İřler Genel M¼d¼r Yardımcısı	2024	Mechanical Engineer
Aslı ¼r Arkunk¼tak	Deputy General Manager of Global Commercial Affairs	2020	Business Administrator
Barıř Hulisiođlu	R&D Director	2020	Mechanical Engineer
Erg¼n Kuru	Deputy General Manager of Purchasing and Supply Chain	2024	Mechanical Engineer
Hazım Kubilay Diner	Spare Parts and Domestic After Sales Services Director	2020	Mechanical Engineer
Mustafa T¼kenmez	Quality Director	2022	Mechanical Engineer
Orhan D¼nmez	Deputy General Manager of R&D	2024	Mechanical Engineer
M¼cahit 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 Yaycıođlu	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
Halit ¼zg¼r Altınsoy	International Sales Director	2026	Mechanical Engineer

(*) Mr. Okan Bař also holds the position of the Chairman of the Board of Directors of Karsan Europe Srl, Chairman of the Board of Directors of Karsan İ ve Diř Ticaret A.ř., and as a Board Member of Kıraa Holding.

(**) Mr. Kenan Kaya also serves as the Vice Chairman of the Board of Directors at Karsan İ ve Diř Ticaret A.ř., the Board Member at Karsan Europe Srl, Hervouet Corporate Industry SAS, and Karsan Otomotiv Sanayi Mam¼llerini Pazarlama A.ř. in Liquidation.

(***) Mr. Ahmet Muzaffer Arpaciođlu also serves as the Executive Board Member of Karland Otomotiv ¼r¼nleri Sanayi ve Ticaret A.ř.

(****) Mr. Deniz etin also serves as a member of the Board of Directors of Karsan İ ve Diř Ticaret A.ř.

The total amount of rights, benefits and remuneration provided to the Members of the Board of Directors and Senior Executives for the period between 1 January and 31 March 2026 is disclosed in the notes to the financial statements as TL 87,261 thousand. These notes are published on the Public Disclosure Platform (PDP) and the Company's website. At the Ordinary General Assembly held on 30 April 2026, it was resolved that, effective from the beginning of the month following the General Assembly, each Independent Member of the Board of Directors, excluding Mr. Erhan Egemen, Mr. Dursun Saat and Mr. Yasin Dođan, shall be paid a gross monthly remuneration of TL 77,140.

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1.3.STAFF AND LABOR OVERVIEW

	31 Marc 2026			31 March 2025		
	White Collar	Blue Collar	Total	White Collar	Blue Collar	Total
Karsan Otomotiv	635	1,553	2,188	608	1,739	2,347
Karsan Europe	4	0	4	5	0	5
Karsan İç ve Dış Ticaret A.Ş.	0	0	0	0	0	0
Karsan North America LLC	0	0	0	0	0	0
Hervouet Corporate Industry SAS (HCI)	15	6	21	13	7	20
E-Buskar Sociedad Limitada UNIPERSONAL	1	0	1	-	-	-
Total	655	1,559	2,214	626	1,746	2,372

As of 31 March 2026 the Group's total workforce stands at 2,214 employees, comprising 655 whitecollar and 1,559 blue-collar staff.

1.4.DIRECT OR INDIRECT SUBSIDIARIES OF THE COMPANY

Company Title	Field of Activity	Company's Shareholding			
		31.03.2026		31.12.2025	
		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%	-	100%	-

(*) Karsan has established a wholly owned company under the name Karsan USA LLC, headquartered in New York, USA, for the purpose of participating in tenders organized by local authorities in the United States. The establishment of the company did not require any capital contribution, no capital transfer has been made to the company, and it has had no impact on the Group's financial position.

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1.5. INFORMATION ON COMPANY SHARES

Karsan Otomotiv Sanayii ve Ticaret A.Ş. began trading on Borsa Istanbul on 21 February 2000. As of 31 March 2026, Karsan Otomotiv Sanayii ve Ticaret A.Ş. is featured in the following indices and stock information:

Reuters Kodu : KARSN.IS

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

Stock Market: BORSA İSTANBUL (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 SUSTAINABILITY

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.

PREPARED PURSUANT TO THE COMMUNIQUE ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS (II-14.1)

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2.2. PRODUCTS

3. KARSAN BRANDED VEHICLES	MODEL	SEGMENT
	e-JEST	Electric Minibus (6 m - urban)
	e-JEST/RHD	Electric Minibus (6 m - urban, Right Hand Drive)
	Otonom e-JEST	Electric Autonomous Bus (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 (12 m)

RENAULT MARKA ARAÇLAR	MODEL	SEGMENT
	Megane Sedan	Passenger Car

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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 - March 2026 (Units)	January - March 2025 (Units)
Karsan Diesel	0	57
Karsan Electric	208	64
Renault Megane	10,522	11,485
TOTAL	10,730	11,606

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

Product Type	January - March 2026 (Units)	January - March 2025 (Units)
Karsan Diesel	0	47
Karsan Electric	210	45
Renault Megane	10,521	11,485
TOTAL	10,731	11,577

Product Type	January - March 2026 Sales Revenue (TL thousand)	January - March 2025 Sales Revenue (TL thousand)
Karsan Diesel	0	219.190
Karsan Electric	3,739,390	531,978
Contracted and Industrial Production & Other*	1,041,945	1,244,779
TOTAL	4,781,335	1,995,947

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

2.4. CAPACITY UTILIZATION RATE

	January - March 2026	January - March 2025
Capacity Utilization Rate (%)	69.9%	76.1%

Our Company's current capacity is 55,569 vehicles/year. As of the end of March 2026, a total of 10,730 vehicles were produced with a capacity utilization rate of 69.9%.

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

The developments in the industry and at Karsan Otomotiv for the January–March 2026 period can be summarized in line with OSD (Automotive Manufacturers Association) data as follows.

Total vehicle production in the January–March 2026 period decreased by 6.5% compared to the same period of 2025, reaching 321,856 units, while automobile production decreased by 17.9% to 181,364 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 decreased by 5.2% in minibuses with 21,780 units, while it increased by 19.3% in buses with 3,146 units and by 21.5% in midibuses with 1,411 units.

In the Turkish commercial vehicle market, total light commercial vehicle sales grew by 4.2% compared to the same period of the previous year, reaching 54,710 units. Domestic light commercial vehicle sales in this group increased by 11.9% to 12,686 units, while imported light commercial vehicle sales increased by 2.1% to 42,024 units.

The share of imports in the light commercial vehicle market reached 76.8% in the January–March 2026 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-powered 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. Following the Autonomous e-ATAK, Karsan launched the autonomous version of its 6-meter e-JEST model, Autonomous e-JEST, in October 2025.

Karsan continues to strengthen its position as a rapidly rising power in electric mobility. By the end of the first quarter of 2026, more than 2,300 Karsan electric vehicles were on the roads across three continents 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 Europe's electric vehicle transformation.

Since 2019, 81% of Türkiye's electric public transportation exports to Europe have been made by Karsan. Karsan's e-JEST and e-ATAK models 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. As the first and only European company operating in the electric public transportation sector in the United States, Karsan currently has 188 e-JEST vehicles in operation across Canada and the U.S.

Karsan achieved another significant milestone by rolling out its 10,000th JEST vehicle, one of its most successful models that entered production in 2013. In addition, 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 more than 160,000 kilometers of autonomous driving experience and carried over 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, 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, Türkiye 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. The Autonomous e-ATAK also successfully completed comprehensive testing both in the Malung-Sälen mountain tourism region of Sweden and with RATP Group, one of the leading public transportation operators based in Paris, France. In January 2026, Karsan participated in CES 2026, one of the world's leading technology exhibitions, where it introduced its Karsan AI (Autonomous Intelligence) vision to a global audience. Furthermore, Karsan received a "B" score in the Climate Change and Water assessments conducted under the Carbon Disclosure Project (CDP), demonstrating that it has successfully integrated its sustainability strategies into the core of its operational activities.

2.6. RESEARCH AND DEVELOPMENT ACTIVITIES

Karsan has a strong R&D organization that develops innovative technologies for the automotive industry, particularly in the field of public transportation solutions, while focusing on the mobility needs of the future. Through its R&D Center approved by the Ministry of Industry and Technology, the Company has established a systematic framework for its research and development activities and concentrated on advanced technology projects.

Karsan's R&D activities primarily focus on electric, autonomous, hydrogen-powered and sustainable transportation technologies. Acting with a vision of developing the mobility solutions of the next 10-15 years, the Company continues to invest heavily in fully electric vehicles, hydrogen fuel cell vehicles and autonomous systems. Models such as the e-JEST, e-ATAK, e-ATA (10m, 12m and 18m), e-ATA 12m Hydrogen and e-ATA 12m Class II represent tangible outcomes of Karsan's innovation capabilities.

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Within the scope of its hydrogen bus projects, Karsan focuses on fuel cell technologies in line with its zero-emission transportation goals. Comprehensive R&D activities are carried out on the e-ATA Hydrogen platform, including hydrogen storage systems, fuel cell integration, energy management strategies and safety systems. Product suitability for commercial use is ensured through range optimization studies, compatibility assessments with fast-refueling infrastructure and performance validation tests under various climate conditions. At the same time, Karsan adopts a holistic solution approach by developing collaborations related to the hydrogen ecosystem, including refueling infrastructure, supply chain development and regulatory compliance.

One of the most notable outcomes of Karsan's R&D activities is the Autonomous e-ATAK Electric project, one of Europe's first mass-produced Level 4 autonomous buses. Equipped with LiDAR, radar, camera systems and advanced software infrastructure, the vehicle is capable of operating without a driver and can be deployed under real traffic conditions. The project was developed through collaboration between Karsan's R&D team and technology partners and has been made available for both commercial and academic use. In addition, real-road testing of the autonomous 6-meter e-JEST vehicles, introduced in 2025 and exported to the United States, has been completed, while further development activities continue in line with technological advancements and regulatory developments.

Karsan's R&D approach is not limited to product development alone. Prior to initiating projects, the Company conducts detailed feasibility studies, literature reviews and intellectual property analyses, while systematically defining project plans, budgets and competency requirements. Furthermore, Karsan aims to foster ecosystem-based innovation by collaborating with suppliers, sub-industry companies and other R&D centers.

As a result, Karsan's R&D activities are built upon electric, hydrogen-powered and autonomous vehicle technologies, sustainable transportation solutions, advanced software and sensor systems, and strong collaborative partnerships. Through these capabilities, the Company aims to develop globally competitive, high value-added products that shape the future of mobility.

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

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

No amendment was made on the Articles of Association during the first three months of 2026.

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 2025 to 31 December 2025 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.

2.10. SUSTAINABILITY ACTIVITIES

Our Sustainability Approach and Strategy

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. With this approach, in 2025, we restructured our corporate strategy by placing sustainability at the center of the way we do business and identified sustainability as one of Karsan's eight core business strategies.

We build our sustainability strategy on four key pillars: innovative mobility solutions that scale clean and smart transportation; a decarbonization approach aimed at reducing our climate impacts across every stage of our value chain; a people-centered inclusion ecosystem that places our employees and society at the heart of the transformation; and an ethical and transparent governance model that manages all these areas through the principles of transparency, ethics and accountability. These four focus areas constitute the value pillars of Karsan's sustainability framework under our commitment to "Driving Forward with Responsibility." As Karsan, we shape the future of mobility through innovation and aim to create measurable value for the planet, people and society with every step we take. In doing so, we bring together environmental responsibility, social contribution and corporate resilience through a holistic value creation approach.

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Karsan's Sustainability Strategy

DRIVING FORWARD WITH RESPONSIBILITY

Karsan leads the future of mobility with clean innovation, ensuring every step creates sustainable value for people, society, and the planet.



Innovating Clean Mobility

We channel R&D into clean mobility solutions—electric, autonomous and connected—shaped by end-to-end lifecycle thinking

R&D and Innovation
Digitalization
Product Quality and Safety



Decarbonizing Value Chain

We decarbonize our value chain by scaling renewables and delivering CO₂e reductions from our plants through logistics to suppliers.

Climate Change and Energy Management
Responsible Supply Chain
Responsible Resource Management



Fostering People & Communities

We put people first by building an occupational-safety culture, investing in future-ready skills and advancing inclusion for our workforce and communities.

Employee Engagement and Well-being
Equity and Inclusion
Occupational Health and Safety (OHS)
Social Investments



Ensuring Future-Proof Governance

We lead with integrity by embedding ethics, transparent reporting and data-driven risk management to protect trust and long-term value.

Corporate Governance
Business Ethics and Compliance
Risk Management

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Our Sustainability Activities

In line with this approach, we published our 2024 Integrated Annual Report, Karsan's first Integrated Annual Report, in the first quarter of 2025. In the report, we transparently disclosed Karsan's economic, environmental and social performance to the public in accordance with the GRI Standards. In the third quarter of 2025, we published our TSRS-Compliant Sustainability Report and successfully completed the required assurance processes. Maintaining our commitment to this journey, in the first quarter of 2026 we published our TSRS-Compliant Sustainability Report and our 2025 Integrated Annual Report.

Key milestones in our sustainability journey include:

- Climate-Related Risks and Opportunities
- Governance Structure
- Climate-Related Metrics and Targets
- Scenario Analyses
- Financial Integration of Sustainability Activities

To reduce the carbon impact of our energy consumption, we meet the electricity needs of all our electric vehicles through our Solar Power Plant. Through our internal carbon pricing system and energy efficiency projects, we continue to 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. By maintaining our score, we demonstrated the consistency of our performance and our continued commitment to climate action within our sector.

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 transportation vehicle to operate through a tunnel in Europe. We have also completed cradle-to-grave Life Cycle Assessment (LCA) studies for our 12-meter and 18-meter e-ATA models. In addition, we completed the Environmental Product Declaration (EPD) processes for three vehicles in the third quarter of 2025 and one additional vehicle in the fourth quarter of 2025. We aim to complete the EPD processes for two more vehicles by the end of the second quarter of 2026.

Supply Chain and Responsible Production

Through our Green Procurement Project, we evaluate our suppliers based on their environmental, social and governance (ESG) performance and establish improvement processes. Our assessment activities conducted through the EcoVadis platform contribute to transparency and continuous improvement in these areas.

Occupational Health and Safety & Digitalization

We integrate digitalization into our business processes to enhance employee safety. Through our Robotic Process Automation (RPA)-enabled Unsafe Behavior Management Project, we digitally manage corrective actions for more than 1,500 potential risks annually.

R&D and Innovation

Our strategic collaborations with Toyota Motor Europe in the field of hydrogen technologies make a strong contribution to our goal of developing carbon-neutral vehicles. In addition, we strengthened our leadership in innovation by increasing the number of our intellectual and industrial property applications to 18. By providing transparent, responsible and innovative solutions to all our stakeholders, we continue to fulfill our sustainability commitments with determination. For more information and the latest developments, our sustainability reports are publicly available at www.karsan.com/en.

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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 March 31, 2026, have not been subjected to a limited independent review.

Summary Balance Sheet (TL thousand)		
	31.03.2026	31.03.2025
Assets		
Current Assets	12,853,053	10,491,359
Fixed Assets	10,514,464	10,912,748
Total Assets	23,367,517	21,404,107
Liabilities		
Short Term Liabilities	12,883,348	11,400,039
Long Term Liabilities	2,486,909	2,498,431
Equity	7,997,260	7,505,636
Total Liabilities	23,367,517	21,404,107

Summary Income Statement	31.03.2026	31.03.2025
Revenues	4,781,335	1,995,914
Gross profit	1,390,786	262,390
Operating Profit/(Loss)	612,712	-60,833
Period Profit/(Loss)	65,458	-376,232

The Company's total assets increased from TL 21,404,107 thousand in the first quarter of 2025 to TL 23,367,517 thousand as of 31 March 2026. Revenue, which amounted to TL 1,995,914 thousand in 2025, reached TL 4,781,335 thousand in 2026, while operating profit, which was TL (60,833) thousand in 2025, amounted to TL 612,712 thousand in 2026.

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3.2. KEY INDICATORS AND RATIOS

Key Indicators (TL)	31.03.2026	31.03.2025
Gross Profit Margin	0.29	0.13
Operating Profit Margin	0.13	-0.03
Net Profit Margin	0.01	-0.19

Liquidity Ratios	31.03.2026	31.03.2025
Current Ratio	1.00	0.92
Liquidity Ratio	0.70	0.66
Cash Ratio	0.08	0.05

Financial Structure Ratios

	31.03.2026	31.03.2025
Total Liabilities/Equity	1.92	1.85
Short Term Liabilities / Total Assets	0.55	0.53
Long Term Liabilities / Total Assets	0.11	0.12
Tangible Assets / (Equity + Long Term Liabilities)	0.56	0.58

Profitability Ratios

	31.03.2026	31.03.2025
Net Profit for the Period / Total Assets	0.003	-0.018
Net Profit for the Period / Equity	0.008	-0.050

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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.	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	28.07.2025	26.01.2026	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.	Commercial Paper	Private Placement - Qualified Investor Sale	22.08.2025	21.08.2026	364	250,000,000
Karsan Otomotiv Sanayii Ve Ticaret A.Ş.	Commercial Paper	Private Placement - Qualified Investor Sale	17.09.2025	16.09.2026	362	250,000,000
Karsan Otomotiv Sanayii Ve Ticaret A.Ş.	Lease Certificate	Private Placement - Qualified Investor Sale	23.12.2025	17.06.2026	176	300,000,000
Karsan Otomotiv Sanayii Ve Ticaret A.Ş.	Commercial Paper	Private Placement - Qualified Investor Sale	05.02.2026	04.02.2027	364	100,000,000
Karsan Otomotiv Sanayii Ve Ticaret A.Ş.	Lease Certificate	Private Placement - Qualified Investor Sale	27.02.2026	20.08.2026	174	230,000,000
Karsan Otomotiv Sanayii Ve Ticaret A.Ş.	Lease Certificate	Private Placement - Qualified Investor Sale	26.03.2026	22.09.2026	180	205,000,000
Karsan Otomotiv Sanayii Ve Ticaret A.Ş.	Lease Certificate	Private Placement - Qualified Investor Sale	10.04.2026	07.10.2026	180	158,000,000

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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

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 Board Member Board Member Mehmet Altan Sungar.

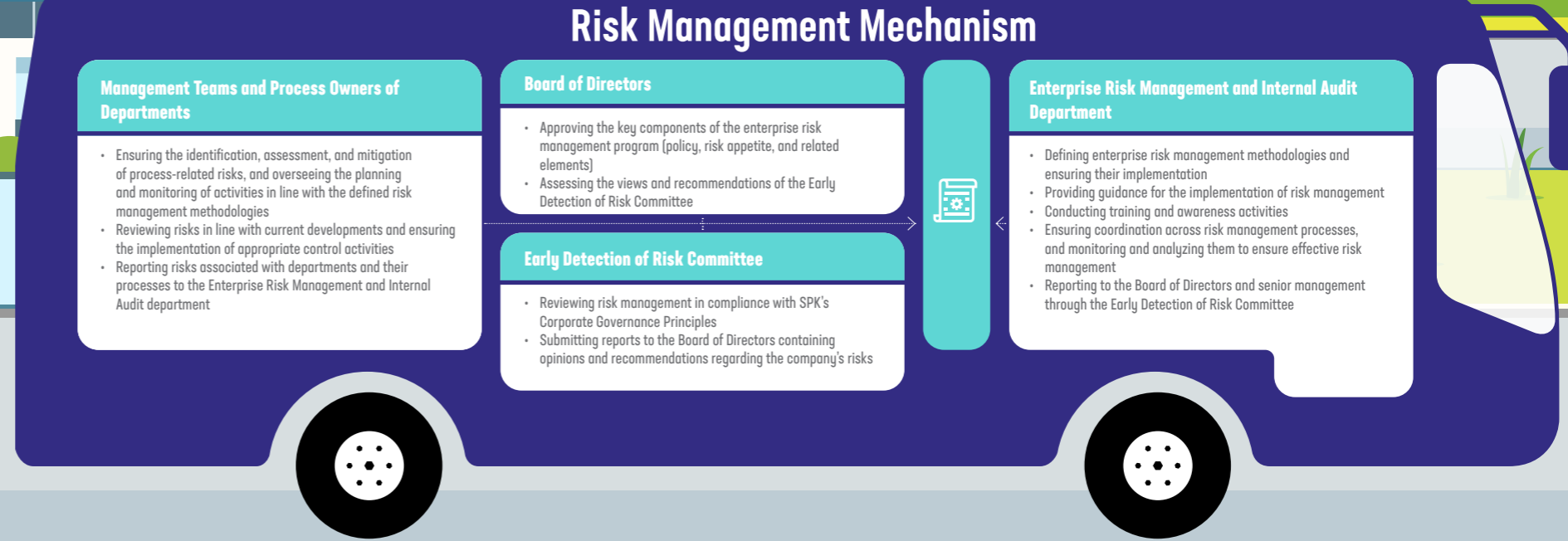
The Committee issued one reports during the first three-month period of 2026 and submitted its opinions and recommendations to the Board of Directors regarding the risks included in the Company's risk inventory, along with suggestions related to these risks, as well as potential risks that may arise 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.

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Internal Control and Internal Audit

An internal control and internal audit system has been designed with a risk-oriented approach to ensure that activities at Karsan are carried out effectively, efficiently, and in compliance with laws and regulations. This system aims to enhance the reliability of financial reporting, ensure the safeguarding of assets, and minimize the risks the company may encounter. The Audit Committee is responsible for overseeing the regular review of Karsan's accounting, reporting and internal control systems, evaluating independent audit reports, and ensuring that assessments of the annual and interim financial statements to be publicly disclosed, with respect to their compliance with accounting principles and fair presentation, are reported in writing to the Board of Directors. In addition, internal audit planning is conducted on a risk-oriented basis for the priority issues identified in connection with the company's risk management activities, with the aim of establishing an effective internal control system through the action plans developed as a result of internal audit activities. Violations, whistleblowing reports, and complaints related to the Company's activities are evaluated and investigated by the Enterprise Risk Management and Internal Audit Department in cooperation with the relevant units, and are concluded through reporting, together with recommendations aimed at ensuring the effective control of activities.

The Audit Committee periodically monitors all internal control and internal audit activities, and reviews and approves annual audit plans. During the first three months of 2026, the Audit Committee submitted 3 reports to the Board of Directors.

Identification of Risks

- Identifying uncertainties related to company strategies and goals according to risk categories, and analyzing their root causes

Assessment of Risks

- Assessing the impacts and likelihoods of identified risks and root causes according to the risk matrix

Management of Risks

- Responding to risks as 'accept, mitigate, avoid, or transfer' based on the risk score from the assessment and aligned with the company's risk appetite
- Planning risk response activities

Monitoring and Reporting of Risks

- Monitoring of planned activities and reporting the risk inventory based on priority risks

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5. EVENTS AFTER THE BALANCE SHEET

On 2 April 2026, our Company disclosed on the Public Disclosure Platform (PDP) the announcement regarding the Board of Directors' resolution on the distribution of the 2025 dividend.

On 8 April 2026, our Company disclosed on the PDP the announcements regarding the General Assembly Meeting Invitation, the General Assembly Information Document and the Independent Board Member Nominees.

On 10 April 2026, our Company announced on the PDP the completion of the sale of the domestic lease certificate issuance with ISIN code TRDKTLME2623.

On 15 April 2026, our Company announced on the PDP the Board of Directors' resolution regarding the issuance of lease certificates.

On 17 April 2026, our Company announced on the PDP its Capital Markets Board (CMB) application for the lease certificate issuance ceiling.

On 27 April 2026, our Company announced on the PDP the Company General Information Form.

On 30 April 2026, our Company announced on the PDP the results of the 2025 Ordinary General Assembly Meeting.

On 30 April 2026, our Company announced on the PDP the approval by the General Assembly of the appointment of the Independent External Audit Company.

On 30 April 2026, our Company announced on the PDP the General Assembly resolution regarding the distribution of the 2025 dividend.

On 4 May 2026, our Company announced on the PDP the interest rate for the third coupon payment of the bond with ISIN code TRFKRSN82614.

On 4 May 2026, our Company announced on the PDP the third coupon payment of the bond with ISIN code TRFKRSN82614.

On 7 May 2026, our Company announced on the PDP the first coupon payment of the bond with ISIN code TRFKRSN22719.

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-presentations-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 01.01.2025 - 31.12.2025 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 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 01.01.2025 - 31.12.2025 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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Legal Disclaimer

The Board of Directors' Report, Auditor's Report, Consolidated Financial Statements, and Independent Audit Report regarding the Company's activities and accounts for 2026, as included in the 2026 Karsan Integrated Annual Report, have been prepared in accordance with the applicable legislation. This Report has been prepared for the purpose of informing shareholders and does not constitute a basis for any investment decision. Forward-looking statements and projected figures included in the Report reflect the views of the Company's management regarding future conditions; actual results may differ depending on the variables and assumptions underlying such forward-looking projections. Accordingly, Karsan Otomotiv Sanayii ve Ticaret A.Ş., its Board of Directors members, advisors, or employees shall not be held liable for any loss or damage that may be incurred directly or indirectly by any person as a result of any information or communication provided within the scope of this Report or based on the information contained herein or otherwise.



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Credits:

Reporting Consultant

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Design Consultant

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