

**KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş.
AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2026
TOGETHER INDEPENDENT AUDITOR'S REVIEW REPORT**



**CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT
AUDITOR'S REVIEW REPORT ORIGINALLY ISSUED IN TURKISH**

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

To the General Assembly of Karsan Otomotiv Sanayii ve Ticaret A.Ş.

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Karsan Otomotiv Sanayii ve Ticaret A.Ş. (the "Company") and its subsidiaries (collectively referred as the "Group") as at 30 June 2026 and the related condensed consolidated interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended. The management of the Group is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with Turkish Accounting Standard 34 ("TAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with TAS 34.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Özgür Beşikcioğlu, SMMM
Independent Auditor

Istanbul, 14 August 2026

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 30 JUNE 2026**

INDEX	PAGE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	1-2
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	3-4
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	5
CONSOLIDATED STATEMENT OF CASH FLOWS	6-7
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT	8-57

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 30 JUNE 2026
AND 31 DECEMBER 2025**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

	Note	Reviewed 30 June 2026	Audited 31 December 2025
ASSETS			
Current assets			
Cash and cash equivalents	4	499,065	1,797,579
Derivatives		73,473	131,527
Trade receivables		6,637,104	6,368,280
- <i>Trade receivables from related parties</i>	5	645,569	1,085,804
- <i>Trade receivables from third parties</i>	6	5,991,535	5,282,476
Other receivables		268,516	513,302
- <i>Other receivables from third parties</i>		268,516	513,302
Inventory	7	3,040,986	3,481,674
Prepaid expenses		573,734	857,796
Assets related to current period tax	19	20,753	15,899
Other current assets		154,895	179,110
Total current assets		11,268,526	13,345,167
Non-current assets			
Other receivables		87,308	190,382
- <i>Other receivables from third parties</i>		87,308	190,382
Derivatives		40,298	59,166
Investments in associates accounted for using equity method		107,732	83,409
Property plant and equipment	8	6,157,506	6,217,383
Right of use assets		91,194	79,547
Intangible assets		4,627,996	4,449,426
- <i>Goodwill</i>		47,335	47,335
- <i>Other intangible fixed assets</i>	9	4,580,661	4,402,091
Prepaid expenses		26,509	41,039
Deferred tax asset	19	1,799	2,189
Other fixed assets		11,204	12,841
Total non-current assets		11,151,546	11,135,382
Total assets		22,420,072	24,480,549

The condensed consolidated financial statements for the interim period ended 1 January – 30 June 2026 have been reviewed by the Audit Committee and approved by the Board of Directors on 14 August 2026. The General Assembly has the authority to amend the summary consolidated financial statements.

The following notes form an integral part of the condensed consolidated financial statements.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 30 JUNE 2026 AND 31 DECEMBER 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

	Note	Reviewed 30 June 2026	Audited 31 December 2025
LIABILITIES AND EQUITY			
Current liabilities			
Short-term borrowings	12	7,086,509	7,545,853
Short-term part of long-term borrowings	12	783,148	1,036,404
Lease liabilities	12	28,576	13,863
Trade payables		2,243,299	3,115,539
- Trade payables to related parties	5	53,466	219,051
- Trade payables to third parties	6	2,189,833	2,896,488
Employee benefits liabilities	11	193,677	135,948
Deferred income		247,347	263,992
Current income tax liabilities	19	294	11,619
Short-term provisions		536,507	1,093,221
- Short-term provisions for employee benefits	11	124,991	307,668
- Other short-term provisions	10	411,516	785,553
Other current liabilities		118,883	92,728
Total current liabilities		11,238,240	13,309,167
Non-current liabilities			
Long-term borrowings	12	1,528,441	1,717,731
Lease liabilities	12	19,319	3,361
Short-term deferred income (other than contractual obligations)		96,308	129,446
Long-term provisions		1,045,031	748,682
- Long-term provisions for employee benefits	11	328,149	343,712
- Other long-term provisions	10	716,882	404,970
Deferred tax liabilities	19	287,691	54,061
Total non-current liabilities		2,976,790	2,653,281
Total liabilities		14,215,030	15,962,448
Equity			
Equity of the parent company			
Paid-in capital		900,000	900,000
Capital adjustment differences		15,619,862	15,619,862
Share premiums/discounts		221,258	221,258
Other accumulated comprehensive income		1,243,128	1,300,696
- Not to be re-classified under profit or loss		1,272,969	1,337,529
- To be re-classified under profit or loss		(29,841)	(36,833)
Restricted reserves		39,054	39,054
Retained earnings		(9,562,769)	(9,773,666)
Net profit/(loss) for the period		(255,491)	210,897
Total equity		8,205,042	8,518,101
Total liabilities and equity		22,420,072	24,480,549

The following notes form an integral part of the condensed consolidated financial statements.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIODS ENDED

1 JANUARY – 30 JUNE 2026 AND 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

	Note	Reviewed 1 January- 30 June 2026	Not reviewed 1 April- 30 June 2026	Reviewed 1 January- 30 June 2025	Not reviewed 1 April- 30 June 2025
PROFIT OR LOSS					
Revenue	13	10,100,065	4,983,396	6,769,031	4,633,135
Cost of sales (-)	13	(7,622,530)	(3,994,284)	(5,105,940)	(3,250,837)
GROSS PROFIT		2,477,535	989,112	1,663,091	1,382,298
General administrative expenses (-)	14	(520,177)	(239,571)	(454,705)	(159,600)
Marketing, sales and distribution expenses (-)	14	(1,044,601)	(490,046)	(751,640)	(474,708)
Research and development expenses (-)	14	(160,898)	(81,530)	(94,598)	(48,179)
Other income from operating activities	15	331,483	190,784	1,250,565	565,369
Other expenses from operating activities (-)	15	(371,296)	(311,808)	(674,484)	(261,853)
OPERATING PROFIT/(LOSS)		712,046	56,941	938,229	1,003,327
Income from investing activities		74,288	50,527	54,576	25,698
Expenses from investing activities		(77,708)	(70,204)	-	-
Share of gain (loss) on investments accounted for by the equity method		14,922	8,015	4,047	1,227
OPERATING PROFIT/(LOSS) BEFORE FINANCIAL EXPENSE		723,548	45,279	996,852	1,030,252
Financial expenses (-)	17	(1,707,675)	(905,393)	(2,210,931)	(1,149,168)
Net monetary position gains/(losses)	18	1,002,032	459,463	769,507	333,696
PROFIT/(LOSS) BEFORE TAX		17,905	(400,651)	(444,572)	214,780
Tax income/(expense)		(273,396)	75,112	47,920	(208,814)
Tax expense for the period	19	-	-	-	-
Deferred tax income/(expense)	19	(273,396)	75,112	47,920	(208,814)
NET PROFIT/(LOSS) FOR THE PERIOD		(255,491)	(325,539)	(396,652)	5,966
Distribution of net profit/(loss) for the period					
Equity holders of the parent		(255,491)	(325,539)	(396,652)	5,966
Non-controlling interests		-	-	-	-
Gain/(loss) per share (per 100,000 shares with a nominal value of 1,000 TRY each)	20	(0,284)	(0,362)	(0,441)	0,007

The following notes form an integral part of the condensed consolidated financial statements.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIODS ENDED

1 JANUARY – 30 JUNE 2026 AND 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

	Note	Reviewed 1 January - 30 June 2026	Not reviewed 1 April - 30 June 2026	Reviewed 1 January - 30 June 2025	Not reviewed 1 April - 30 June 2025
OTHER COMPREHENSIVE INCOME					
Net profit/(loss) for the period		(255,491)	(325,539)	(396,652)	5,966
Other comprehensive income/(loss):					
Not to be re-classified under profit or loss, before tax		(103,936)	(48,569)	(32,988)	6,753
Gains (losses) on remeasurements of defined benefit plans before tax		(103,936)	(48,569)	(32,988)	6,753
To be re-classified under profit or loss, before tax		6,992	(4,519)	(23,384)	(25,826)
Currency translation differences before tax		6,992	(4,519)	(23,384)	(25,826)
Total other comprehensive income/(expense), before tax		(96,944)	(53,088)	(56,372)	(19,073)
Total taxes on other comprehensive income/(expense) items		39,376	25,535	14,094	4,769
Total taxes on other comprehensive income items that will not to be re-classified under profit or loss		39,376	25,535	8,248	(1,687)
Deferred tax income/(expense)	19	39,376	25,535	8,248	(1,687)
Total taxes on other comprehensive income items that will be re-classified under profit or loss		-	-	5,846	6,456
Deferred tax income/(expense)	19	-	-	5,846	6,456
Total other comprehensive income/(expense)		(57,568)	(27,553)	(42,278)	(14,304)
Total comprehensive income/(expense)		(313,059)	(353,092)	(438,930)	(8,338)
Distribution of total comprehensive income/(expense):					
Equity holders of the parent		(313,059)	(353,092)	(438,930)	(8,338)
Non-controlling interest		-	-	-	-

The following notes form an integral part of the condensed consolidated financial statements.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

1 JANUARY - 30 JUNE 2026 AND 2025 INTERIM ACCOUNTING PERIODS CONDENSED CONSOLIDATED EQUITY CHANGE STATEMENTS

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

				Other Comprehensive Income and Expenses not to be Reclassified to Profit or Loss	Accumulated Remeasurement Gains/Losses of Defined Benefit Plans	Other Comprehensive Income and Expenses to be Reclassified to Profit or Loss		Accumulated Profits/(Losses)					
	Paid-in Capital	Capital Adjustment Differences	Share Premiums/ Discounts	Revaluation and Remeasurement Gains / Losses		Foreign Currency Translation Differences	Restricted reserves	Retained earnings	Net Period Profit / (Loss)	Equity of the Parent Company	Non-Controlling Interests	Equity	
Reviewed													
Balances as of 1 January 2025 (Opening Balance)	900,000	15,619,862	221,258	1,660,084	(214,631)	10,669	39,054	(9,859,184)	85,522	8,462,634	-	8,462,634	
Transfers	-	-	-	-	-	-	-	85,522	(85,522)	-	-	-	
Total comprehensive income/(expense)	-	-	-	-	(24,740)	(17,538)	-	-	(396,652)	(438,930)	-	(438,930)	
- Net profit/(loss) for the period	-	-	-	-	-	-	-	-	(396,652)	(396,652)	-	(396,652)	
- Total other comprehensive income/(expense)	-	-	-	-	(24,740)	(17,538)	-	-	-	(42,278)	-	(42,278)	
Balances as of 30 June 2025 (Closing Balance)	900,000	15,619,862	221,258	1,660,084	(239,371)	(6,869)	39,054	(9,773,662)	(396,652)	8,023,704	-	8,023,704	
Reviewed													
Balances as of 1 January 2026 (Opening Balance)	900,000	15,619,862	221,258	1,581,780	(244,251)	(36,833)	39,054	(9,773,666)	210,897	8,518,101	-	8,518,101	
Transfers	-	-	-	-	-	-	-	210,897	(210,897)	-	-	-	
Total comprehensive income/(expense)	-	-	-	13,392	(77,952)	6,992	-	-	(255,491)	(313,059)	-	(313,059)	
- Net profit/(loss) for the period	-	-	-	-	-	-	-	-	(255,491)	(255,491)	-	(255,491)	
- Total other comprehensive income/(expense)	-	-	-	13,392	(77,952)	6,992	-	-	-	(57,568)	-	(57,568)	
Balances as of 30 June 2026 (Closing Balance)	900,000	15,619,862	221,258	1,595,172	(322,203)	(29,841)	39,054	(9,562,769)	(255,491)	8,205,042	-	8,205,042	

The following notes form an integral part of the condensed consolidated financial statements.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS BETWEEN 1 JANUARY – 30 JUNE 2026 AND 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

	Note	Reviewed 1 January - 30 June 2026	Reviewed 1 January - 30 June 2025
CASH FLOW FROM OPERATING ACTIVITIES		290,440	(577,570)
Profit/(loss) from continuing operations		(255,491)	(396,652)
Adjustments for the period net profit (loss) reconciliation		1,359,650	2,918,211
Adjustments for depreciation and amortization expenses	16	414,584	403,630
Adjustments related to impairment		102,378	(12,625)
- Adjustments related to impairment of receivables	6	-	(12,625)
- Adjustments related to impairment of inventories	7	102,378	-
Adjustments related to provisions		30,788	970,936
- Adjustments related to provisions for employee benefits		(115,980)	91,665
- Adjustments related to warranty provisions		514,859	668,785
- Adjustments related to other provisions		(368,091)	210,486
Adjustments related to interest incomes and expenses		1,469,685	1,193,049
- Adjustments related to interest expenses	17	1,495,507	1,242,266
- Adjustments related to interest incomes		(25,822)	(49,217)
Adjustments for unrealized foreign exchange gains		147,791	1,146,956
Adjustments for tax (income) expense		273,396	(47,920)
Adjustments for losses (gains) due to disposal of property, plant and equipment		21,569	-
Adjustments related to undistributed profits of investments accounted for using the equity method (+/-)		(14,922)	(4,047)
Monetary loss/(gain)		(1,085,619)	(731,768)
Changes in working capital		(578,769)	(2,577,015)
Adjustments for increase (decrease) in trade receivables		(1,229,253)	(800,154)
- Decreases (increases) in trade receivables from related parties	5	276,480	(515,492)
- Decreases (increases) in trade receivables from third parties	6	(1,505,733)	(284,662)
Adjustments for decrease/(increase) in other receivables related to activities		243,100	(143,742)
- Decreases (increases) in other receivables from related parties		-	(53,500)
- Decreases (increases) in other receivables from third parties		243,100	(90,242)
Decreases (increases) in derivative assets		48,163	(23,047)
Adjustments for increase (decrease) in inventories	7	338,310	(1,729,036)
Adjustments for increase (decrease) in trade payables		(402,372)	494,941
- Increases (decreases) in trade payables to related parties	5	(132,549)	(204,068)
- Increases (decreases) in trade payables to third parties	6	(269,823)	699,009
Adjustments for decrease/(increase) in other payables related to activities		-	(76,710)
- Increases (decreases) in other payables to related parties		-	(76,710)
Decreases (increases) in prepaid expenses		298,592	(999,875)
Increases (decreases) in employee benefit payables		78,232	(50,287)
Decreases (increases) in Deferred income (other than contractual obligations)		(49,783)	803,815
Other adjustments for other increase (decrease) in working capital		96,242	(52,920)
- Decreases (increases) in other operating assets		56,102	(65,774)
- Increases (decreases) in other operating liabilities		40,140	12,854
Net cash flow from operations (+/-)		525,390	(55,456)
Taxes paid		(16,473)	(12,421)
Other cash outflows		(218,477)	(509,693)

The following notes form an integral part of the condensed consolidated financial statements.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS BETWEEN 1 JANUARY – 30 JUNE 2026 AND 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

	Note	Reviewed 1 January - 30 June 2026	Reviewed 1 January - 30 June 2025
CASH FLOWS FROM INVESTING ACTIVITIES		(518,806)	(489,573)
Cash inflows from the sale of property, plant and equipment and intangible assets		69,538	-
- Cash inflows from the sale of property, plant and equipment		22,717	-
- Cash inflows from the sale of intangible assets		46,821	-
Cash outflows from the sale of property, plant and equipment and intangible assets		(614,166)	(473,422)
- Cash outflows from the purchase of property, plant and equipment	8	(124,825)	(256,059)
- Cash outflows from the purchase of intangible assets	9	(489,341)	(217,363)
Interest received		25,822	49,217
Other cash inflows (outflows)		-	(65,368)
CASH FLOWS FROM FINANCING ACTIVITIES		(812,852)	339,565
Cash inflows from borrowings	12	5,506,263	5,303,469
Cash outflows from borrowings	12	(5,122,737)	(4,351,645)
Cash outflows related to debt payments from lease agreements		(46,216)	(94,676)
Interest paid		(1,150,162)	(517,583)
Net increase/(decrease) in cash and cash equivalents before the effect of exchange rate changes (+/-)		(1,041,218)	(727,578)
Effects of exchange rate changes on cash and cash equivalents (+/-)		13,805	89,205
Net increase/(decrease) in cash and cash equivalents (+/-)		(1,027,413)	(638,373)
Cash and cash equivalents at the beginning of the period	4	1,797,579	1,816,037
Effects of inflation changes on cash and cash equivalents		(271,101)	(348,736)
Cash and cash equivalents at the end of the period	4	499,065	828,928

The following notes form an integral part of the condensed consolidated financial statements.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 1 - ORGANIZATION AND FIELD OF ACTIVITY OF THE COMPANY

Karsan Otomotiv Sanayii ve Ticaret A.Ş. ("The Company" or "Karsan Otomotiv ") is incorporated in 1966 Bursa, Türkiye. The Company was established in order to establish all kinds of auto assembly and bodywork facilities in Türkiye, to purchase and participate in already established ones, to import automobiles for bodywork manufacturing, to make and sell all kinds of auto bodywork. The Company's fields of activity; to produce, import and export motor vehicles for various automotive brands and to provide industrial services to the automotive main and sub-industries.

The Company's General Directorate and production facilities are located at Hasanağa Organized Industrial Zone (HOSAB), Sanayi Caddesi, 16280, Nilüfer-Bursa.

The main shareholder of the Company and the party holding the main control is Kıraca Holding A.Ş. The Company is registered with the Capital Markets Board ("CMB") and its shares are traded on Borsa Istanbul A.Ş. ("BIST"). The Company's share ratio traded on the BIST is 39.43% (31 December 2025: 39.44%).

As of 30 June 2026 and 31 December 2025, Karsan Otomotiv's subsidiaries ("subsidiaries") (hereinafter collectively referred to as the "Group") and the investments valued through equity method are as follows:

i. Subsidiaries Subject to Full Consolidation

	<u>Field of Activity</u>
1. Karsan İç ve Dış Ticaret A.Ş.	Sales and marketing
2. Karsan Europe S.R.L.	Sales and marketing
3. E-Buskar Sociedad Limitada Unipersonal	Sales and marketing
4. Karsan North America LLC	Sales and marketing (Inactive)

ii. Subsidiaries accounted according to the equity method

	<u>Field of Activity</u>
1. Hervouet Corporate Industry SAS	Sales and marketing
2. Hervouet Corporate Lease SAS	Sales and marketing

As of 30 June 2026 the Group's average number of employees during the year is 2,134 (31 December 2025: 2,308).

Approval of Consolidated Financial Statements

The consolidated financial statements for the accounting period of 1 January – 30 June 2026 were approved by the Board of Directors of Karsan Otomotiv Sanayii ve Ticaret A.Ş. on 14 August 2026. The General Assembly and the relevant regulatory bodies have the right to amend the financial statements prepared in accordance with the legal regulations and these consolidated financial statements.

Seasonality of Operations

Due to the nature of the Group's operations and the industry in which it operates, certain activities exhibit seasonal or periodic characteristics. Accordingly, the results for the interim period ended 30 June 2026 may not be indicative of the results expected for the full year..

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

Financial Reporting Standards Applied

The Group's condensed consolidated financial statements have been prepared in accordance with the provisions of the CMB's "Communiqué on Principles Regarding Financial Reporting in the Capital Market" No. 14.1 ("Communiqué on Financial Reporting in the Capital Market") published in the Official Gazette dated 13 June 2013 and numbered 28676, on the basis of the Turkish Financial Reporting Standards ("TFRS") and related annexes and interpretations thereto, in accordance with the international standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). IFRS is updated through communiqués in order to provide parallelism with the changes in International Financial Reporting Standards ("IFRS").

The interim condensed consolidated financial statements have been presented in accordance with the formats prescribed in the "Announcement on the TFRS Taxonomy" published by the Public Oversight Authority (POA) on 3 July 2024 and in the Financial Statement Examples and User Guide issued by the Capital Markets Board (CMB). The Group has prepared its interim condensed consolidated financial statements for the period ended 30 June 2026 in compliance with IAS 34 Interim Financial Reporting. In accordance with IAS 34, entities are permitted to present their interim condensed consolidated financial statements either as a complete set or in a condensed form. Within this framework, the Group has elected to prepare condensed financial statements for the interim periods. The interim condensed consolidated financial statements do not include all of the information required for annual financial statements and should therefore be read in conjunction with the annual financial statements of the Group as of 31 December 2025.

Financial Reporting in Hyperinflationary Economies

Entities applying TFRS have been required to implement inflation accounting in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies, starting from their annual financial statements for the reporting periods ending on or after 31 December 2023, as announced by the Public Oversight Authority (POA) on 23 November 2023. IAS 29 is applied in the financial statements, including the consolidated financial statements, of entities whose functional currency is that of a hyperinflationary economy. In accordance with this standard, financial statements prepared in the currency of a hyperinflationary economy are stated in terms of the purchasing power of the currency at the balance sheet date. Comparative information presented in prior period financial statements has also been restated in terms of the measuring unit current at the end of the reporting period. Accordingly, the Group has also presented its consolidated financial statements as of 30 June 2025 and 31 December 2025 in terms of the purchasing power as of 30 June 2026.

Pursuant to the Capital Markets Board (CMB) decision dated 28 December 2023 and numbered 81/1820, issuers and capital markets institutions that are subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards have been required to implement inflation accounting in accordance with IAS 29 starting from their annual financial reports for the year ended 31 December 2023.

Restatements made in accordance with IAS 29 have been performed by applying the adjustment coefficient derived from the Consumer Price Index ("CPI") published by the Turkish Statistical Institute ("TSI"). As of 30 June 2026, the indices and adjustment coefficients used in the restatement of the interim condensed consolidated financial statements are as follows:

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

Date	Index(*)	Correction Coefficient	Three-year Compounding Inflation Rate
30 June 2026	129.99	1.00000	206%
31 December 2025	110.39	1.17758	211%
30 June 2025	98.40	1.32109	220%

(*) As of 2026, TÜİK updated the base year to 2025=100. Accordingly, index values previously reported using a different reference year and scaling methodology have been revised in line with the new base year. To ensure comparability, historical data have also been restated on the same basis.

The main elements of the Group's adjustment for financial reporting purposes in high-inflation economies are as follows:

- The financial statements for the current period prepared in Turkish Lira are expressed by the purchasing power on the date of the financial position statement, and the amounts of the previous reporting periods are also expressed by adjusting according to the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not currently adjusted as they are expressed in terms of current purchasing power on the date of the statement of financial position. In cases where the inflation-adjusted value of non-monetary items exceeds the recoverable amount or the net realizable value, the provisions of IAS 36 and IAS 2 are applied, respectively.
- Non-monetary assets and liabilities and equity items that were not expressed in terms of current purchasing power on the date of the statement of financial position were adjusted using the relevant adjustment coefficients.
- All items in the consolidated profit or loss and other comprehensive income statements, except those for which non-monetary items on the balance sheet have an impact on the consolidated profit or loss and other comprehensive income statements, are indexed with coefficients calculated over the periods in which the income and expense accounts are first reflected in the financial statements.
- All items in the cash flow statement are expressed in terms of the unit of measurement valid at the end of the reporting period.
- The impact of inflation on the Group's net monetary assets/liabilities position in the current period amounting to TRY 1,002,032 in the interim accounting period of 1 January – 30 June 2026 was recorded as net monetary position gain in the condensed consolidated profit or loss and other comprehensive income statement (1 January – 30 June 2025: TRY 769,507) (Note 18).

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS)

2.1 Basis of Presentation (Continued)

New standards and amendments

a. Standards, amendments, and interpretations applicable as of 30 June 2026:

- **Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments;** effective from annual reporting periods beginning on or after 1 January 2026 (earlier application permitted). These amendments:
 - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
 - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
- **Annual improvements to IFRS – Volume 11;** effective from annual periods beginning on or after 1 January 2026 (earlier application permitted). Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 list of amended Accounting Standard and accompanying guidance include the following:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash Flows.
- **Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity;** effective from annual periods beginning on or after 1 January 2026 (earlier application permitted). These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as 'contracts referencing nature-dependent electricity'.

The Group has applied these changes as of 1 January 2026, and their implementation did not have a material impact on these interim financial statements.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

b) Standards, amendments, and interpretations that are issued but not effective as of 30 June 2026:

- **Amendments to IAS 21 - Translation to a Hyperinflationary Presentation Currency;** effective from annual periods beginning on or after 1 January 2027 (earlier application permitted). These narrow-scope amendments specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if:
 - its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; or
 - it is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy.

The amendments aim to improve the usefulness of the resulting information in a cost-effective manner and reduce diversity in practice.

- **IFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027 (earlier application permitted). This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
 - the structure of the statement of profit or loss
 - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

To comply with paragraph 30 of IAS 8, it is expected that March year-end disclosures should about:

- the nature of the changes,
- the fact that IFRS 18 application is required for annual periods beginning on or after 1 January 2027,
- the planned adoption date, and
- either:
 - known or reasonably estimable information relevant to assessing the possible impact that application of IFRS 18 will have on the entity's financial statements in the period of initial application; or
 - if that impact is not known or reasonably estimable, a statement to that effect.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures’;** effective from annual periods beginning on or after 1 January 2027 (earlier application permitted). This new standard and amendments works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19’s reduced disclosure requirements balance the information needs of the users of eligible subsidiaries’ financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:
 - it does not have public accountability; and
 - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.
- **Amendment to IFRS 19 Subsidiaries without Public Accountability: Disclosures’;** effective from annual periods beginning on or after 1 January 2027 (earlier application permitted). In developing the reduced disclosure requirements in IFRS 19, the IASB considered the disclosure requirements in other IFRS Accounting Standards as at 28 February 2021. When IFRS 19 was issued, it did not contain reduced versions of any disclosure requirements that were added or amended after that date. Subsequently, the IASB issued these amendments to help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically:
 - IFRS 18, ‘Presentation and Disclosure in Financial Statements’;
 - Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7);
 - International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12);
 - Lack of Exchangeability (Amendments to IAS 21); and
 - Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).
- **IFRS 20 Regulatory Assets and Regulatory Liabilities;** effective from annual periods beginning on or after 1 January 2029 (earlier application permitted). This is a new Accounting Standard for entities subject to a specific type of rate regulation. It aims to help investors better understand how that rate regulation affects an entity’s financial performance, financial position and its prospects for future cash flows.

The Group continues its transition efforts for TFRS 18, which will become effective on 1 January 2027, and, as of the reporting date, continues to assess the standard’s impacts on classification, subtotals, management-defined performance measures, and disclosures. The Group will implement these changes and new standards as of their effective date and, except for ongoing assessments related to TFRS 18, they are expected to have no material impact on the Group’s consolidated financial statements.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

Continuity of business

The condensed consolidated financial statements have been prepared on the basis of business continuity under the assumption that the Group will benefit from its assets and fulfill its obligations in the next year and in the natural course of its activities. As of June 30, 2026, the Group has previous year losses amounting to TRY 9,562,769. In the period ending on the same date, a six month period loss of TRY 255,491 occurs. In addition, as of June 30, 2026, the Group's current assets are TRY 30,286 more than its short-term liabilities. In its budget and forecast studies for 2026, the Group Management expects an increase in core operating profitability on the scale that will consist of revenue growth and anticipates that this level will generate cash inflows that will strengthen the existing working capital. In the following year, the Group plans to meet short-term liabilities in line with the cash flow expectations arising from its operations and financing activities and the refinancing of maturities related to financial borrowings to the following periods with partial principal payments. For these reasons, the Group's management does not foresee a significant risk to networking capital related to the continuity of the business.

Foreign currency conversion

i. Functional and reporting currency

The financial statement items of each company of the Group are measured in the currency applicable in the main economy in which the company operates and operates ("functional currency"). Condensed consolidated financial statements are presented in TRY, the functional and reporting currency of the parent company.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Exchange gains and losses arising from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates prevailing at the balance sheet date are recognized in the consolidated statement of profit or loss and other comprehensive income, except for those designated as hedges of cash flows and net investments, which are recognized in equity. All foreign exchange gains and losses are presented within financial income and expenses or other operating income and expenses in the consolidated statement of profit or loss and other comprehensive income.

iii. Translation of financial statements of foreign subsidiaries

The financial statements of subsidiaries registered in foreign countries are prepared in accordance with the standards, laws, and regulations prevailing in those countries and have been adjusted to conform to TMS/IFRS for fair presentation. The assets and liabilities of subsidiaries operating in foreign countries are translated into TRY at the exchange rates prevailing at the balance sheet date. The statements of profit or loss and other comprehensive income of these subsidiaries are translated into TRY at the average exchange rates for the period (unless the average rate does not approximate the exchange rates at the dates of the transactions, in which case the exchange rates at the dates of the transactions are used). Exchange differences arising from the use of closing and average exchange rates are recognized under equity as "foreign currency translation differences" when they relate to the parent company's equity holders.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

The exchange rates prevailing at the balance sheet dates and the average exchange rates used for the relevant periods in the translation of financial position and performance items are as follows:

	30 June 2026	31 December 2025	30 June 2025
EUR/TRY (Balance sheet date)	53.0866	50.2859	46.6074
EUR/TRY (Average)	51.9049	44.6948	41.0181

2.2 Changes and Errors in Accounting Policies and Estimates

Changes in accounting policy resulting from the initial implementation of a new standard are applied retrospectively or prospectively, if any, in accordance with the transitional provisions. Changes that do not include any transitional provisions, significant changes in the accounting policy or accounting errors detected are applied retrospectively and the financial statements of the previous period are reissued. Changes in accounting estimates are applied in the current period in which the change is made if they relate to only one period, and in the period in which the change is made, and in the future periods, both in the period in which the change is made and in the future. During the current interim accounting period, the Group did not change its significant accounting policies and forecasts. The Group continued to apply the assumptions disclosed in its consolidated financial statement notes as of December 31, 2025 in its estimates for the accounting period ended June 30, 2026.

2.3 Consolidation Principles

Full Consolidation Principles

The interim condensed consolidated financial statements comprise the accounts of the Group and its subsidiaries in accordance with the principles set out below. The financial statements of the entities included in the scope of consolidation have been prepared as of 30 June 2026 in accordance with TFRS, applying uniform accounting policies and consistent presentation. Where necessary, the accounting policies of the subsidiaries have been adjusted to conform with those of the Group.

All entities over which the Group has control are considered subsidiaries of the Group. The Group controls an entity when it 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 control is transferred to the Group and are deconsolidated from the date that control ceases.

The statements of financial position and statements of profit or loss and other comprehensive income of the subsidiaries included in the consolidation have been combined on a line-by-line basis using the full consolidation method, and all significant intercompany balances and transactions have been eliminated. The carrying amount of the Group's investment in each subsidiary and the Group's share of equity of each subsidiary have been eliminated against each other. Profits and losses arising from intragroup transactions recognized in assets are eliminated, except for unrealized losses that indicate an impairment of the transferred asset.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Basis of presentation (Continued)

The following table sets out the subsidiaries included in the scope of consolidation and the Group's shareholding interests as of 30 June 2026 and 31 December 2025:

Subsidiaries	Place of activity and establishment	Current currency	Group's share in the capital rate and vote entitlement rate(%)	
			30 June 2026	31 December 2025
Karsan İç ve Dış Ticaret A.Ş.	Türkiye	TRY	100	100
Karsan Europe S.R.L.	Italy	EUR	100	100
E-Buskar Sociedad Limitada Unipersonal (*)	Spain	EUR	100	100
Karsan North America LLC (**)	USA	USD	100	100

(*) On 24 April 2025, the Group acquired 100% of the shares of the company titled "E - Buskar Sociedad Limitada Unipersonal", as updated in the general information form on the PDP platform on 9 May 2025. As of the date of acquisition, it has been included in its financial statements with the full consolidation method.

(**) As explained in Note 1, Karsan North America LLC was not included in the financial statements as of 30 June 2026 and 31 December 2025 by full consolidation method due to its inactivity.

The share of non-controlling shares in the subsidiary's net assets and current period consolidated profit or loss and comprehensive income or expenses are further classified as "non-controlling shares" in the condensed consolidated profit or loss and other comprehensive income and expense and condensed consolidated equity change statements. As of 30 June 2026 and 31 December 2025, the Group has no non-controlling shares.

Disposal of Subsidiaries

Changes in the share of capital in the Group's subsidiaries that do not result in loss of control are recognized as equity transactions. The carrying values of the Group's shares and non-controlling shares are adjusted to reflect changes in subsidiary shares. The difference between the amount adjusted for non-controlling shares and the fair value of the consideration received or paid shall be recognized as the Group's share in direct equity.

In the event of loss of the Group's control over the subsidiaries, the Group's shares in the subsidiaries shall be measured at their fair value at the date of loss of control, and the difference between them and their carrying value shall be recorded as profit or loss. Fair value is the initial purchase value for the purpose of later accounting for the shares held in jointly managed partnerships and financial assets. In addition, amounts previously recognized as other comprehensive income in respect of this company shall be recognized as if the relevant assets or liabilities had been disposed of by the Group. This may mean that amounts previously recognized as other comprehensive income should be classified as profit and loss.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Consolidation Principles (Continued)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Company had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred directly to retained earnings in accordance with TFRS). The fair value of the investment remaining after the sale of the subsidiary at the date on which control is lost is regarded as the fair value on initial recognition as determined in accordance with TFRS 9 Financial Instruments or, where applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Investments in subsidiaries accounted for using the equity method

The subsidiary is accounted for using the equity method and is initially accounted for at cost consideration. These are undertakings over which the Group has between 20% and 50% voting rights or has significant influence over which it has no control. Unrealized earnings in transactions between the group have significant impact but are not subject to control. Unrealized gains from transactions between the Group and its subsidiaries are eliminated to the extent of the Group's share in the subsidiaries; Unrealized losses are also eliminated unless the transaction provides evidence of impairment of the transferred asset. The Group's share of the profits or losses of its subsidiaries after acquisition is recognized in the comprehensive income statement. Dividends to be received from affiliates are accounted for by deducting them from the carrying value of the investment.

Subsidiary stock purchases that do not result in a loss of material business or gain of control are recognized as goodwill for the difference between the fair value of the subsidiary's identifiable net assets and the fair value paid for the acquisition of the asset as of the date of the acquisition.

The accounting policies of the invested entity, whose equity was accounted for by the share acquisition method, have been amended accordingly in order to ensure consistency with the accounting policies implemented by the Group, when necessary.

Unless the Group has incurred an obligation or made a commitment in this regard in relation to the subsidiary, the equity method is not continued upon the zero registered value of the investment in the subsidiary or the end of the Group's significant influence. The registered value of the investment on the date of the end of the significant impact is shown as the cost after that date. In proportion to the reduction in the share ratio in the subsidiary that does not result in the loss of significant activity, the amounts previously recognized in the comprehensive income/ (expense) are associated with the net period profit/ (loss) and accumulated profit in accordance with the relevant IFRS provisions.

Increases or decreases in participation amounts that do not arise from total comprehensive income/expense changes are accounted for by associating them with the relevant equity items. The carrying value of the investment, which is accounted for by the equity allocation method, is tested for impairment in accordance with the policy described in Footnote 2.4.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Consolidation Principles (Continued)

The table below shows the subsidiaries and shareholding structure as 30 June 2026 and 31 December 2025:

Associate	<u>Shareholders/Vote Right(%)</u>	
	30 June 2026	31 December 2025
Hervouet Corporate Industry SAS ("HCI") (*)	20	20
Hervouet Corporate Lease SAS ("HCL") (*)	20	20

(*) Since HCI owns all of the shares of HCL, the Group's indirect shareholding in HCL is 20%.

2.4 Summary of Significant Accounting Policies

The condensed consolidated financial statements for the interim period ended 30 June 2026 have been prepared in accordance with the IAS 34 standard for the preparation of interim financial statements. The key accounting policies used in the preparation of the condensed consolidated financial statements are consistent with the accounting policies detailed in the consolidated financial statements as of 31 December 2025.

The interim condensed consolidated financial statements prepared for the interim accounting period of 1 January – 30 June 2026 should be evaluated together with the annual consolidated financial statements for the accounting period of 1 January - 31 December 2025.

2.5 Comparative Information

In order to enable the determination of financial position and performance trends, the Group's condensed consolidated financial statements are prepared in comparison with previous periods. As of 30 June 2026, the Group has prepared its interim condensed consolidated statement of financial position as of 31 December 2025, the interim condensed consolidated statement of profit or loss and other comprehensive income for the interim accounting period of 1 January – 30 June 2026, the interim condensed consolidated statement of cash flows and the interim condensed consolidated statement of changes in shareholders' equity compared to the interim accounting period of 1 January - 30 June 2026. Comparative information is reclassified when deemed necessary to ensure compliance with the presentation of the consolidated financial statements for the current period and significant differences are explained. The Group's adjustments to the consolidated financial statements as of 1 January 2025 for the accounting period 1 January – 31 December 2025 are disclosed in the Notes to the consolidated financial statements for the accounting period 1 January – 31 December 2025

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 3 – SEGMENT REPORTING

A reportable segment is an industrial or geographic division whose segment information is required to be disclosed. Industrial divisions are segments that have different characteristics from other parts of the Group in terms of providing a particular good or service or group of goods or services related to each other, or in terms of risk and benefit. Geographical divisions are divisions of the Group that supply goods or services in a particular economic environment and have different characteristics from other divisions operating within another economic environment in terms of risk and benefit.

The Group's principal activity is the manufacture of automotive vehicles and similar vehicles, as well as spare parts. The Group has three operating segments that contain the information used by Group Management to assess performance and allocate resources. These operating segments are Karsan-branded products, under which reporting is made for commercial vehicles manufactured under its own brand; industrial and spare parts sales, under which reporting is made for spare parts, tractor cabins and cataphoresis operations; and other branded sales, under which reporting is made for commercial vehicles manufactured for other brands. A significant portion of the Group's assets and liabilities is located in Türkiye. In addition, segment reporting for assets and liabilities has not been presented, as no periodic information regarding assets and liabilities is provided to the chief operating decision maker. The Group Management reviews its financial data based on the condensed consolidated financial statements prepared in accordance with TFRS.

Group management follows the Group's activities in terms of domestic and international sales, and the Group's geographical divisions include sales to domestic and international customers. Details of domestic and international sales are presented in Note 13.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 3 – SEGMENT REPORTING (Continued)

1 January – 30 June 2026	Total	Karsan Branded Products and Spare parts	Other Sales
Revenue	10,100,065	8,343,771	1,756,294
Cost of sales (-)	(7,622,530)	(6,306,199)	(1,316,331)
Gross profit/(loss) from business activities	2,477,535	2,037,572	439,963
Gross profit/(loss)	2,477,535	2,037,572	439,963
Marketing expenses (-)	(1,044,601)	(1,031,302)	(13,299)
General administrative expenses (-)	(520,177)	(338,115)	(182,062)
Research and development expenses (-)	(160,898)	(160,898)	-
Other income from operating activities	331,483	265,458	66,025
Other expenses from operating activities (-)	(371,296)	(297,341)	(73,955)
Operating profit/(loss)	712,046	475,374	236,672
1 April – 30 June 2026	Total	Karsan Branded Products and Spare parts	Other Sales
Revenue	4,983,396	4,014,809	968,587
Cost of sales (-)	(3,994,284)	(3,328,507)	(665,777)
Gross profit/(loss) from business activities	989,112	686,302	302,810
Gross profit/(loss)	989,112	686,302	302,810
Marketing expenses (-)	(490,046)	(481,955)	(8,091)
General administrative expenses (-)	(239,571)	(87,226)	(152,345)
Research and development expenses (-)	(81,530)	(81,530)	-
Other income from operating activities	190,784	159,273	31,511
Other expenses from operating activities (-)	(311,808)	(252,446)	(59,362)
Operating profit/(loss)	56,941	(57,582)	114,523

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 3 - SEGMENT REPORTING (Continued)

1 January – 30 June 2025	Total	Karsan Branded Products and Spare parts	Other Sales
Revenue	6,769,031	4,052,889	2,716,142
Cost of sales (-)	(5,105,940)	(2,892,754)	(2,213,186)
Gross profit/(loss) from business activities	1,663,091	1,160,135	502,956
Gross profit/(loss)	1,663,091	1,160,135	502,956
Marketing expenses (-)	(751,640)	(683,140)	(68,500)
General administrative expenses (-)	(454,705)	(246,286)	(208,419)
Research and development expenses (-)	(94,598)	(94,598)	-
Other income from operating activities	1,250,565	1,097,544	153,021
Other expenses from operating activities (-)	(674,484)	(591,954)	(82,530)
Operating profit/(loss)	938,229	641,701	296,528
1 April - 30 June 2025	Total	Karsan Branded Products and Spare parts	Other Sales
Revenue	4,633,135	2,927,316	1,705,819
Cost of sales (-)	(3,250,837)	(1,922,815)	(1,328,022)
Gross profit/(loss) from business activities	1,382,298	1,004,501	377,797
Gross profit/(loss)	1,382,298	1,004,501	377,797
Marketing expenses (-)	(474,708)	(413,986)	(60,722)
General administrative expenses (-)	(159,600)	(83,495)	(76,105)
Research and development expenses (-)	(48,179)	(48,179)	-
Other income from operating activities	565,369	439,925	125,444
Other expenses from operating activities (-)	(261,853)	(195,928)	(65,925)
Operating profit/(loss)	1,003,327	702,838	300,489

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 4 - CASH AND CASH EQUIVALENTS

	30 June 2026	31 December 2025
Bank	362,428	1,688,382
- <i>Time deposit</i>	8,700	407,440
- <i>Demand deposit</i>	353,728	1,280,942
Checks received	-	11,890
Other cash and cash equivalents	136,637	97,307
	499,065	1,797,579

As of 30 June 2026, time deposits of TRY 8,700 (31 December 2025: TRY 407,440) are denominated in TRY and have a maturity of 1-3 days (31 December 2025: 1-3 days), with interest rates of 40.36% for deposits in TRY currency (31 December 2025: 38.50% for deposits in TRY currency).

The details of demand deposits are as follows:

Currency	30 June 2026	31 December 2025
EUR	310,747	1,093,483
RON	31,950	148,975
TRY	9,835	16,955
USD	822	20,622
GBP	374	907
	353,728	1,280,942

The credit risks of the banks in which the Group holds deposits are assessed on the basis of independent data and no significant credit risks are foreseen. The market values of cash and cash equivalents are approaching their carried value.

As of 30 June 2026, the Group has blocked deposits of TRY 100,704 (31 December 2025: TRY 124,549).

The maturity of the received cheques, which are classified as cash and cash equivalents, is less than 3 months. Other cash and cash equivalents include credit card receivables related to spare parts sales.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 5 - RELATED PARTY DISCLOSURES

Transactions between the Company and its subsidiaries that are related parties of the Company are not disclosed in this note since they are eliminated on consolidation.

The details of transactions between the Group and other related parties are disclosed below.

Balances with related parties	30 June 2026			
	Receivables		Payables	
	Short term	Long term	Short term	Long term
	Trade	Trade	Trade	Other
Hervouet Corporate Industry SAS	642,413	-	-	-
Kıraça Holding A.Ş.	1,126	-	-	-
Kırpart Otomotiv Parçaları San. ve Tic. A.Ş.	1,621	-	-	-
Karland Otomotiv A.Ş.	392	-	(1,865)	-
Sirena Marine Denizcilik ve Ticaret A.Ş.	17	-	(28,679)	-
Kök Ziraat Turizm San. ve Tic. A.Ş.	-	-	(15,676)	-
Kırsan Turizm ve Otomotiv San.ve Tic. A.Ş.	-	-	(7,246)	-
	645,569	-	(53,466)	-

Balances with related parties	31 December 2025			
	Receivables		Payables	
	Short term	Long term	Short term	Long term
	Trade	Trade	Trade	Other
Hervouet Corporate Industry SAS	1,082,700	-	(121,499)	-
Kırpart Otomotiv Parçaları San. ve Tic. A.Ş.	1,909	-	-	-
Kıraça Holding A.Ş.	744	-	(6,144)	-
Karland Otomotiv A.Ş.	451	-	(1,052)	-
Sirena Marine Denizcilik ve Ticaret A.Ş.	-	-	(48,293)	-
Kök Ziraat Turizm San. ve Tic. A.Ş.	-	-	(28,887)	-
Kırsan Turizm ve Otomotiv San. ve Tic. A.Ş.	-	-	(9,840)	-
Other	-	-	(3,336)	-
	1,085,804	-	(219,051)	-

Trade receivables from related parties generally arise from product sales transactions and have an approximate maturity of 2-3 months. Commercial debts to related parties usually arise from purchase transactions and have an approximate maturity of 2-3 months. As of 30 June 2026 and 31 December 2025, the recorded value of short-term trade receivables from related parties and short-term trade payables to related parties is approaching amortized cost values.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 5 - RELATED PARTY DISCLOSURES (Continued)

1 January – 30 June 2026							
Related Party Transactions	Service Procurement	Purchases	Sales	Interest Earned	Interest Paid	Leasing Expense	Other Income/ (Costs)
Kırsan Turizm ve Otomotiv San. ve Tic. A.Ş. (***)	(25,592)	-	-	-	-	-	-
Kıraça Holding A.Ş. (*)	(26,007)	-	-	-	-	-	(4,144)
Karland Otomotiv A.Ş.	-	-	9	-	-	-	(4,406)
Kök Ziraat Turizm San. ve Tic. A.Ş. (****)	-	-	-	-	(4,010)	(12,742)	(4,733)
Hervouet Corporate Industry SAS (*****)	-	(6)	6,431	-	-	-	-
Sirena Marine Denizcilik ve Ticaret A.Ş. (**)	-	(27,896)	14	-	-	-	(2,525)
Total related party transactions	(51,599)	(27,902)	6,454	-	(4,010)	(12,742)	(15,808)
1 April – 30 June 2026							
Related Party Transactions	Service Procurement	Purchases	Sales	Interest Earned	Interest Paid	Leasing Expense	Other Income/ (Costs)
Kırsan Turizm ve Otomotiv San. ve Tic. A.Ş. (***)	(14,881)	-	-	-	-	-	-
Kıraça Holding A.Ş. (*)	(10,918)	-	-	-	-	-	(706)
Karland Otomotiv A.Ş.	-	-	-	-	-	-	(6,652)
Kök Ziraat Turizm San. ve Tic. A.Ş. (****)	-	-	-	-	(1,601)	(5,924)	(7,413)
Hervouet Corporate Industry SAS (*****)	-	(6)	4,435	-	-	-	-
Sirena Marine Denizcilik ve Ticaret A.Ş. (**)	-	(14,061)	3	-	-	-	(5,227)
Total related party transactions	(25,799)	(14,067)	4,438	-	(1,601)	(5,924)	(19,998)

(*) The Group receives information systems, human resources, financial and other consultancy services from Kıraça Holding.

(**) The Group supplies Sirena Marine with certain interior components, molds and equipment for the production of minibuses, midibuses and buses.

(***) The Group receives services from Kırsan Turizm for advertising, social activities and travel expenses.

(****) The Group pays monthly rent to Kök Ziraat A.Ş. for the office in Istanbul. Security, natural gas, maintenance, repairs, cleaning and other common expenses of the office are invoiced monthly by Kök Ziraat A.Ş. In addition, the factory building in Bursa Organized Industrial Zone is rented from Kök Ziraat A.Ş.

(*****) See note 2.3. The Group sells Karsan branded products to HCI, based in France.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 5 - RELATED PARTY DISCLOSURES (Continued)

Related Party Transactions	1 January – 30 June 2025						
	Service Procurement	Purchases	Sales	Interest Earned	Interest Paid	Leasing Expense	Other Income/ (Costs)
Kırsan Turizm ve Otomotiv San.ve Tic. A.Ş. (***)	(26,756)	-	-	-	-	-	-
Kıraça Holding A.Ş. (*)	-	-	-	-	(7,100)	-	(2,293)
Karland Otomotiv A.Ş.	-	(155)	1,407	-	-	-	3,391
Kök Ziraat Turizm San. ve Tic. A.Ş. (****)	-	-	-	-	(1,427)	(11,708)	5,669
Hervouet Corporate Industry SAS (*****)	(37,724)	-	565,229	-	-	-	-
Sirena Marine Denizcilik ve Ticaret A.Ş. (**)	-	(33,938)	40	-	(2,922)	-	-
Total related party transactions	(64,480)	(34,093)	566,676	-	(11,449)	(11,708)	6,767

Related Party Transactions	1 April – 30 June 2025						
	Service Procurement	Purchases	Sales	Interest Earned	Interest Paid	Leasing Expense	Other Income/ (Costs)
Kırsan Turizm ve Otomotiv San.ve Tic. A.Ş. (***)	(9,756)	-	-	-	-	-	-
Kıraça Holding A.Ş. (*)	-	-	-	-	(3,831)	-	(111)
Karland Otomotiv A.Ş.	-	(77)	164	-	-	-	1,854
Kök Ziraat Turizm San. ve Tic. A.Ş. (****)	-	-	-	-	(1,427)	(5,502)	2,916
Hervouet Corporate Industry SAS (*****)	(24,620)	-	361,473	-	-	-	-
Sirena Marine Denizcilik ve Ticaret A.Ş. (**)	-	(24,842)	40	-	(2,922)	-	-
Total related party transactions	(34,376)	(24,919)	361,677	-	(8,180)	(5,502)	4,659

(*) The Group receives information systems, human resources, financial and other consultancy services from Kıraça Holding.

(**) The Group supplies Sirena Marine with certain interior components, molds and equipment for the production of minibuses, midibuses and buses.

(***) The Group receives services from Kırsan Turizm for advertising, social activities and travel expenses.

(****) The Group pays monthly rent to Kök Ziraat A.Ş. for the office in Istanbul. Security, natural gas, maintenance, repairs, cleaning and other common expenses of the office are invoiced monthly by Kök Ziraat A.Ş. In addition, the factory building in Bursa Organized Industrial Zone is rented from Kök Ziraat A.Ş.

(***** See note 2.3. The Group sells Karsan branded products to HCI, based in France.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 5 - RELATED PARTY DISCLOSURES (Continued)

Benefits provided to senior management:

The Company's senior management consists of the members of the Board of Directors, the Executive Committee and the Company's General Manager and Deputy General Managers. The benefits provided to key management personnel include salaries, bonuses, health insurance and transportation. The benefits provided to key management personnel during the period were as follows:

	1 January - 30 June 2026	1 April- 30 June 2026	1 January - 30 June 2025	1 April - 30 June 2025
Wages and other short-term benefits	136,449	43,068	126,678	42,907
	136,449	43,068	126,678	42,907

NOTE 6 - TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables:

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

Short term trade receivables	30 June 2026	31 December 2025
Trade receivables from third parties	5,953,572	5,097,804
Trade receivables due from related parties	645,569	1,085,804
Income accruals (*)	84,904	239,949
Provision for doubtful trade receivables (-)	(34,135)	(40,197)
Provision for expected loss (-)	(12,806)	(15,080)
	6,637,104	6,368,280

(*) Income accruals consist of price difference income accrued in relation to the Group's projects.

Trade receivables consist of receivables due from customers for products sold or services rendered in the ordinary course of business. Trade receivables generally comprise short-term receivables with maturities ranging from 30 to 60 days. The Group holds its trade receivables in order to collect the contractual cash flows and therefore measures them at amortized cost using the effective interest method.

The Group measures impairment of trade receivables based on lifetime expected credit losses. Expected credit losses on trade receivables are estimated using an allowance matrix, which is developed by analyzing customers' historical defaults, analyzing their current financial position, and taking into account the general economic conditions of the industry in which the customer operates and conditions at the reporting date. There have been no significant changes in management's estimates and assumptions during the period.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 6 - TRADE RECEIVABLES AND PAYABLES (Continued)

The movement schedule for the Group's allowance for impairment on trade receivables is as follows:

	2026	2025
Beginning of the period - 1 January	(40,197)	(82,629)
Provisions during the period	-	(48,264)
Reversals of provisions	-	43,125
Monetary gain/(loss)	6,062	28,786
End of the period - 30 June	(34,135)	(58,982)

The Group's experience in the collection of trade receivables in previous years shows that the provisions set aside are sufficient. For this reason, the Group's management believes that there is no additional trade receivables risk other than the provision set aside for possible collection losses. The credit risk assessment for trade receivables is described in Note 21.

The Group subjects some of its invoice receivables to irrevocable and irrevocable factoring transactions. Trade receivables that are subject to irrevocable factoring transactions are taken off the balance sheet and the difference between them and the collected amounts is recognized as expenses related to factoring transactions in financing expenses. The amounts obtained from financial institutions against trade receivables subject to recourse factoring transactions are presented as financial obligations (Note 12) in the condensed consolidated statement of financial position, and expenses related to the relevant financial obligations are recognized as expenses related to factoring transactions in financing expenses (Note 17).

The provision for bad debts set aside for trade receivables is determined by estimating the expected credit losses based on past uncollectible experience. As of 30 June 2026 and 31 December 2025, the details of trade receivables according to their maturities are as follows:

Time to maturity:	30 June 2026	31 December 2025
Overdue receivables	830,604	1,593,429
0 - 30 days	3,366,504	2,502,557
31 - 90 days	2,145,161	1,460,398
91 - 180 days	294,835	770,657
181 - 365 days	-	28,312
365 days and over	-	12,927
	6,637,104	6,368,280

Time past due:	30 June 2026	31 December 2025
0 - 30 days past due	274,455	345,177
31 - 90 days past due	65,546	109,990
91 - 180 days past due	201,665	640,556
181 - 365 days past due	119,315	377,156
365 past due 30 days or more	169,623	120,550
	830,604	1,593,429

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 6 - TRADE RECEIVABLES AND PAYABLES (Continued)

As of 30 June 2026 and 31 December 2025, the recorded value of short-term trade receivables is approaching the amortized cost value.

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

Short-term trade payables	30 June 2026	31 December 2025
Trade payables to third parties	2,189,833	2,896,488
Trade payables to related parties	53,466	219,051
	2,243,299	3,115,539

The average payment term for the Group's commercial debts is 90-120 days (31 December 2025: 90-120 days). As of 30 June 2026 and 31 December 2025, the registered value of short-term commercial debts is approaching the amortized cost value.

NOTE 7 - INVENTORIES

	30 June 2026	31 December 2025
Raw materials and supplies	1,098,831	1,477,880
Semi-finished goods	555,646	711,068
Finished goods	375,855	710,120
Trade goods	944,477	523,697
Goods in transit	172,032	62,386
Less: provision for impairment on inventories (-)	(105,855)	(3,477)
	3,040,986	3,481,674

In the period of 1 January - 30 June 2026, the first item material and consumable expenses amounting to a total of 3,551,288 TRY (1 January - 30 June 2025: 3,478,593 TRY) were expense in the cost of goods sold account (Note 13).

As of the periods ending 30 June 2026 and 2025, the movement of the inventory impairment provision is as follows:

	2026	2025
Beginning of the period - 1 January	(3,477)	(3,477)
Increase during the period	(102,378)	-
End of the period - 30 June	(105,855)	(3,477)

The provision for impairment of slow-moving inventories recognized in the current period amounted to TRY 102,378 (30 June 2025: 0). The provision for inventory impairment has been recognized under cost of goods sold.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 8 - PROPERTY PLANT AND EQUIPMENT

	1 January 2026	Additions	Disposals	Transfers	30 June 2026
Cost					
Land	3,429,902	-	-	-	3,429,902
Land improvements	91,325	-	-	157	91,482
Buildings	1,674,363	-	-	12,321	1,686,684
Machinery and equipment	2,194,657	-	-	155,174	2,349,831
Vehicles	300,570	-	(25,473)	-	275,097
Fixtures	863,757	-	(858)	6,440	869,339
Leasehold improvements	77,157	-	-	46	77,203
Construction in progress	110,977	124,825	(20,881)	(174,138)	40,783
	8,742,708	124,825	(47,212)	-	8,820,321
Accumulated depreciations					
Land improvements (-)	(3,607)	(3,674)	-	-	(7,281)
Buildings (-)	(26,065)	(24,464)	-	-	(50,529)
Machinery and equipment (-)	(1,664,414)	(62,425)	-	-	(1,726,839)
Vehicles (-)	(66,404)	(29,398)	2,902	-	(92,900)
Fixtures (-)	(727,690)	(13,630)	24	-	(741,296)
Leasehold improvements (-)	(37,145)	(6,825)	-	-	(43,970)
	(2,525,325)	(140,416)	2,926	-	(2,662,815)
Net book value	6,217,383				6,157,506

A significant portion of the additions to property, plant and equipment during 2025 consists of the Group's production building investments. No borrowing costs related to acquisitions of property, plant and equipment were capitalized during 2026.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 8 - PROPERTY PLANT AND EQUIPMENT (Continued)

	1 January 2025	Additions	Disposals	Transfers	Foreign currency translation difference	Acquisitions from subsidiary purchases (*)	30 June 2025
Cost							
Land	3,611,163	-	-	-	-	-	3,611,163
Land improvements	104,293	-	-	-	-	-	104,293
Buildings	1,548,575	-	-	43,830	-	2,947	1,595,352
Machinery and equipment	1,398,526	-	-	152,408	8,476	207	1,559,617
Vehicles	148,890	-	-	21,361	-	-	170,251
Fixtures	108,637	-	-	33,928	238	574	143,377
Leasehold improvements	79,067	-	-	5,077	-	-	84,144
Construction in progress	291,263	256,059	-	(256,604)	-	-	290,718
	7,290,414	256,059	-	-	8,714	3,728	7,558,915
Accumulated depreciations							
Land improvements (-)	(4,805)	(987)	-	-	-	-	(5,792)
Buildings (-)	(18,921)	(18,241)	-	-	-	(918)	(38,080)
Machinery and equipment (-)	(894,458)	(58,275)	-	-	(4,293)	(65)	(957,091)
Vehicles (-)	(2,480)	(17,182)	-	-	-	-	(19,662)
Fixtures (-)	(29,799)	(8,081)	-	-	(180)	(177)	(38,237)
Leasehold improvements (-)	(21,313)	(8,236)	-	-	-	-	(29,549)
	(971,776)	(111,002)	-	-	(4,473)	(1,160)	(1,088,411)
Net book value	6,318,638						6,470,504

(*) See note 2.3.

A significant part of the additions to tangible fixed assets in 2025 includes the Group's vehicle purchases and plant, machinery and equipment investments. The cost of borrowing for tangible fixed asset purchases in 2025 has not been capitalized.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 9 – INTANGIBLE ASSETS

	1 January 2026	Additions	Transfers	Disposals	30 June 2026
Cost					
Right	1,447,399	-	228,260	-	1,675,659
Development costs	8,219,318	-	453,389	(9,777)	8,662,930
Ongoing development costs (*)	1,267,967	489,341	(681,649)	(46,712)	1,028,947
	10,934,684	489,341	-	(56,489)	11,367,536
Accumulated amortization					
Rights (-)	(1,031,206)	(34,532)	-	-	(1,065,738)
Development costs (-)	(5,501,387)	(229,418)	-	9,668	(5,721,137)
	(6,532,593)	(263,950)	-	9,668	(6,786,875)
Net book value	4,402,091				4,580,661
	1 January 2025	Additions	Transfers	Disposals	30 June 2025
Cost					
Rights	652,917	-	22,920	-	675,837
Development costs	806,797	217,363	369,150	-	1,393,310
Ongoing development costs (*)	6,367,861	-	(392,070)	-	5,975,791
	7,827,575	217,363	-	-	8,044,938
Accumulated amortization					
Rights (-)	(172,780)	(31,388)	-	-	(204,168)
Development costs (-)	(3,585,203)	(254,486)	-	-	(3,839,689)
	(3,757,983)	(285,874)	-	-	(4,043,857)
Net book value	4,069,592				4,001,081

(*) Includes costs related to ongoing product development projects.

Intangible assets include the costs of software used and the costs of in-house development. A significant part of the entries to development costs include development costs, which mainly consist of personnel and material expenses related to newly acquired customer and product projects.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other short term provisions	30 June 2026	31 December 2025
Provisions for warranties (*)	194,169	190,521
Non-standard expenses (**)	174,711	523,104
Provisions for lawsuits (***)	38,622	31,295
Provisions for sale discounts	-	7,066
Other	4,014	33,567
	411,516	785,553

Other long term provisions	30 June 2026	31 December 2025
Provisions for warranties (*)	716,882	404,970
	716,882	404,970

(*) The Group provides warranty services for the vehicles it sells with a warranty commitment for a period of time varying according to the vehicle models after the date of sale. The primary reason for the increase in warranty provisions during the period is that export sales made in the current period include extended warranty periods.

(**) It consists of provisions for service costs incurred and recharged by the Group under sales agreements with customers.

(***) Provisions for various litigation risks of the Group.

Collateral, pledge, mortgage and bill of guarantees

The Group's collateral/pledge/mortgage/bill of guarantees ("CPMB") position is as follows as of 30 June 2026 and 31 December 2025:

30 June 2026	TRY equivalent	TRY	USD	EUR	RON	CHF
A. CPMB's provided in the name of its own legal personality	5,734,286	326,581	143	100,454	5,735	3
- Collateral	2,665,668	326,581	143	42,754	5,735	3
- Mortgage	3,068,619	-	-	57,700	-	-
B. CPMB's provided on behalf of the fully consolidated companies	-	-	-	-	-	-
C. CPMB's provided on behalf of third parties for the ordinary course of business	-	-	-	-	-	-
D. Total amount of other of CPMB's provided	-	-	-	-	-	-
i. Total amount of CPMB's provided on behalf of the majority shareholders	-	-	-	-	-	-
ii. Total amount of CPMB's provided on behalf of other companies which are not in the scope of B and C	-	-	-	-	-	-
iii. Total amount of CPMB's provided on behalf of third parties which are not in the scope of C	-	-	-	-	-	-
Total	5,734,286	326,581	143	100,454	5,735	3

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 10 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

31 December 2025	TRY equivalent	TRY	USD	EUR	RON	CHF
A. CPMB's provided in the name of its own legal personality	6,871,182	456,036	468	102,736	26,626	3
- Collateral	3,454,382	456,036	468	45,036	26,626	3
- Mortgage	3,416,800	-	-	57,700	-	-
B. CPMB's provided on behalf of the fully consolidated companies	-	-	-	-	-	-
C. CPMB's provided on behalf of third parties for the ordinary course of business	-	-	-	-	-	-
- Collateral	-	-	-	-	-	-
D. Total amount of other of CPMB's provided	-	-	-	-	-	-
i. Total amount of CPMB's provided on behalf of the majority shareholders	-	-	-	-	-	-
ii. Total amount of CPMB's provided on behalf of other companies which are not in the scope of B and C	-	-	-	-	-	-
iii. Total amount of CPMB's provided on behalf of third parties which are not in the scope of C	-	-	-	-	-	-
Total	6,871,182	456,036	468	102,736	26,626	3

As of 30 June 2026, the ratio of other CPMB's issued by the Group to the Group's equity is 0% (31 December 2025: 0%).

As of 30 June 2026, letters of guarantee in the amount of TRY 326,581 (31 December 2025: TRY 456,036), USD 143 (31 December 2025: USD 468), RON 5,735 (31 December 2025: Romanian Leu 26,626), Swiss Francs 3 and EUR 100,454 (31 December 2025: Swiss Francs 3 and EUR 102,736) issued to Customs directorates, tax offices and other public institutions. It consists of mortgages over land and buildings amounting to EUR 57,700

NOTE 11 - PROVISIONS FOR EMPLOYMENT BENEFITS

Provisions for employment benefit	30 June 2026	31 December 2025
Provision for employment termination benefits	328,149	343,712
Payables related to employee benefits	193,677	135,948
Provision for unused vacations	124,991	91,234
Collective labor agreement provisions	-	216,434
	646,817	787,328
Payables related to employee benefits	30 June 2026	31 December 2025
Payables to personnel	110,422	63,308
Social security payables	83,255	72,640
	193,677	135,948

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 11 - PROVISIONS FOR EMPLOYMENT BENEFITS (Continued)

Provisions related to short-term employee benefits	30 June 2026	31 December 2025
Provision for unused vacations	124,991	91,234
Collective labor agreement provisions	-	216,434
	124,991	307,668

Provisions related to long-term employee benefits	30 June 2026	31 December 2025
Provision for employment termination benefits	328,149	343,712
	328,149	343,712

According to the Turkish Labor Law, the Group is obliged to pay severance pay to its personnel who have completed one year and have been dismissed or retired, who have completed 25 years of service (20 years for women) and earned their retirement (58 years for women and 60 years old for men), who have been called up for military service or who have died. The compensation to be paid is equal to one month's salary for each year of service, and this amount is limited to TRY 64,948.77 (31 December 2025: TRY 53,919.68) as of 30 June 2026. Severance pay is not legally subject to any funding and there is no funding requirement. It is calculated by estimating the present value of the possible liability to be paid in the event of the retirement of the employees against severance pay, taking into account actuarial assumptions. IAS 19, "Employee Benefits"; It envisages the development of actuarial valuation methods to estimate the Company's severance pay provision. The present value of the possible liability to be paid in the event of the retirement of the employees against severance pay is calculated by taking into account actuarial assumptions.

Accordingly, the following actuary estimates were used in calculating the provision:

	30 June 2026	31 December 2025
Inflation rate (%)	23.10%	23.10%
Discount rate (%)	5.10%	5.50%

The basic assumption is that the ceiling provision set for each year of service increases in proportion to inflation. Thus, the applied discount rate shows the real rate adjusted for the expected effects of inflation. The Company's severance pay provision is calculated on the basis of TRY 73,729.87, which is valid as of 1 July 2026, as the severance pay ceiling is adjusted every six months.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 12 - BORROWINGS

Short-term borrowings	30 June 2026	31 December 2025
Short-term bank borrowings	3,897,021	3,822,345
Short-term portion of long-term borrowings	783,148	1,036,404
Bond and Sukuk (Islamic bond)	2,765,838	3,331,973
Factoring borrowings	423,650	391,535
Lease liabilities	28,576	13,863
	7,898,233	8,596,120

Long-term borrowings

Long-term bank borrowings	1,528,441	1,717,731
Lease liabilities	19,319	3,361
	1,547,760	1,721,092

As of 30 June 2026, other financial liabilities amounting to TRY 423,650 (31 December 2025: TRY 391,535) comprise short-term financial liabilities to financial institutions arising from factoring and receivables insurance transactions. The carrying amounts of these liabilities approximate their fair values.

As of 30 June 2026 and 31 December 2025, the details of financial borrowings and lease obligations are as follows:

30 June 2026			
Currency	Weighted average annual effective interest rate (%)	Short-term	Long-term
Bank borrowings(EUR)	5.86%	2,166,188	1,528,441
Bank borrowings (TRY)	53.72%	2,513,981	-
Bond and Sukuk (TRY)	52.38%	2,765,838	-
Factoring borrowings (TRY)	9.44%	423,650	-
Lease liabilities (TRY)	38.17%	28,576	19,319
		7,898,233	1,547,760

31 December 2025			
Currency	Weighted average annual effective interest rate (%)	Short-term	Long-term
Bank borrowings(EUR)	5.50%	2,738,445	22,187
Bank borrowings (TRY)	52.40%	2,120,304	1,695,544
Bond and Sukuk (TRY)	50.13%	3,331,973	-
Factoring borrowings (TRY)	10.48%	391,535	-
Lease liabilities (TRY)	38.00%	13,863	3,361
		8,596,120	1,721,092

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 12 - BORROWINGS (Continued)

The repayment schedule of bank borrowings is as follows:

	30 June 2026	31 December 2025
In 1 year	4,680,169	4,858,749
1-2 years	610,986	841,860
2-3 years	447,803	375,848
3-4 years	390,790	338,607
4-5 years	78,862	161,416
	6,208,610	6,576,480

The movement schedule of financial borrowings during the current interim reporting period is as follows:

	2026	2025
Beginning of the period - 1 January	10,299,988	9,043,636
Cash inflows from borrowings	5,506,263	5,303,469
Cash outflows from borrowings	(5,122,737)	(4,351,645)
Change in foreign exchange difference	145,665	690,171
Change in interest accruals	347,269	1,092,334
Monetary gain/(loss)	(1,778,350)	(1,292,434)
End of the period – 30 June	9,398,098	10,485,531

The movement schedule of lease liabilities during the current interim reporting period is as follows:

	2026	2025
Beginning of the period - 1 January	17,224	179,396
Changes in lease liabilities	81,064	48,415
Cash outflows from borrowings	(46,216)	(143,090)
Interest costs	(1,924)	23,518
Foreign exchange gains/(losses)	2,126	-
Monetary gain/(loss)	(4,379)	(25,637)
End of the period – 30 June	47,895	82,602

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 13 - REVENUE AND COST OF SALES

	1 January - 30 June 2026	1 April - 30 June 2026	1 January - 30 June 2025	1 April - 30 June 2025
Domestic sales	2,354,093	1,278,344	3,213,169	1,711,088
Foreign sales	7,638,203	3,663,951	3,604,805	2,957,729
Other income	238,310	109,156	16,138	9,281
Sales refunds (-)	(4,279)	(3,067)	(62,753)	(44,351)
Sales discounts (-)	(126,262)	(64,988)	(2,328)	(612)
Net revenue	10,100,065	4,983,396	6,769,031	4,633,135
Cost of sales	(7,622,530)	(3,994,284)	(5,105,940)	(3,250,837)
Gross profit	2,477,535	989,112	1,663,091	1,382,298

Cost of sales	1 January - 30 June 2026	1 April - 30 June 2026	1 January - 30 June 2025	1 April - 30 June 2025
Cost of finished goods sold	(5,492,663)	(2,662,678)	(3,400,185)	(2,363,774)
Cost of trade goods sold	(1,578,648)	(904,312)	(1,311,002)	(708,848)
Cost of services sold	(545,185)	(421,673)	(394,753)	(178,215)
Other cost of sales	(6,034)	(5,621)	-	-
	(7,622,530)	(3,994,284)	(5,105,940)	(3,250,837)

The composition of cost of sales is presented below:

	1 January - 30 June 2026	1 April - 30 June 2026	1 January - 30 June 2025	1 April - 30 June 2025
Raw materials and suppliers	(3,551,288)	(1,299,986)	(3,478,593)	(2,066,158)
Cost of trade goods sold	(1,578,648)	(904,312)	(1,311,002)	(708,848)
General production expenses	(741,158)	(325,230)	(631,404)	(298,385)
Cost of services sold	(545,185)	(421,673)	(394,753)	(178,215)
Direct labor expenses	(412,608)	(247,309)	(332,810)	(192,321)
Change in finished goods	(334,265)	(142,087)	426,883	133,022
Depreciation and amortization	(195,544)	(83,749)	(243,583)	(122,677)
Change in semi-finished goods	(155,422)	(461,939)	859,322	182,745
Change in impairment of inventories	(102,378)	(102,378)	-	-
Other	(6,034)	(5,621)	-	-
	(7,622,530)	(3,994,284)	(5,105,940)	(3,250,837)

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

**NOTE 14 - RESEARCH DEVELOPMENT, MARKETING, SALES, DISTRIBUTION AND
GENERAL ADMINISTRATIVE EXPENSES**

	1 January - 30 June 2026	1 April - 30 June 2026	1 January 30 June 2025	1 April - 30 June 2025
Research and development expenses				
Depreciation and amortization expenses	125,625	78,294	82,072	41,060
Personnel expenses	32,631	2,106	7,954	5,370
Travel expenses	684	439	625	377
Outsourcing expenses	608	89	3,692	1,207
Energy expenses	172	5	77	22
Other	1,178	597	178	143
	160,898	81,530	94,598	48,179

	1 January - 30 June 2026	1 April - 30 June 2026	1 January - 30 June 2025	1 April - 30 June 2025
Marketing expenses				
Warranty expenses	526,645	246,426	336,294	285,190
Personnel expenses	222,038	82,720	185,589	68,433
Transportation and insurance expenses	145,137	66,276	46,309	23,646
Market research and advertising expenses	37,258	22,778	30,689	19,513
Travel expenses	29,482	17,707	30,536	15,944
Amortization expenses	15,225	5,617	14,131	7,069
Advertisement expenses	10,443	5,866	18,186	7,763
Subcontractor expenses	8,812	4,027	28,836	14,810
Energy expenses	1,901	432	1,252	631
Other	47,660	38,197	59,818	31,709
	1,044,601	490,046	751,640	474,708

	1 January - 30 June 2026	1 April - 30 June 2026	1 January - 30 June 2025	1 April - 30 June 2025
General administrative expenses				
Personnel expenses	292,049	103,462	278,463	91,536
Amortization expenses	78,190	46,276	63,844	31,940
Subcontractor expenses	29,855	18,061	35,220	15,544
Audit and consultancy expenses	28,271	9,666	24,646	12,242
Provisions for lawsuits expenses	4,053	2,781	9,492	2,408
Holding service expenses	2,492	447	3,951	16
Energy expenses	2,101	243	4,204	1,796
Travel expenses	1,314	574	5,632	2,772
Other	81,852	58,061	29,253	1,346
	520,177	239,571	454,705	159,600

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 15 - OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other income from operating activities for the years ended 30 June 2026 and 2025 are as follows:

	1 January - 30 June 2026	1 April - 30 June 2026	1 January - 30 June 2025	1 April - 30 June 2025
Other income from operating activities				
Foreign exchange income resulting from operations	267,305	186,131	1,110,703	493,956
Reversals of provisions	16,282	63	-	-
Reversals of provisions for doubtful receivables	-	-	60,889	43,125
Other	47,896	4,590	78,973	28,288
	331,483	190,784	1,250,565	565,369

The details of other expenses from operating activities for the years ended 30 June 2026 and 2025 are as follows:

	1 January - 30 June 2026	1 April - 30 June 2026	1 January - 30 June 2025	1 April - 30 June 2025
Other expenses from operating activities				
Foreign exchange expenses resulting from operations	(133,375)	(81,035)	(573,981)	(185,888)
Provisions for lawsuits expenses	(16,921)	(16,921)	-	-
Provisions	(221,000)	(213,852)	(100,503)	(75,965)
	(371,296)	(311,808)	(674,484)	(261,853)

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 16 - EXPENSES SORTED BY TYPE

	1 January - 30 June 2026	1 April - 30 June 2026	1 January - 30 June 2025	1 April - 30 June 2025
Expenses sorted by type				
Raw materials and suppliers	3,551,288	1,299,986	3,478,593	2,066,158
Cost of trade goods sold	1,578,648	904,312	1,311,002	708,848
General production expenses	741,158	325,230	631,404	298,385
Personnel expenses	546,718	188,288	472,006	165,339
Cost of services sold	545,185	421,673	394,753	178,215
Warranty costs	526,645	246,426	336,294	285,190
Amortization expenses	414,584	213,936	403,630	202,746
Direct labor costs	412,608	247,309	332,810	192,321
Transportation and insurance expenses	145,137	66,276	46,309	23,646
Change in impairment of inventories	102,378	102,378	-	-
Subcontractor expenses	38,667	22,088	64,056	30,354
Market research and advertising expenses	37,258	22,778	30,689	19,513
Travel expenses	31,480	18,720	36,793	19,093
Consultancy expenses	28,271	9,666	24,646	12,242
Advertisement expenses	10,443	5,866	18,186	7,763
Energy expenses	4,174	680	5,533	2,449
Provisions for lawsuits expenses	4,053	2,781	9,492	2,408
Holding service expenses	2,492	447	3,951	16
Change in finished goods	334,265	142,087	(426,883)	(133,022)
Change in semi-finished goods	155,422	461,939	(859,322)	(182,745)
Other	137,332	102,565	92,941	34,405
	9,348,206	4,805,431	6,406,883	3,933,324

NOTE 17 - FINANCIAL EXPENSES

	1 January - 30 June 2026	1 April - 30 June 2026	1 January - 30 June 2025	1 April - 30 June 2025
Financial activities				
Bond expenses	(746,947)	(482,133)	(379,232)	(242,757)
Borrowing expenses	(630,660)	(228,734)	(720,720)	(327,284)
Foreign currency expenses related to financing activities	(212,168)	(138,060)	(968,665)	(512,090)
Factoring expenses	(62,817)	(27,507)	(64,264)	(36,259)
Interest expenses on lease liabilities	-	-	(27,191)	(11,717)
Other	(55,083)	(28,959)	(50,859)	(19,061)
	(1,707,675)	(905,393)	(2,210,931)	(1,149,168)

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 18 - DISCLOSURES ON NET MONETARY GAIN/(LOSS)

Non-monetary items	30 June 2026	30 June 2025
Statement of financial position	207,500	204,117
Inventories	82,840	118,188
Prepaid expenses	2,547	7,122
Other receivables due from third parties	142	176
Right of use assets	21,538	11,318
Tangible and intangible assets	846,150	1,321,165
Deferred income	(1,561)	(50,292)
Investments in associates accounted for using equity method	19,436	11,421
Equity	(763,592)	(1,214,981)
	30 June 2026	30 June 2025
Profit or loss statement items	794,532	565,390
Revenue	(396,372)	(240,365)
Cost of sales (-)	854,558	557,259
Research and development expenses (-)	82,779	52,972
General administrative expenses (-)	77,899	69,285
Financial expenses (-)	106,110	123,501
Marketing expenses (-)	70,195	39,205
Other expenses from operating activities (-)	24,896	13,792
Other income from operating activities	(21,133)	(47,284)
Expense from investing activities (-)	313	-
Income from investing activities	(4,713)	(2,975)
Net monetary gain/(loss)	1,002,032	769,507

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 19 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

The income tax liabilities and current tax assets for the periods ended 30 June 2026 and 31 December 2025 are as follows:

Current income tax asset/(liability):	30 June 2026	31 December 2025
Current corporate income tax provision	294	11,619
Less: Prepaid taxes and funds	(20,753)	(15,899)
Current income tax liability/(asset) – net	(20,459)	(4,280)

The components of tax expense are as follows:

	30 June 2026	30 June 2025
Current year tax expense	-	-
Deferred tax income/(expense)	(273,396)	47,920
Total tax income/(expense)	(273,396)	47,920

Corporate Income Tax

The Group is subject to corporate income tax in Türkiye. Provisions for the estimated tax liabilities related to the Group's results for the current period have been recognized in the accompanying financial statements. Turkish tax legislation does not allow the parent company to file a tax return based on the consolidated financial statements of its subsidiaries. Accordingly, the tax liabilities reflected in these condensed consolidated interim financial statements have been calculated separately for each entity included in the consolidation.

The corporate income tax rate applicable to the taxable profit is calculated on the tax base determined after adding non-deductible expenses, deducting tax-exempt gains, non-taxable income, and other deductions (if any, prior year losses and, where applicable, investment allowances).

The corporate income tax rate applied in Türkiye in 2026 is 25% (2025: 25%) Pursuant to Law No. 7582, published in the Official Gazette dated 4 June 2026 and numbered 33270, the corporate income tax rate applicable to income derived exclusively from manufacturing activities by entities holding an industrial registry certificate and actively engaged in manufacturing has been determined as 12.5%. This regulation will apply to income earned in the taxation periods commencing on or after 1 January 2027.

The aforementioned amendment does not affect the current tax calculation for the interim reporting period ended 30 June 2026. However, in the measurement of deferred tax assets and liabilities, consideration has been given to the periods in which the relevant temporary differences are expected to reverse and whether such differences can be attributed to income derived from manufacturing activities or from other activities.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 19 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Pursuant to Law No. 7456 published in the Official Gazette on 15 July 2023, titled "Law on the Compensation of Economic Losses Arising from the Earthquakes Occurring on 6 February 2023, Establishment of an Additional Motor Vehicle Tax and Amendments to Certain Laws and Decree Law No. 375", corporate income tax for provisional returns submitted after 1 October 2023 has been set at 25%. This rate has been applied as 25% from 2024 onwards. The corporate income tax rate is applied to the tax base calculated by adding back non-deductible expenses and deducting exemptions (e.g., participation exemption, investment allowance exemption) and deductions (e.g., R&D incentives). No additional tax is payable if profits are not distributed. Furthermore, for real estate acquired after 15 July 2023 and held for at least two years by corporate taxpayers, the corporate tax exemption on gains from sales has been fully removed, whereas for real estate acquired before that date, the exemption on gains has been reduced from 50% to 25%. This amendment became effective on 15 July 2023.

2017, and based on previous incentive decisions (2012/3305) regarding investment incentives for the manufacturing industry ("US-97 Code: 15-37"), tax deduction support for investment expenditures incurred between 1 January 2017 and 31 December 2017 is applied at 100% for corporate or income tax, and 100% of the investment contribution amount is applied to the investor's other income during the investment period without any action on the incentive certificate.

Tax authorities are entitled to examine accounting records within a five-year period, and tax assessments may be revised if errors are identified. Under Turkish tax law, financial losses declared in tax returns can be deducted from the corporate tax base within a five-year period; however, such losses cannot be offset against prior year profits.

In determining the corporate tax base, in addition to the exemptions mentioned above, other deductions under Article 8 of the Corporate Tax Law, Article 40 of the Income Tax Law, and Article 10 of the Corporate Tax Law are taken into account.

Pursuant to a parliamentary motion presented during the session of the Grand National Assembly of Türkiye on 8 March 2023, a new provision was added to the draft law concerning the restructuring of public debts. Under this provision, corporate taxpayers were required to declare additional corporate tax in their 2022 corporate tax returns, which is to be paid during 2023, in connection with the earthquake disaster that occurred on 6 February 2023.

Minimum Corporate Tax

Pursuant to laws published in the Official Gazette on 2 August 2024, Türkiye introduced the Domestic Minimum Corporate Tax, applicable from the 2025 financial year. Under Law No. 7524, the calculated corporate tax cannot be less than 10% of the corporate income before deductions and exemptions. The related General Communiqué No. 23 on Corporate Tax has also been published

Pillar Two Rules

Türkiye adopted the OECD's Global Minimum Top-up Tax rules (Pillar Two) through a draft law submitted to the Grand National Assembly on 16 July 2024, which was enacted by laws published on 2 August 2024. The Turkish implementation is largely consistent with the OECD Pillar Two Model Rules, covering scope, exemptions, consolidation, tax calculations, and reporting periods. Secondary regulations detailing calculations and implementation methodology have not yet been published. The Group's management and tax advisors concluded that these regulations had no impact on the condensed consolidated interim financial statements as of 30 June 2026.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 19 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Transfer Pricing

Entities are required to use prices or consideration that reflect arm's length terms in transactions of goods or services with related parties. The arm's length principle implies that the price or consideration applied in transactions with related parties should correspond to the price or consideration that would have been determined between independent parties in the absence of such a relationship.

Entities shall determine the arm's length prices or consideration for transactions with related parties using the method specified in the relevant legislation that is most appropriate for the nature of the transaction. Records, schedules, and documents supporting the calculations of prices and consideration determined under the arm's length principle must be retained as evidence by the entities. Furthermore, entities are required to prepare a report containing information and documents regarding transactions with related parties within a fiscal period, to be submitted if requested by the due date of the Corporate Tax Return.

If a transaction of goods or services is carried out using prices or consideration that deviate from the arm's length principle, the profit derived may be considered fully or partially as implicitly distributed through transfer pricing. Profits deemed to have been fully or partially distributed via transfer pricing shall be treated, as of the end of the fiscal period in which the conditions under Article 13 are met, as distributed dividends or, in the case of non-resident taxpayers, as amounts remitted to the head office. The net dividend amount distributed via transfer pricing shall be grossed up, and withholding taxes shall be applied at rates determined according to the legal status of the shareholders. Prior tax assessments will be adjusted accordingly with respect to the parties involved. However, such adjustments can only be made if the taxes assessed in the name of the entity that distributed the concealed profit have been finalized and paid.

In the adjustment performed at the level of the entity whose profits have been deemed distributed, the amount considered shall be the finalized and paid amount.

Deferred Tax

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising between the statutory financial statements prepared for tax purposes and the financial statements prepared in accordance with TFRS. These differences generally arise from certain income and expense items being recognized in different periods for tax reporting purposes and under TFRS. The main temporary differences are outlined below.

As of 30 June 2026 and 31 December 2025, the deferred tax effects of temporary differences arising from the inflation accounting adjustments, as per the 30 December 2023 Communiqué No. 32415 under the Corporate Tax Law, have been recognized in the financial statements.

The tax rate applied for the calculation of deferred tax assets and liabilities is 25% on the expected temporary differences (2025: 25%).

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 19 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Pursuant to Law No. 7582, published on 4 June 2026, the corporate income tax rate applicable to income to be earned from manufacturing activities as of 1 January 2027 by entities holding an industrial registry certificate and actively engaged in manufacturing has been reduced from 25% to 12.5%. Although this amendment does not affect current period tax calculations, it has been reflected in the deferred tax calculations included in the financial statements as of 30 June 2026, taking into consideration whether the related income is derived from manufacturing or non-manufacturing activities.

Since entities in Türkiye cannot file a consolidated tax refund, deferred tax assets of subsidiaries are not offset against deferred tax liabilities of subsidiaries and are presented separately.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available in future periods against which the deductible temporary differences can be utilized. Where the generation of taxable profit is probable, deferred tax assets are measured based on the tax benefits arising from deductible temporary differences, tax losses, and investment incentives with indefinite life that allow for reduced corporate tax payments

In this context, the Group bases the recognition of deferred tax assets arising from investment incentives in the consolidated financial statements on long-term plans and assesses the recoverability of such deferred tax assets at each reporting date using business models that include projected taxable profits. The recovery of these deferred tax assets is expected within 3–5 years from the reporting date.

A sensitivity analysis performed as of 30 June 2026, increasing or decreasing the key macroeconomic and sectoral assumptions used in the business plans by 10%, indicated no change in the estimated 3–5 year recoverability period of deferred tax assets related to investment incentives.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 19 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Deferred tax assets/(liabilities)	Total temporary differences		Deferred tax assets/(liabilities)	
	30 June 2026	31 December 2025	30 June 2026	31 December 2025
Investment incentives	469,850	647,539	469,850	647,539
Adjustments related to provisions	453,140	496,645	79,036	124,161
Provision for warranty expenses	949,673	595,491	162,597	148,873
Adjustments for tangible and intangible assets	(5,729,104)	(4,503,607)	(975,658)	(915,544)
Derivative instruments	(113,771)	(188,847)	(28,443)	(47,212)
Adjustments related to right of use assets	(91,194)	(79,547)	(13,281)	(19,887)
Other	165,505	40,787	20,007	10,198
Net deferred tax assets / (liabilities)			(285,892)	(51,872)

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 19 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued))

The movement of deferred tax assets / (liabilities) during the years ended 30 June 2026 and 2025 is presented below:

	2026	2025
Beginning of the period - 1 January	(51,872)	177,958
Recognized in the statement of profit or losses	(273,396)	47,920
Recognized in the statement of other comprehensive income	39,376	14,094
Monetary gain/(loss)	-	(6,255)
End of the period - 30 June	(285,892)	233,717

NOTE 20 – GAIN PER SHARE/(LOSS)

Earnings/(loss) per share presented in the consolidated statement of profit or loss and other comprehensive income is calculated by dividing the net profit/(loss) attributable to the parent company by the weighted average number of shares outstanding during the year. There is no difference between basic and diluted earnings per share for any period. The weighted average number of the Group's shares and the earnings/(loss) per share, based on 1 full TRY, for the periods ended 30 June 2026 and 2025 are as follow:

	1 January– 30 June 2026	1 April – 30 June 2026	1 January – 30 June 2025	1 April – 30 June 2025
Weighted average number of shares outstanding (1 Kr)	90,000,000,000	90,000,000,000	90,000,000,000	90,000,000,000
Net profit/(loss) attributable to the parent company (thousand TRY)	(255,491)	(325,539)	(396,652)	5,966
Earnings/(Loss) per Share (per 100 shares)	(0,284)	(0,362)	(0.441)	0,007

NOTE 21 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENT

a) Capital Risk Management

The Group, in managing its capital, aims to increase its profitability while ensuring the continuity of its operations and maintaining an optimal balance between debt and equity.

The Group's capital structure consists of debt, including borrowings disclosed in Note 12, and equity items, which comprise cash and cash equivalents, issued capital, reserves, and retained earnings.

The Group's Board of Directors reviews the capital structure. During these reviews, the Board evaluates the risks associated with each class of capital together with the cost of capital. Based on the recommendations of the Board, the Group seeks to maintain the balance of its capital structure through new borrowings or repayment of existing debt, as well as dividend payments, issuance of new shares, and share buy-backs.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 21 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The Group reviews its capital on a leverage ratio basis, consistent with other companies in the industry. This ratio is calculated by dividing net debt by total capital. Net debt is determined by deducting cash and cash equivalents from total borrowings (including current and non-current borrowings as presented in the consolidated balance sheet). Total capital is calculated as the sum of equity as presented in the consolidated balance sheet and net debt.

As of 30 June 2026 and 31 December 2025, the debt-to-capital ratio, calculated by dividing net debt—determined by deducting cash, cash equivalents, and short-term financial investments from financial liabilities by total capital, is as follows:

	30 June 2026	31 December 2025
Total liabilities	9,445,993	10,317,212
Less: Cash and cash equivalents	(499,065)	(1,797,579)
Net liability	8,946,928	8,519,633
Equity	8,205,042	8,518,101
Total equity	17,151,970	17,037,734
Net liability/total equity (%)	109%	100%

b) Financial Risk Factors

The Group is exposed to market risk (including foreign exchange risk, fair value interest rate risk, cash flow interest rate risk, and price risk), credit risk, and liquidity risk arising from its operations. The Group's risk management program generally focuses on minimizing the potential adverse effects of uncertainties in financial markets on the Group's financial performance. The Group uses derivative instruments to hedge against various financial risks.

Risk management is carried out in accordance with policies approved by the Board of Directors. Under these risk policies, financial risks are identified and assessed by the Group's management, and, in collaboration with the Group's operating units, appropriate tools are used to mitigate such risks.

b.1) Credit Risk Management

To minimize credit risk, the Group adopts a policy of dealing with counterparties with high creditworthiness and, where deemed necessary, obtaining collateral to reduce the risk of financial loss in the event of default.

When accepting a new customer, the customer's creditworthiness is evaluated by the relevant departments, and, where deemed necessary, collateral is obtained and appropriate credit limits are set.

The Group has procedures for determining customer limits and for monitoring overdue receivables. The Group's trade receivables are spread across a wide range of customers operating in various sectors and geographic regions. Continuous credit assessments are performed on customers' outstanding balances. Additionally, the Group's management evaluates trade payables and financial assets by customer and asset as of the reporting dates, ensuring that allowances for amounts considered uncollectible are recognized in the consolidated financial statements. In this context, the Group's management believes that the credit risk of the Group is significantly reduced as of the reporting date.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 21 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

b) Financial Risk Factors (Continued)

Credit risks arising from financial instruments by type

Credit risks arising from financial instruments by type	Receivables					
	Trade Receivables		Other Receivables		Bank Deposits	Derivative instruments
	Related Party	Third Party	Related Party	Third Party		
30 June 2026						
Maximum net credit risk as of the reporting date (A+B+C+D+E) (*)	645,569	5,991,535	-	355,824	362,428	113,771
- The portion of maximum risk guaranteed by collateral (**)	-	135,504	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	645,569	5,173,737	-	355,824	362,428	113,771
B. Book value of financial assets whose conditions have either been re-evaluated or which have been accepted as overdue or impaired	-	-	-	-	-	-
C. Net book value of assets that are past due but not impaired	-	830,604	-	-	-	-
- Amount guaranteed by collateral	-	134,504	-	-	-	-
D. Impaired asset net book value	-	-	-	-	-	-
- Past due (gross amount)	-	34,135	-	-	-	-
- Impairment (-)	-	(34,135)	-	-	-	-
- Net value collateralized or guaranteed	-	-	-	-	-	-
E. Expected credit losses	-	(12,806)	-	-	-	-

(*) In determining the amount, factors such as the guarantees received, which provide an increase in credit reliability, were not taken into account.

(**) Guarantees consist of guarantee bonds and guarantee checks received from customers.

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 21 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

b) Financial Risk Factors (Continued)

Credit risks arising from financial instruments by type

Credit risks arising from financial instruments by type	Receivables					
	<u>Trade Receivables</u>		<u>Other Receivables</u>		Bank Deposits	Derivative instruments
	Related Party	Third Party	Related Party	Third Party		
31 December 2025						
Maximum net credit risk as of the reporting date (A+B+C+D+E) (*)	1,085,804	5,282,476	-	703,684	1,688,382	190,693
- The portion of maximum risk guaranteed by collateral (**)	-	426,445	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	1,085,804	3,636,017	-	703,684	1,688,382	190,693
B. Book value of financial assets whose conditions have either been re-evaluated or which have been accepted as overdue or impaired	-	68,110	-	-	-	-
C. Net book value of assets that are past due but not impaired	-	1,593,429	-	-	-	-
- Amount guaranteed by collateral	-	334,426	-	-	-	-
D. Impaired asset net book value	-	-	-	-	-	-
- Past due (gross amount)	-	40,197	-	-	-	-
- Impairment (-)	-	(40,197)	-	-	-	-
- Net value collateralized or guaranteed	-	-	-	-	-	-
E. Expected credit losses	-	(15,080)	-	-	-	-

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 21 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

b) Financial Risk Factors (Continued)

The risk of financial loss to the Group arising from a counterparty failing to meet its contractual obligations under a financial instrument is defined as credit risk. The Group seeks to mitigate credit risk by conducting transactions only with counterparties with established creditworthiness and, where possible, by obtaining adequate collateral. The Group's exposure to credit risk and the credit ratings of its customers are continuously monitored. Credit risk is controlled through limits set for customers and reviewed and approved annually by the Risk Management Committee.

b.2) Liquidity Risk Management

The ultimate responsibility for liquidity risk management rests with the Board of Directors. The Board has established an appropriate liquidity risk management framework for the Group's short, medium, and long-term funding and liquidity requirements. The Group manages liquidity risk by regularly monitoring estimated and actual cash flows and ensuring the availability of adequate funds and borrowing facilities through the matching of the maturities of financial assets and liabilities.

The table below presents the contractual maturity analysis of the Group's derivative and non-derivative financial liabilities. Non-derivative financial liabilities are presented based on undiscounted cash flows and the earliest date on which the Group can be required to pay. Interest payments on these liabilities are included in the table. Derivative financial liabilities are presented based on undiscounted net cash inflows and outflows. Forward contracts are settled on a net basis and are presented based on undiscounted gross cash inflows and outflows. When the amounts of receivables or payables are variable, the disclosed amount is determined using the interest rate derived from the yield curves at the reporting date.

As of 30 June 2026 and 31 December 2025, the Group's undiscounted contractual cash outflows are as follows:

30 June 2026	Book value	Contractual Cash Flows	Less than 3 months	3-12 months	1-5 years	5 years and over
Bank borrowings	6,208,610	6,614,046	2,209,578	1,973,833	2,430,635	-
Trade payables	2,243,299	2,243,299	2,243,299	-	-	-
Borrowings related to bond issuance	2,765,838	3,037,358	1,800,449	1,236,909	-	-
Lease liabilities	47,895	60,462	10,733	38,098	11,631	-
Factoring borrowings	423,650	423,650	423,650	-	-	-
Total borrowings	11,689,292	12,378,815	6,687,709	3,248,840	2,442,266	-
31 December 2025	Book value	Contractual Cash Flows	Less than 3 months	3-12 months	1-5 years	5 years and over
Bank borrowings	6,576,480	6,888,823	1,441,843	3,541,966	1,905,014	-
Trade payables	3,115,539	3,115,539	3,115,539	-	-	-
Borrowings related to bond issuance	3,331,973	5,658,402	2,054,503	3,603,899	-	-
Lease liabilities	17,224	21,076	7,307	8,558	5,211	-
Factoring borrowings	391,535	391,535	391,535	-	-	-
Total borrowings	13,432,751	16,075,375	7,010,727	7,154,423	1,910,225	-

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 21 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

b) Financial Risk Factors (Continued)

The Group's operations are primarily exposed to financial risks related to changes in foreign exchange rates and interest rates, as detailed below. To manage the risks associated with foreign exchange and interest rates, the Group uses various derivative financial instruments, including the following:

- Forward foreign exchange contracts used to hedge foreign exchange risk arising from foreign currency purchases and sales.

Market risks are also assessed through sensitivity analyses and stress testing.

During the current year, there have been no changes in the Group's exposure to market risk or in the methods used to measure and manage such risks compared to the prior year.

b.3.1) Foreign Exchange Risk Management

Transactions in foreign currencies give rise to foreign exchange risk. The risk is managed through forward foreign exchange contracts entered into in accordance with approved policies.

The Group's monetary and non-monetary assets and liabilities denominated in foreign currencies, as of the balance sheet date, are distributed as follows:

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 21 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

	TRY Equivalent (Functional Currency)	30 June 2026									
		USD	EUR	RON	CAN	CNY	GBP	SEK	CHF	CNY	PLN
1. Trade receivables	6,261,571	6,469	86,489	127,769	2,492	-	-	-	-	-	105
2a. Monetary financial assets	67,525	-	223	5,515	-	-	-	-	3	-	-
2b. Non-Monetary financial assets	-	-	-	-	-	-	-	-	-	-	-
3. Other	212,873	601	3,478	-	-	-	4	-	-	-	-
4. Current assets (1+2+3)	6,541,969	7,070	90,190	133,284	2,492	-	4	-	3	-	105
5. Trade receivables	-	-	-	-	-	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-	-	-	-	-	-
6b. Non-Monetary financial assets	-	-	-	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-	-	-	-
8. Non-current assets(5+6+7)	-	-	-	-	-	-	-	-	-	-	-
9. Total assets (4+8)	6,541,969	7,070	90,190	133,284	2,492	-	4	-	3	-	105
10. Trade payables	2,061,147	1,166	36,880	-	1,346	-	7	-	1	2,441	-
11. Financial liabilities	2,191,111	-	41,200	-	-	-	-	-	-	-	-
12a. Monetary other financial liabilities	-	-	-	-	-	-	-	-	-	-	-
12b. Non-monetary other financial liabilities	-	-	-	-	-	-	-	-	-	-	-
13. Short-term liabilities (10+11+12)	4,252,258	1,166	78,080	-	1,346	-	7	-	1	2,441	-
14. Trade payables	-	-	-	-	-	-	-	-	-	-	-
15. Financial liabilities	15,742	-	296	-	-	-	-	-	-	-	-
16a. Monetary other financial liabilities	-	-	-	-	-	-	-	-	-	-	-
16b. Non-monetary other financial liabilities	-	-	-	-	-	-	-	-	-	-	-
17. Long-term liabilities (14+15+16)	15,742	-	296	-	-	-	-	-	-	-	-
18. Total liabilities (13+17)	4,268,000	1,166	78,376	-	1,346	-	7	-	1	2,441	-
19. Net Asset/(Liability) Position of Derivative Instruments Off the Statement of Financial Position (19a+19b)											
19a. Amount of Asset-Linked Off-Balance Sheet Foreign Currency Derivative Instruments	-	-	-	-	-	-	-	-	-	-	-
19b. Amount of Liability-Linked Off-Balance Sheet Foreign Currency Derivative Instruments	-	-	-	-	-	-	-	-	-	-	-
20. Net Foreign Currency Asset/(Liability) Position (9-18+19)	2,273,969	5,904	11,814	133,284	1,146	-	(3)	-	2	(2,441)	105
21. Net Foreign Currency Asset/(Liability) Position of Monetary Items (IFRS7.B23) (1+2a+5+6a-10-11-12a-14-15-16a)	2,061,096	5,303	8,336	133,284	1,146	-	(7)	-	2	(2,441)	105
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	-	-	-	-	-	-	-	-	-	-	-
23. Amount of Hedged Portion of Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
24. Amount of Hedged Portion of Foreign Currency Liabilities	58,926	-	1,108	-	-	-	-	-	-	-	-
25. Total export amount	7,638,203	5,119	94,955	221,828	289	-	-	-	-	-	6,291
26. Total import amount	2,470,214	5,582	27,426	-	-	108,629	-	-	-	-	-

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 21 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

	31 December 2025										
	TRY Equivalent (Functional Currency)	USD	EUR	RON	CAD	CNY	GBP	SEK	CHF	JPY	PLN
1. Trade receivables	5,564,705	3,346	61,936	126,973	2,342	-	-	-	-	-	12,444
2a. Monetary financial assets	96,547	-	223	7,196	-	-	-	-	3	-	-
2b. Non-Monetary financial assets	-	-	-	-	-	-	-	-	-	-	-
3. Other	328,780	287	2,016	16,863	-	-	1	-	-	-	-
4. Current assets (1+2+3)	5,990,032	3,633	64,175	151,032	2,342	-	1	-	3	-	12,444
5. Trade receivables	-	-	-	-	-	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-	-	-	-	-	-
6b. Non-Monetary financial assets	-	-	-	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-	-	-	-
8. Non-current assets(5+6+7)	-	-	-	-	-	-	-	-	-	-	-
9. Total assets (4+8)	5,990,032	3,633	64,175	151,032	2,342	-	1	-	3	-	12,444
10. Trade payables	2,151,721	2,695	30,756	533	1,346	17,555	23	85	37	92	-
11. Financial liabilities	2,396,602	-	40,399	-	-	-	-	-	-	-	-
12a. Monetary other financial liabilities	-	-	-	-	-	-	-	-	-	-	-
12b. Non-monetary other financial liabilities	-	-	-	-	-	-	-	-	-	-	-
13. Short-term liabilities (10+11+12)	4,548,323	2,695	71,155	533	1,346	17,555	23	85	37	92	-
14. Trade payables	-	-	-	-	-	-	-	-	-	-	-
15. Financial liabilities	1,399,438	-	23,590	-	-	-	-	-	-	-	-
16a. Monetary other financial liabilities	-	-	-	-	-	-	-	-	-	-	-
16b. Non-monetary other financial liabilities	-	-	-	-	-	-	-	-	-	-	-
17. Long-term liabilities (14+15+16)	1,399,438	-	23,590	-	-	-	-	-	-	-	-
18. Total liabilities (13+17)	5,947,761	2,695	94,745	533	1,346	17,555	23	85	37	92	-
19. Net Asset/(Liability) Position of Derivative Instruments Off the Statement of Financial Position (19a+19b)	-	-	-	-	-	-	-	-	-	-	-
19a. Amount of Asset-Linked Off-Balance Sheet Foreign Currency Derivative Instruments	-	-	-	-	-	-	-	-	-	-	-
19b. Amount of Liability-Linked Off-Balance Sheet Foreign Currency Derivative Instruments	-	-	-	-	-	-	-	-	-	-	-
20. Net Foreign Currency Asset/(Liability) Position (9-18+19)	42,271	938	(30,570)	150,499	996	(17,555)	(22)	(85)	(34)	(92)	12,444
21. Net Foreign Currency Asset/(Liability) Position of Monetary Items (IFRS7.B23) (1+2a+5+6a-10-11-12a-14-15-16a)	(286,509)	651	(32,586)	133,636	996	(17,555)	(23)	(85)	(34)	(92)	12,444
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	-	-	-	-	-	-	-	-	-	-	-
23. Amount of Hedged Portion of Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
24. Amount of Hedged Portion of Foreign Currency Liabilities	65,612	-	1,108	-	-	-	-	-	-	-	-
25. Total export amount	11,671,957	2,756	120,312	386,029	10,401	-	-	-	-	-	19,059
26. Total import amount	5,138,618	9,165	61,196	-	-	143,385	37	-	-	22	-

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 21 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Foreign Currency Risk Sensitivity

The Group is primarily exposed to foreign currency risk arising from USD and EUR. The table below shows the Group's sensitivity to a 10% increase and decrease in USD and EUR exchange rates. The 10% rate represents the percentage used in reporting foreign currency risk to senior management within the Group and reflects management's assessment of a reasonably possible change in exchange rates.

The sensitivity analysis covers only open foreign currency monetary items at year-end and shows the effects of a 10% change in exchange rates on these items. This analysis includes foreign currency-denominated borrowings used for the Group's overseas operations, including both the lending and borrowing parties whose functional currency is different from the currency of the loan.

A positive amount indicates an increase in profit/loss and other equity items. Management believes that the sensitivity analysis does not fully represent the foreign currency risk, as year-end currency risk analysis may not reflect the exposure to foreign currency fluctuations during the year.

	30 June 2026			
	Profit / Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
If the USD appreciates against TRY by 10%				
1 - USD net asset / liability	24,699	(24,699)	24,699	(24,699)
2- USD risk hedged portion (-)	-	-	-	-
3- USD net effect (1+2)	24,699	(24,699)	24,699	(24,699)
If the EUR appreciates against TRY by 10%				
4 - EUR net asset / liability	44,253	(44,253)	44,253	(44,253)
5 - EUR risk hedged portion (-)	-	-	-	-
6- EUR net effect (4+5)	44,253	(44,253)	44,253	(44,253)
If the RON appreciates against TRY by 10%				
7- RON net asset / liability	134,165	(134,165)	134,165	(134,165)
8- RON risk hedged portion (-)	-	-	-	-
9- RON net effect (7+8)	134,165	(134,165)	134,165	(134,165)
If the CAD appreciates against TRY by 10%				
10- CAD net asset / liability	3,745	(3,745)	3,745	(3,745)
11- CAD risk hedged portion (-)	-	-	-	-
12- CAD net effect (10+11)	3,745	(3,745)	3,745	(3,745)
If the GBP appreciates against TRY by 10%				
13- GBP net asset / liability	(43)	43	(43)	43
14- GBP risk hedged portion (-)	-	-	-	-
15- GBP net effect (13+14)	(43)	43	(43)	43
If the CHF appreciates against TRY by 10%				
16- CHF net asset / liability	11	(11)	11	(11)
17- CHF risk hedged portion (-)	-	-	-	-
18- CHF net effect (16+17)	11	(11)	11	(11)
If the JPY appreciates against TRY by 10%				
19- JPY net asset / liability	(70)	70	(70)	70
20- JPY risk hedged portion (-)	-	-	-	-
21- JPY net effect (19+20)	(70)	70	(70)	70
If the PLN appreciates against TRY by 10%				
22- PLN net asset / liability	130	(130)	130	(130)
23- PLN risk hedged portion (-)	-	-	-	-
24- PLN net effect (22+23)	130	(130)	130	(130)
TOTAL (3+6+9+12+15+18+21+24)	206,890	(206,890)	206,890	(206,890)

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 21 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

	31 December 2025			
	Profit / Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	
If the USD appreciates against TRY by 10%				
1 - USD net asset / liability	3,285	(3,285)	3,285	(3,285)
2- USD risk hedged portion (-)	-	-	-	-
3- USD net effect (1+2)	3,285	(3,285)	3,285	(3,285)
If the EUR appreciates against TRY by 10%				
4 - EUR net asset / liability	(192,963)	192,963	(192,963)	192,963
5 - EUR risk hedged portion (-)	-	-	-	-
6- EUR net effect (4+5)	(192,963)	192,963	(192,963)	192,963
If the RON appreciates against TRY by 10%				
7- RON net asset / liability	154,416	(154,416)	154,416	(154,416)
8- RON risk hedged portion (-)	-	-	-	-
9- RON net effect (7+8)	154,416	(154,416)	154,416	(154,416)
If the CAD appreciates against TRY by 10%				
10- CAD net asset / liability	3,662	(3,662)	3,662	(3,662)
11- CAD risk hedged portion (-)	-	-	-	-
12- CAD net effect (10+11)	3,662	(3,662)	3,662	(3,662)
If the CNY appreciates against TRY by 10%				
13- CNY net asset / liability	(12,598)	12,598	(12,598)	12,598
14- CNY risk hedged portion (-)	-	-	-	-
15- CNY net effect (13+14)	(12,598)	12,598	(12,598)	12,598
If the SEK appreciates against TRY by 10%				
16- SEK net asset / liability	(46)	46	(46)	46
17- SEK risk hedged portion (-)	-	-	-	-
18- SEK net effect (16+17)	(46)	46	(46)	46
If the GBP appreciates against TRY by 10%				
19- GBP net asset / liability	(156)	156	(156)	156
20- GBP risk hedged portion (-)	-	-	-	-
21- GBP net effect (19+20)	(156)	156	(156)	156
If the PLN appreciates against TRY by 10%				
22- PLN net asset / liability	17,497	(17,497)	17,497	(17,497)
23- PLN risk hedged portion (-)	-	-	-	-
24- PLN net effect (22+23)	17,497	(17,497)	17,497	(17,497)
If the other currencies appreciates against TRY by 10%				
25- Other net asset / liability	(219)	219	(219)	219
26- Other risk hedged portion (-)	-	-	-	-
27- Other net effect (25+26)	(219)	219	(219)	219
TOTAL (3+6+9+12+15+18+21+24+27)	(27,123)	27,123	(27,123)	27,123

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY - 30 JUNE 2026

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2026 unless otherwise stated.)

NOTE 22 - EVENTS AFTER THE REPORTING PERIOD

Within the scope of the tender titled "Procurement of 150 Diesel-Fueled Buses (8–9 Meters)" conducted by the General Directorate of IETT Operations, a contract amounting to TRY 1,796,250,000 plus SCT and VAT for the supply of 150 diesel-fueled buses and the provision of maintenance, repair and cleaning services for such vehicles at the IETT garage for a period of two years was signed between the parties in the subsequent period following the notification of the tender award decision to the Company on 22 July 2026. The effects of the deliveries and services to be performed under the contract on the Group's financial statements will be recognized in the relevant reporting periods.

Planned Production Shutdown

As part of the annual leave schedule and planned maintenance activities for 2026, production was temporarily suspended on the LFF (Renault Megane) production lines between 3 August and 23 August 2026, and on the other production lines between 10 August and 23 August 2026. Delivery activities partially continued during this period, and production is expected to resume on 24 August 2026. The planned shutdown does not have any adverse effect on the Group's ability to continue as a going concern.

Change in Senior Management

Okan Baş, the Company's Chief Executive Officer and Member of the Board of Directors, resigned from his positions effective 10 July 2026. As of the same date, Utku Can Ayyarın was appointed as Chief Executive Officer and Executive Board Member. This change does not have a direct impact on the Group's financial statements.

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