

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2025
TOGETHER INDEPENDENT AUDITOR'S REVIEW REPORT**



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

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

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

Introduction

We have reviewed the accompanying condensed consolidated 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 2025 and the related condensed consolidated 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 interim condensed consolidated financial information in accordance with Turkish Accounting Standard 34 ("TAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated 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 interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the consolidated financial statements. Consequently, a review on the interim condensed consolidated financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been 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 conclude that the accompanying interim condensed consolidated 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, 19 August 2025

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

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 30 JUNE 2025**

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KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****AS OF 30 JUNE 2025 AND 30 JUNE 2024**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

	Note	Reviewed 30 June 2025	Audited 31 December 2024
ASSETS			
Current assets			
Cash and cash equivalents	4	627,448	1,374,630
Derivatives		115,786	70,779
Trade receivables		5,288,234	5,333,604
- <i>Trade receivables from related parties</i>	5	545,422	221,281
- <i>Trade receivables from third parties</i>	6	4,742,812	5,112,323
Other receivables		283,365	147,285
- <i>Other receivables from third parties</i>		283,365	147,285
Inventory	7	2,990,080	1,681,305
Prepaid expenses		881,125	234,267
Assets related to current period tax	20	9,167	7,149
Other current assets		109,849	68,470
Total current assets		10,305,054	8,917,489
Non-current assets			
Trade receivables		-	83,259
- <i>Trade receivables from related parties</i>	6	-	83,259
Other receivables		271,333	339,105
- <i>Other receivables due from third parties</i>		271,333	339,105
Derivatives		81,419	137,164
Investments in associates accounted for using equity method	8	62,409	60,493
Tangible fixed assets	9	4,897,792	4,782,838
Right of use assets		70,374	60,584
Intangible fixed assets		3,064,413	3,080,443
- <i>Goodwill</i>		35,829	-
- <i>Other intangible fixed assets</i>	10	3,028,584	3,080,443
Prepaid expenses		28,161	48,121
Deferred tax asset	20	176,910	134,704
Other fixed assets		8,408	-
Total non-current assets		8,661,219	8,726,711
Total assets		18,966,273	17,644,200

The condensed consolidated financial statements for the interim period between 1 January – 30 June 2025 have been reviewed by the Audit Committee and approved by the Board of Directors on 19 August 2025. The General Assembly has the authority to amend the condensed 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 2025 AND 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

	Note	Reviewed 30 June 2025	Audited 31 December 2024
LIABILITIES AND EQUITY			
Current liabilities			
Short-term borrowings	13	5,401,431	4,379,363
Short-term part of long-term borrowings	13	968,392	797,973
Lease liabilities	13	54,151	121,756
Trade payables		2,611,855	2,610,477
- Trade payables to related parties	5	43,270	201,802
- Trade payables to third parties	6	2,568,585	2,408,675
Employee benefits liabilities	12	135,487	173,551
Other payables		15,552	75,840
- Other payables to related parties	5	15,552	75,840
Deferred income		1,062,396	594,818
Current income tax liabilities	20	294	7,678
Short-term provisions		426,048	233,408
- Short-term provisions for employee benefits	12	82,136	60,264
- Other short-term provisions	11	343,912	173,144
Other current liabilities		56,676	55,046
Total current liabilities		10,732,282	9,049,910
Non-current liabilities			
Long-term borrowings	13	1,567,109	1,668,165
Lease liabilities	13	8,373	14,036
Short-term deferred income (other than contractual obligations)		55,496	74,394
Long-term provisions		529,540	431,978
- Long-term provisions for employee benefits	12	262,802	240,115
- Other long-term provisions	11	266,738	191,863
Total non-current liabilities		2,160,518	2,188,573
Total liabilities		12,892,800	11,238,483
Equity			
Equity of the parent company			
Paid-in capital		900,000	900,000
Capital adjustment differences		11,604,565	11,604,565
Share premiums/discounts		167,479	167,479
Other accumulated comprehensive income		1,070,197	1,102,199
- Not to be re-classified under profit or loss		1,075,396	1,094,123
- To be re-classified under profit or loss		(5,199)	8,076
Restricted reserves		29,562	29,562
Retained earnings		(7,398,088)	(7,462,823)
Net profit/(loss) for the period		(300,242)	64,735
Total equity		6,073,473	6,405,717
Total liabilities and equity		18,966,273	17,644,200

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 BETWEEN 1 JANUARY – 30 JUNE 2025 AND 2024**

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

	Note	Reviewed 1 January- 30 June 2025	Not reviewed 1 April- 30 June 2025	Reviewed 1 January- 30 June 2024	Not reviewed 1 April- 30 June 2024
PROFIT OR LOSS					
Revenue	14	5,123,759	3,507,011	5,704,541	3,134,074
Cost of sales (-)	14	(3,864,897)	(2,460,693)	(4,564,228)	(2,330,400)
Gross profit		1,258,862	1,046,318	1,140,313	803,674
General administrative expenses (-)	15	(344,185)	(120,808)	(323,603)	(142,555)
Marketing, sales and distribution expenses (-)	15	(568,947)	(359,326)	(502,534)	(294,066)
Research and development expenses (-)	15	(71,605)	(36,469)	(61,280)	(29,427)
Other income from operating activities	16	946,604	427,951	2,178,475	1,494,921
Other expenses from operating activities (-)	16	(510,545)	(198,207)	(1,730,051)	(1,567,048)
OPERATING PROFIT/(LOSS)		710,184	759,459	701,320	265,499
Income from investing activities		41,311	19,452	48,184	20,105
Expenses from investing activities		-	-	(321,783)	(321,783)
Share of gain (loss) on investments accounted for by the equity method		3,063	929	-	-
OPERATING PROFIT/(LOSS) BEFORE FINANCIAL EXPENSE		754,558	779,840	427,721	(36,179)
Financial expenses (-)	18	(1,673,545)	(869,853)	(1,177,107)	(484,463)
Net monetary position gains/(losses)	19	582,472	252,588	540,729	64,436
PROFIT/(LOSS) BEFORE TAX		(336,515)	162,575	(208,657)	(456,206)
Tax income/(expense)		36,273	(158,060)	(163,463)	74,379
Tax expense for the period	20	-	-	-	-
Deferred tax income/(expense)	20	36,273	(158,060)	(163,463)	74,379
Net PROFIT/(LOSS) FOR THE PERIOD		(300,242)	4,515	(372,120)	(381,827)
Distribution of net profit/(loss) for the period					
Equity holders of the parent		(300,242)	4,515	(378,393)	(385,243)
Non-controlling interests		-	-	6,273	3,416
Gain/(loss) per share (per 100,000 shares with a nominal value of 1,000 TRY each)	21	(0,334)	0,005	(0,420)	(0,428)

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 BETWEEN 1 JANUARY – 30 JUNE 2025 AND 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

	Note	Reviewed 1 January - 30 June 2025	Not reviewed 1 April- 30 June 2025	Reviewed 1 January - 30 June 2024	Not reviewed 1 April - 30 June 2024
OTHER COMPREHENSIVE INCOME					
Net profit/(loss) for the period		(300,242)	4,515	(372,120)	(381,827)
Other comprehensive income/(loss):					
Not to be re-classified under profit or loss, before tax		(24,970)	5,112	(118,678)	(137,289)
Gains (losses) on remeasurements of defined benefit plans before tax		(24,970)	5,112	(118,678)	(137,289)
To be re-classified under profit or loss, before tax		(17,700)	(19,549)	33,684	(51,266)
Currency translation differences before tax		(17,700)	(19,549)	(53,159)	26,694
Gains (losses) on cash flow hedge, before tax		-	-	86,843	(77,960)
Total other comprehensive income/(expense), before tax		(42,670)	(14,437)	(84,994)	(188,555)
Total taxes on other comprehensive income/(expense) items		10,668	3,610	7,958	53,813
Total taxes on other comprehensive income items that will not to be re-classified under profit or loss		6,243	(1,277)	29,670	34,323
Deferred tax income/(expense)	20	6,243	(1,277)	29,670	34,323
Total taxes on other comprehensive income items that will be re-classified under profit or loss		4,425	4,887	(21,712)	19,490
Deferred tax income/(expense)	20	4,425	4,887	(21,712)	19,490
Total other comprehensive income/(expense)		(32,002)	(10,827)	(77,036)	(134,742)
Total comprehensive income/(expense)		(332,244)	(6,312)	(449,156)	(516,569)
Distribution of total comprehensive income/(expense):					
Equity holders of the parent		(332,244)	(6,312)	(455,429)	(517,587)
Non-controlling interest		-	-	6,273	1,018

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 CHANGES IN EQUITY FOR THE INTERIM PERIODS BETWEEN 1 JANUARY – 30 JUNE 2025 AND 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

	Paid-in capital	Capital adjustment differences	Share premiums/ discounts	Other Comprehensive Income and Expenses not to be Reclassified to Profit or Loss			Other Comprehensive Income and Expenses to be Reclassified to Profit or Loss			Accumulated Profits/(Losses)		Equity of the Parent Company	Non-controlling interests	Equity
				Revaluation and remeasurement gains / Losses	Accumulated remeasurement gains/losses of defined benefit plans	Investments accounted for using the equity method that will not be classified under profit or loss	Foreign currency translation differences	Gains (losses) on hedge	Restricted reserves	Retained earnings	Net period profit / (loss)			
<i>Reviewed</i>														
Balances as of 1 January 2024 (Opening Balance) (*)	900,000	11,604,565	167,479	1,134,420	(106,609)	(180,320)	111,951	(331,165)	29,562	(7,931,401)	648,899	6,047,381	55,862	6,103,243
Transfers	-	-	-	-	-	79,436	-	-	-	569,463	(648,899)	-	-	-
Total comprehensive income/(expense)	-	-	-	-	(89,008)	-	(53,159)	65,131	-	-	(378,393)	(455,429)	6,273	(449,156)
- Net profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	(378,393)	(378,393)	6,273	(372,120)
- Total other comprehensive income/(expense)	-	-	-	-	(89,008)	-	(53,159)	65,131	-	-	-	(77,036)	-	(77,036)
Balances as of 30 June 2024 (Closing Balance)	900,000	11,604,565	167,479	1,134,420	(195,617)	(100,884)	58,792	(266,034)	29,562	(7,361,938)	(378,393)	5,591,952	62,135	5,654,087
<i>Reviewed</i>														
Balances as of 1 January 2025 (Opening Balance)	900,000	11,604,565	167,479	1,256,586	(162,463)	-	8,076	-	29,562	(7,462,823)	64,735	6,405,717	-	6,405,717
Transfers	-	-	-	-	-	-	-	-	-	64,735	(64,735)	-	-	-
Total comprehensive income/(expense)	-	-	-	-	(18,727)	-	(13,275)	-	-	-	(300,242)	(332,244)	-	(332,244)
- Net profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	(300,242)	(300,242)	-	(300,242)
- Total other comprehensive income/(expense)	-	-	-	-	(18,727)	-	(13,275)	-	-	-	-	(32,002)	-	(32,002)
Balances as of 30 June 2025 (Closing Balance)	900,000	11,604,565	167,479	1,256,586	(181,190)	-	(5,199)	-	29,562	(7,398,088)	(300,242)	6,073,473	-	6,073,473

(*) Note 2.5.

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 INTERIM PERIODS BETWEEN 1 JANUARY – 30 JUNE 2025 AND 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

	Note	Reviewed 1 January - 30 June 2025	Reviewed 1 January - 30 June 2024 (*)
CASH FLOW FROM OPERATING ACTIVITIES		(437,186)	(797,602)
Profit/(loss) from continuing operations		(300,242)	(372,120)
Adjustments for the period net profit (loss) reconciliation		2,208,909	1,420,357
Adjustments for depreciation and amortization expenses	17	305,524	311,609
Adjustments related to impairment		(9,556)	145,312
- Adjustments related to impairment of receivables	6	(9,556)	110,278
- Adjustments related to impairment of inventories	7	-	35,034
Adjustments related to provisions		734,940	43,520
- Adjustments related to provisions for employee benefits	12	69,385	186,522
- Adjustments related to other provisions	11	665,555	(143,002)
Adjustments related to interest incomes and expenses		903,066	850,486
- Adjustments related to interest expenses		940,320	895,259
- Adjustments related to interest incomes		(37,254)	(44,773)
Adjustments for unrealized foreign exchange gains		868,176	144,558
Adjustments for losses (gains) due to disposal of property, plant and equipment		-	(3,653)
Adjustments for losses (gains) due to disposal of financial investments (+/-)		-	321,783
Adjustments for tax (income) expense	20	(36,273)	163,463
Monetary loss/(gain)		(556,968)	(556,721)
Changes in working capital		(1,950,644)	(1,796,668)
Adjustments for increase (decrease) in trade receivables		(605,668)	(517,840)
- Decreases (increases) in trade receivables from related parties	5	(390,196)	(2,767)
- Decreases (increases) in trade receivables from third parties	6	(215,472)	(515,073)
Adjustments for decrease/(increase) in other receivables related to activities		(108,804)	(252,907)
- Decreases (increases) in other receivables from related parties		(40,496)	(1,007)
- Decreases (increases) in other receivables from third parties		(68,308)	(251,900)
Decreases (increases) in derivative assets		(17,445)	113,025
Adjustments for increase (decrease) in inventories	7	(1,308,775)	(740,338)
Adjustments for increase (decrease) in trade payables		374,640	(102,467)
- Increases (decreases) in trade payables to related parties	5	(154,467)	(377,499)
- Increases (decreases) in trade payables to third parties	6	529,107	275,032
Adjustments for decrease/(increase) in other payables related to activities		(58,065)	(630,052)
- Increases (decreases) in other payables to related parties		(58,065)	(291,754)
- Increases (decreases) in other payables to third parties		-	(338,298)
Decreases (increases) in prepaid expenses		(756,845)	260,775
Increases (decreases) in employee benefit payables		(38,064)	41,890
Decreases (increases) in Deferred income (other than contractual obligations)		608,439	(93,634)
Other adjustments for other increase (decrease) in working capital		(40,057)	124,880
- Decreases (increases) in other operating assets		(49,787)	118,388
- Increases (decreases) in other operating liabilities		9,730	6,492
Net cash flow from operations (+/-)		(41,977)	(748,431)
Taxes paid		(9,402)	(18,099)
Other cash outflows		(385,807)	(31,072)

(*) Note 2.5.

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 INTERIM PERIODS BETWEEN 1 JANUARY – 30 JUNE 2025 AND 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

	Note	Reviewed 1 January - 30 June 2025	Reviewed 1 January - 30 June 2024 (*)
CASH FLOWS FROM INVESTING ACTIVITIES		(370,577)	(46,552)
Cash inflows from the sale of property, plant and equipment and intangible assets		-	8,767
- Cash inflows from the sale of property, plant and equipment		-	8,767
Cash outflows from the purchase of property, plant and equipment and intangible assets		(358,353)	(249,460)
- Cash outflows from the purchase of property, plant and equipment		(193,822)	(163,214)
- Cash outflows from the purchase of intangible assets		(164,531)	(86,246)
Interest received	8	37,254	44,773
Other cash inflows (outflows)		(49,478)	149,368
CASH FLOWS FROM FINANCING ACTIVITIES		257,030	232,783
Cash inflows from borrowings	13	4,014,404	7,366,499
Cash outflows from borrowings	13	(3,293,931)	(6,483,823)
Cash outflows related to debt payments from lease agreements		(71,664)	(38,710)
Interest paid		(391,779)	(611,183)
Net increase/(decrease) in cash and cash equivalents before the effect of exchange rate changes (+/-)		(550,733)	(611,371)
Effects of exchange rate changes on cash and cash equivalents (+/-)		67,523	15,485
Effects of inflation changes on cash and cash equivalents		(263,972)	(358,573)
Net increase/(decrease) in cash and cash equivalents (+/-)		(747,182)	(954,459)
Cash and cash equivalents at the beginning of the period	4	1,374,630	1,730,145
Cash and cash equivalents at the end of the period	4	627,448	775,686

(*) See Note 2.5.

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 INTERIM PERIOD BETWEEN 1 JANUARY - 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, 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, 16225, 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 İstanbul A.Ş. ("BIST"). The Company's share ratio traded on the BIST is 39.44% (31 December 2024: 39.44%).

As of 30 June 2025 and 31 December 2024, Karsan Otomotiv's subsidiaries ("subsidiaries") (hereinafter collectively referred to as the "Group") and the investments valued through equity management 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. Hervout Corporate Industry SAS	Sales and marketing
2. Hervout Corporate Lease SAS	Sales and marketing

As of 30 June 2025 the Group's average number of employees during the year is 2,301 (31 December 2024: 2,364).

Approval of Consolidated Financial Statements

The consolidated financial statements for the accounting period of 1 January – 30 June 2025 were approved by the Board of Directors of Karsan Otomotiv Sanayii ve Ticaret A.Ş. on 19 August 2025. 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 2025 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 INTERIM PERIOD BETWEEN 1 JANUARY - 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, 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 2025 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 2024.

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 2024 and 31 December 2024 in terms of the purchasing power as of 30 June 2025.

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 2025, the indices and adjustment coefficients used in the restatement of the interim condensed consolidated financial statements are as follows:

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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 2025	3,132.17	1,00000	220%
31 December 2024	2,684.55	1,16674	291%
30 June 2024	2,319.29	1,35049	324%

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 TL 582,472 in the interim accounting period of January 1 – 30 June 2025 was recorded as net monetary position gain in the condensed consolidated profit or loss and other comprehensive income statement (January 1 – 30 June 2024: TL 540,729) (Note 19).

New and revised standards and interpretations

The accounting policies used as the basis for the preparation of the condensed consolidated financial statements for the interim accounting period ended 30 June 2025 have been applied in a manner consistent with those used in the previous year, except for the new and amended IFRS and IFRS interpretations effective as of 1 January 2025, summarized below.

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

2.1 Basis of presentation (Continued)

a. Standards, amendments, and interpretations applicable as of 30 June 2025:

- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The amendment does not have a material impact on the Group's condensed consolidated financial statements.

b. Standards, amendments, and interpretations that are issued but not effective as of 30 June 2025:

- **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 (early adoption is available). 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 amendments are to the following standards:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
 - 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 but can be early adopted subject to local endorsement where required. 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'.

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

2.1 Basis of presentation (Continued)

- **IFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. 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.
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. This new standard 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.
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. This new standard 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 TFRS Accounting Standards.

The Group will implement these changes and new standards as of their effective date and is expected to have no material impact on the Group's consolidated financial statements.

Going concern assessment

The condensed consolidated financial statements have been prepared on the basis of going concern 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 30 June 2025, the Group has previous year losses amounting to TL 7,398,088. In the period ending on the same date, a period loss of TL 300,242 occurred. In addition, as of 30 June 2025, the Group's current assets are TL 427,228 less than its short-term liabilities. In its budget and forecast studies for 2025, 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.

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

2.1 Basis of presentation (Continued)

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 TL, 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 TL 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 TL 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.

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 2025	31 December 2024	30 June 2024
EUR/TRY (Balance sheet date)	46,6074	36,7362	35,1284
EUR/TRY (Average)	41,0181	35,4893	34,1737

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 31 December 2024 in its estimates for the accounting period ended 30 June 2025.

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

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 2025 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.

The following table sets out the subsidiaries included in the scope of consolidation and the Group's shareholding interests as of 30 June 2025 and 31 December 2024:

Subsidiaries	Place of activity and establishment	Current currency	Group's share in the capital rate and vote entitlement rate(%)	
			30 June 2025	31 December 2024
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	-
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 2025 and 31 December 2024 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 2025, the Group has no non-controlling shares.

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

2.3 Consolidation Principles (Continued)

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.

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.

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

2.3 Consolidation Principles (Continued)

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.

The table below shows the subsidiaries and shareholding structure as 30 June 2025 and 31 December 2024:

Associate	Shareholders/Vote Right (%)	
	30 June 2025	31 December 2024
Hervout Corporate Industry SAS ("HCI") (*) (**)	20	20
Hervout Corporate Lease SAS ("HCL") (*) (**)	20	20

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

(**) As of 1 October 2024, the Group's shares in HCI, in which it directly holds a 20% stake, have been transferred to BYmyCAR Importer, a 100% subsidiary of Cosmobilis Group, corresponding to 30% of HCI's capital. BYmyCAR Importer acquired a 30% stake in HCI, which was owned by the other partner of HCI, and now has a total of 80% of the shares in HCI. As a result of the transaction, the Group's share in HCI's shareholding structure became 20%, and the Group's control over HCI and HCL was lost, and it continues to have significant influence in these companies. Therefore, the Group's investments in HCI and HCL are recognized as investments valued by the equity method as of 30 June 2025 and 31 December 2024 (Note 8).

2.4 Summary of Significant Accounting Policies

The condensed consolidated financial statements for the interim period ended 30 June 2025 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 2024.

The interim condensed consolidated financial statements prepared for the interim accounting period of January 1 - 30 June 2025 should be evaluated together with the annual consolidated financial statements for the accounting period of January 1 - 31 December 2024.

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

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 2025, the Group has prepared its interim condensed consolidated statement of financial position as of 31 December 2024, the interim condensed consolidated statement of profit or loss and other comprehensive income for the interim accounting period of January 1 - 30 June 2025, 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 January 1 - 30 June 2024. 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 2024 for the accounting period January 1 – 31 December 2024 are disclosed in the Notes to the consolidated financial statements for the accounting period January 1 – 31 December 2024.

In line with the "Implementation Guide on Financial Reporting in High-Inflation Economies" published by the KGK, monetary position gain losses on cash and cash equivalents were displayed in the consolidated cash flow statement, and in line with the 3rd approach in the implementation guide, the effect of inflation on cash flows arising from operating, investment and financing activities should be attributed to the relevant activity class and cash and cash equivalents. The inflation impact was presented separately and the interim condensed consolidated cash flow statement for the interim accounting period of January 1 - 30 June 2024 was revised.

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 main activity is the production of automotive and similar vehicles and spare parts, and there are four business divisions that contain information that the Group Management evaluates performance and uses to decide on resource allocation. These segments of the Group's activities are Karsan branded products, where reporting is made on commercial vehicles produced under its own brand, industrial and spare parts sales, where reporting is made on spare parts, tractor cabins and catopathesis transactions, and other branded sales, where reporting is made on commercial vehicles produced for other brands. In the regular evaluation of the performance of the departments, the profit or loss of the main activity is taken into account, but the distribution of other expenses and revenues from the main activities is not made. Most of the Group's assets and liabilities are located in Türkiye. In addition, since the decision-making authority was not informed periodically about the assets and liabilities, the assets and liabilities were not reported according to the departments. The Group's management examines its financial data through its condensed consolidated financial statements prepared in accordance with IFRS.

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 15.

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NOTE 3 – SEGMENT REPORTING (Continued)

1 January – 30 June 2025	Total	Karsan Branded Products and Spare parts	Other Sales
Revenue	5,123,759	3,067,799	2,055,960
Cost of sales (-)	(3,864,897)	(2,189,645)	(1,675,252)
Gross profit/(loss) from business activities	1,258,862	878,154	380,708
Gross profit/(loss)	1,258,862	878,154	380,708
Marketing expenses (-)	(568,947)	(517,097)	(51,850)
General administrative expenses (-)	(344,185)	(186,424)	(157,761)
Research and development expenses (-)	(71,605)	(71,605)	-
Other income from operating activities	946,604	830,777	115,827
Other expenses from operating activities (-)	(510,545)	(448,074)	(62,471)
Operating profit/(loss)	710,184	485,731	224,453
1 April – 30 June 2025	Total	Karsan Branded Products and Spare parts	Other Sales
Revenue	3,507,011	2,215,807	1,291,204
Cost of sales (-)	(2,460,693)	(1,455,458)	(1,005,235)
Gross profit/(loss) from business activities	1,046,318	760,349	285,969
Gross profit/(loss)	1,046,318	760,349	285,969
Marketing expenses (-)	(359,326)	(313,363)	(45,963)
General administrative expenses (-)	(120,808)	(63,201)	(57,607)
Research and development expenses (-)	(36,469)	(36,469)	-
Other income from operating activities	427,951	332,998	94,953
Other expenses from operating activities (-)	(198,207)	(148,306)	(49,901)
Operating profit/(loss)	759,459	532,008	227,451

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NOTE 3 - SEGMENT REPORTING (Continued)

1 January —30 June 2024	Total	Karsan Branded Products and Spare parts	Other Sales
Revenue	5,704,541	3,300,919	2,403,622
Cost of sales (-)	(4,564,228)	(2,379,692)	(2,184,536)
Gross profit/(loss) from business activities	1,140,313	921,227	219,086
Gross profit/(loss)	1,140,313	921,227	219,086
Marketing expenses (-)	(502,534)	(501,829)	(705)
General administrative expenses (-)	(323,603)	(180,294)	(143,309)
Research and development expenses (-)	(61,280)	(61,280)	-
Other income from operating activities	2,178,475	1,922,823	255,652
Other expenses from operating activities (-)	(1,730,051)	(1,527,024)	(203,027)
Operating profit/(loss)	701,320	573,623	127,697
1 April - 30 June 2024	Total	Karsan Branded Products and Spare parts	Other Sales
Revenue	3,134,074	2,036,998	1,097,076
Cost of sales (-)	(2,330,400)	(1,332,179)	(998,221)
Gross profit/(loss) from business activities	803,674	704,819	98,855
Gross profit/(loss)	803,674	704,819	98,855
Marketing expenses (-)	(294,066)	(293,633)	(433)
General administrative expenses (-)	(142,555)	(93,205)	(49,350)
Research and development expenses (-)	(29,427)	(8,276)	(21,151)
Other income from operating activities	1,494,921	1,319,019	175,902
Other expenses from operating activities (-)	(1,567,048)	(1,373,585)	(193,463)
Operating profit/(loss)	265,499	255,139	10,360

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

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NOTE 4 - CASH AND CASH EQUIVALENTS

	30 June 2025	31 December 2024
Bank	476,657	1,256,778
- Time deposit	15,520	196,129
- Demand deposit	461,137	1,060,649
Checks received	73,427	51,589
Other cash and cash equivalents	77,364	66,263
	627,448	1,374,630

As of 30 June 2025 , time deposits of TRY 15,520 (31 December 2024: TRY 196,129) are denominated in TRY and have a maturity of 1-3 days (31 December 2024: 1-3 days), with interest rates of 47% for deposits in TRY currency (31 December 2024: 46% for deposits in TRY currency).

The details of demand deposits are as follows:

Currency	30 June 2025	31 December 2024
EUR	424,307	1,033,562
TRY	31,408	17,449
USD	5,420	7,576
GBP	2	774
RON	-	1,288
	461,137	1,060,649

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 2025, the Group has blocked deposits of TRY 98,027 (31 December 2024: TRY 93,898).

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.

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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 2025			
	Receivables		Payables	
	Short term	Long term	Short term	Short term
	Trade	Trade	Trade	Other
Hervouet Corporate Industry SAS	543,029	-	-	-
Kırpart Otomotiv Parçaları San. Ve Tic. A.Ş.	1,621	-	-	-
Karland Otomotiv A.Ş.	345	-	3,406	-
Kıraça Holding A.Ş.	390	-	4,097	15,550
Sirena Marine Denizcilik ve Ticaret A.Ş.	36	-	20,781	-
Kök Ziraat Turizm San. ve Tic. A.Ş.	-	-	14,986	-
	545,422	-	43,270	15,552

Balances with related parties	31 December 2024			
	Receivables		Payables	
	Short term	Long term	Short term	Short term and long term
	Trade	Trade	Trade	Other
Hervouet Corporate Industry SAS	216,976	-	122,334	-
Kırpart Otomotiv Parçaları San. Ve Tic. A.Ş.	1,892	-	-	-
Kıraça Holding A.Ş.	414	-	18,075	75,840
Karland Otomotiv A.Ş.	56	-	656	-
Sirena Marine Denizcilik ve Ticaret A.Ş.	-	-	50,546	-
Kök Ziraat Turizm San. ve Tic. A.Ş.	-	-	5,978	-
Kırsan Turizm ve Otomotiv San. ve Tic. A.Ş.	-	-	4,213	-
Diğer	1,943	-	-	-
	221,281	-	201,802	75,840

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 2025 and 31 December 2024, the recorded value of short-term trade receivables from related parties and short-term trade payables to related parties is approaching amortized cost values.

As of 30 June 2025 and 31 December 2024, the other debts arise from non-commercial debts provided by Kıraça Holding to the Group, and a maturity difference determined according to the market conditions at the borrowing period has been applied to these debts, and these debts are planned to be repaid to the shareholders in cash within the following year.

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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. (***)	20,253	-	-	-	-	-	-
Kıraça Holding A.Ş. (*)	-	-	-	-	5,374	-	1,736
Karland Otomotiv A.Ş.	-	117	1,065	-	-	-	2,567
Kök Ziraat Turizm San. ve Tic. A.Ş. (****)	-	-	-	-	1,080	8,862	4,291
Hervouet Corporate Industry SAS (*****)	28,555	-	427,845	-	-	-	-
Sirena Marine Denizcilik ve Ticaret A.Ş. (**)	-	25,689	30	-	2,212	-	-
Total related party transactions	48,808	25,806	428,940	-	8,666	8,862	8,594

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. (***)	7,385	-	-	-	-	-	-
Kıraça Holding A.Ş. (*)	-	-	-	-	2,900	-	84
Karland Otomotiv A.Ş.	-	58	124	-	-	-	1,403
Kök Ziraat Turizm San. ve Tic. A.Ş. (****)	-	-	-	-	1,080	4,165	2,207
Hervouet Corporate Industry SAS (*****)	18,636	-	273,614	-	-	-	-
Sirena Marine Denizcilik ve Ticaret A.Ş. (**)	-	18,804	30	-	-	-	-
Total related party transactions	26,021	18,862	273,768	-	3,980	4,165	953,637

(*) 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.

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NOTE 5 - RELATED PARTY DISCLOSURES (Continued)

Related Party Transactions	1 January – 30 June 2024						
	Service Procurement	Purchases	Sales	Interest Earned	Interest Paid	Leasing Expense	Other Income/ (Costs)
Kırsan Turizm ve Otomotiv San.ve Tic. A.Ş. (***)	29,200	-	-	-	-	-	-
Kıraça Holding A.Ş. (*)	20,126	-	-	39,873	-	-	-
Karland Otomotiv A.Ş.	-	3,128	3,738	-	-	-	-
Kök Ziraat Turizm San. ve Tic. A.Ş. (****)	4,575	-	-	3,224	-	-	-
Kar İnşaat Taahhüt San. ve Tic. A.Ş.	-	-	-	-	-	6,763	-
Sirena Marine Denizcilik ve Ticaret A.Ş. (**)	369	27,450	-	-	-	-	-
Total related party transactions	54,270	30,578	3,738	43,097	-	6,763	-

Related Party Transactions	1 April – 30 June 2024						
	Service Procurement	Purchases	Sales	Interest Earned	Interest Paid	Leasing Expense	Other Income/ (Costs)
Kırsan Turizm ve Otomotiv San.ve Tic. A.Ş. (***)	13,192	-	-	-	-	-	-
Kıraça Holding A.Ş. (*)	11,834	-	-	14,356	-	-	-
Karland Otomotiv A.Ş.	-	3,039	1,951	-	-	-	-
Kök Ziraat Turizm San. ve Tic. A.Ş. (****)	2,041	-	-	184	-	3,209	-
Kar İnşaat Taahhüt San. ve Tic. A.Ş.	-	-	-	-	-	-	-
Sirena Marine Denizcilik ve Ticaret A.Ş. (**)	370	13,826	-	-	-	-	-
Total related party transactions	27,437	16,865	1,951	14,540	-	3,209	-

(*) 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.

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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 2025	1 April- 30 June 2025	1 January - 30 June 2024	1 April- 30 June 2024
Wages and other short-term benefits	95,888	32,478	101,046	55,093
	95,888	32,478	101,046	55,093

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 2025	31 December 2024
Trade receivables from third parties	4,737,580	5,111,628
Trade receivables due from related parties	545,422	221,281
Checks and notes received from third parties	-	1,031
Income accruals (*)	68,892	84,772
Provision for doubtful trade receivables (-)	(52,268)	(70,167)
Provision for expected loss (-)	(11,392)	(14,941)
	5,288,234	5,333,604

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

Long-term trade receivables	30 June 2025	31 December 2024
Trade receivables	-	83,259
	-	83,259

Trade receivables consist of receivables from the customer for products sold or services rendered in the normal course of business. Trade receivables generally consist of short-term trade receivables with a maturity of 30 - 90 days and long-term receivables in Euro currency in 2026 with restructured terms. The Group holds its trade receivables for the purpose of collecting contractual cash flows and therefore measures them at their amortized cost using the effective interest method.

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NOTE 6 - TRADE RECEIVABLES AND PAYABLES (Continued)

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.

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

	2025	2024
Beginning of the period - 1 January	(70,167)	(131,466)
Provisions during the period	(36,533)	-
Reversals of provisions	32,643	83,937
Monetary gain/(loss)	21,789	27,501
End of the period - 30 June	(52,268)	(20,028)

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 22.

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 13) 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 18).

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 2025 and 31 December 2024, the details of trade receivables according to their maturities are as follows:

Time to maturity:	30 June 2025	31 December 2024
Overdue receivables	1,369,724	1,232,621
0 - 30 days	663,626	1,239,302
31 - 90 days	2,825,420	1,151,166
91 - 180 days	209,707	458,722
181 - 365 days	219,757	1,251,793
365 days and over	-	83,259
	5,288,234	5,416,863

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NOTE 6 - TRADE RECEIVABLES AND PAYABLES (Continued)

Time past due:	30 June 2025	31 December 2024
0 - 30 days	390,739	276,616
31 - 90 days	533,227	310,703
91 - 180 days	126,379	110,760
181 - 365 days	224,533	459,362
365 days and over	94,846	75,180
	1,369,724	1,232,621

As of 30 June 2025 and 31 December 2024, 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 2025	31 December 2024
Trade payables to third parties	2,559,162	2,408,675
Trade payables to related parties	43,270	201,802
Other trade payables	9,423	-
	2,611,855	2,610,477

The average payment term for the Group's commercial debts is 90-120 days (31 December 2024: 90-120 days). As of 30 June 2025 and 31 December 2024, the registered value of short-term commercial debts is approaching the amortized cost value.

As of 30 June 2025 and 31 December 2024, a significant portion of the deferred revenues includes advances received from customers for sales to be made in the following year.

NOTE 7 - INVENTORIES

	30 June 2025	31 December 2024
Raw materials and supplies	1,199,120	1,026,265
Semi-finished goods	872,338	221,881
Finished goods	482,985	159,860
Trade goods	405,961	272,590
Other inventories	32,308	3,341
Less: provision for impairment on inventories (-)	(2,632)	(2,632)
	2,990,080	1,681,305

In the period of 1 January - 30 June 2025, the first item material and consumable expenses amounting to a total of 2,627,744 TL (1 January - 30 June 2024: 2,528,461 TL) were expense in the cost of goods sold account (Note 14).

KARSAN OTOMOTİV SANAYİİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD BETWEEN 1 JANUARY - 30 JUNE 2025**

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NOTE 7 - INVENTORIES (Continued)

As of the periods ending 30 June 2025 and 2024, the movement of the inventory impairment provision is as follows:

	2025	2024
Beginning of the period - 1 January	(2,632)	(44,781)
Reversals of provisions	-	35,034
End of the period - 30 June	(2,632)	(9,747)

A significant part of the inventory impairments are related to finished products, and the inventory impairment expense is recognized in the Cost of sales account.

NOTE 8 - INVESTMENTS ACCOUNTED USING THE EQUITY METHOD

Investments	Share percentage % 30 June 2025	Share percentage % 31 December 2024	30 June 2025	31 December 2024
Hervouet Corporate Industry ("HCI")	20	20	62,409	60,493
			62,409	60,493

As of 1 October 2024, the Group's shares in HCI, in which it directly holds a 20% stake, have been transferred to BYmyCAR Importer, a 100% subsidiary of Cosmobilis Group, corresponding to 30% of HCI's capital. BYmyCAR Importer acquired a 30% stake in HCI, which was owned by the other partner of HCI, and now has a total of 80% shares in HCI. As a result of the transaction, the Group's share in HCI's shareholding structure became 20%, and the Group's control over HCI and HCL was lost, and it continues to have significant influence in these companies. Therefore, the Group's investments in HCI and HCL are recognized as investments valued by the equity method as of 30 June 2025 and 31 December 2024.

30 June 2025	Total assets	Total liabilities (excluding equity)	Revenue	Net profit / (loss) for the period	Direct and indirect ownership %	Group share in net assets
HCI	1,097,715	1,005,140	493,265	17,400	%20	62,409
31 December 2024	Total assets	Total liabilities (excluding equity)	Revenue	Net profit / (loss) for the period	Direct and indirect ownership %	Group share in net assets
HCI	749,603	686,221	778,079	13,270	%20	60,493

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NOTE 9 - PROPERTY PLANT AND EQUIPMENT

	1 January 2025	Additions	Disposals	Transfers	Foreign currency translation difference	Acquisitions from subsidiary purchases (*)	30 June 2025
Cost							
Land	2,733,438	-	-	-	-	-	2,733,438
Land improvements	78,944	-	-	-	-	-	78,944
Buildings	1,172,180	-	-	33,177	-	2,231	1,207,588
Machinery and equipment	1,058,602	-	-	115,364	6,416	157	1,180,539
Vehicles	112,701	-	-	16,169	-	-	128,870
Fixtures	82,232	-	-	25,681	180	434	108,527
Leasehold improvements	59,849	-	-	3,843	-	-	63,692
Construction in progress	220,469	193,822	-	(194,234)	-	-	220,057
	5,518,415	193,822	-	-	6,596	2,822	5,721,655
Accumulated depreciations							
Land improvements (-)	(3,637)	(747)	-	-	-	-	(4,384)
Buildings (-)	(14,322)	(13,807)	-	-	-	(695)	(28,824)
Machinery and equipment (-)	(677,052)	(44,111)	-	-	(3,250)	(49)	(724,462)
Vehicles (-)	(1,877)	(13,006)	-	-	-	-	(14,883)
Fixtures (-)	(22,556)	(6,117)	-	-	(136)	(134)	(28,943)
Leasehold improvements (-)	(16,133)	(6,234)	-	-	-	-	(22,367)
	(735,577)	(84,022)	-	-	(3,386)	(878)	(823,863)
Net book value	4,782,838						4,897,792

(*) 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.

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NOTE 9 - PROPERTY PLANT AND EQUIPMENT (Continued)

	1 January 2024	Additions	Disposals	Transfers (*)	Foreign currency translation difference	30 June 2024
Cost						
Land	2,607,919	-	-	-	-	2,607,919
Land improvements	63,711	-	-	-	-	63,711
Buildings	1,125,893	-	-	809	-	1,126,702
Machinery and equipment	1,030,094	-	-	1,503	-	1,031,597
Vehicles	84,835	-	(8,767)	9,994	-	86,062
Fixtures	63,254	-	-	12,292	-	75,546
Leasehold improvements	21,890	-	-	16,284	-	38,174
Construction in progress	393,157	163,214	-	(40,882)	-	515,489
	5,390,753	163,214	(8,767)	-	-	5,545,200
Accumulated depreciations						
Land improvements (-)	-	(3,140)	-	-	-	(3,140)
Buildings (-)	-	(26,010)	-	-	-	(26,010)
Machinery and equipment (-)	(569,015)	(47,104)	-	-	-	(616,119)
Vehicles (-)	(45,515)	(7,682)	3,657	-	-	(49,540)
Fixtures (-)	(14,856)	(4,153)	-	-	-	(19,009)
Leasehold improvements (-)	(12,723)	(1,328)	-	-	-	(14,051)
	(642,109)	(89,417)	3,657	-	-	(727,869)
Net book value	4,748,644					4,817,331

A significant portion of the additions to tangible fixed assets in 2024 includes the Group's investments in production buildings. In 2024, the cost of borrowing for tangible fixed asset purchases has not been capitalized.

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NOTE 10 - INTANGIBLE ASSETS

	1 January 2025	Additions	Transfers	Foreign currency translation difference	30 June 2025
Cost					
Right	494,220	-	17,349	-	511,569
Development costs	610,698	164,531	279,425	-	1,054,654
Ongoing development costs (*)	4,820,097	-	(296,774)	-	4,523,323
	5,925,015	164,531	-	-	6,089,546
Accumulated amortization					
Rights (-)	(130,784)	(23,759)	-	-	(154,543)
Development costs (-)	(2,713,788)	(192,631)	-	-	(2,906,419)
	(2,844,572)	(216,390)	-	-	(3,060,962)
Net book value	3,080,443				3,028,584

	1 January 2024	Additions	Transfers	Foreign currency translation difference	30 June 2024
Cost					
Rights	442,527	-	24,445	-	466,972
Development costs	4,116,817	-	99,763	-	4,216,580
Ongoing development costs(*)	419,896	86,246	-	-	506,142
	4,979,240	86,246	124,208	-	5,189,694
Accumulated amortization					
Rights (-)	(151,367)	(19,074)	-	-	(170,441)
Development costs (-)	(2,421,138)	(198,188)	-	-	(2,619,326)
	(2,572,505)	(217,262)	-	-	(2,789,767)
Net book value	2,406,735				2,399,927

(*) 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.

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NOTE 11 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Other short term provisions	30 June 2025	31 December 2024
Provisions for warranties (*)	139,997	133,457
Provisions for price differences (**)	111,027	185
Provisions for lawsuits (***)	26,575	21,671
Provisions for sale discounts (****)	12,219	7,352
Other	54,094	10,479
	343,912	173,144

Other long term provisions	30 June 2025	31 December 2024
Provisions for warranties (*)	266,738	191,863
	266,738	191,863

(*) 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.

(**) It consists of the provision set aside for the differences between the possible prices stipulated by the Group for acquisitions and the actual ones.

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

(****) Consists of price difference discounts granted by the Group to dealers

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 2025 and 2024:

30 June 2025	TRY equivalent	TRY	USD	EUR	RON	CHF
A. CPMB's provided in the name of its own legal personality	6,310,517	607,647	2,273	115,898	23,083	3
- Collateral	3,621,270	607,647	2,273	58,198	23,083	3
- Mortgage	2,689,247	-	-	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	6,310,517	607,647	2,273	115,898	23,083	3

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NOTE 11 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

31 December 2024	TRY equivalent	TRY	USD	EUR	RON	PLN
A. CPMB's provided in the name of its own legal personality	6,216,720	707,781	3,126	123,103	10,670	150
- Collateral	3,739,150	707,781	3,126	65,403	10,670	150
- Mortgage	2,447,570	-	-	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	1,761	-	-	41	-	-
- Collateral	1,761	-	-	41	-	-
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	6,218,481	707,781	3,126	123,144	10,670	150

As of 30 June 2025, the ratio of other CPMB's issued by the Group to the Group's equity is 0% (31 December 2024: 0%).

As of 30 June 2025, letters of guarantee in the amount of 607,647 TL (31 December 2024: 707,780 TL), 2,273 USD (31 December 2024: 3,126 USD), 23,083 RON (31 December 2024: 10,670 Romanian Leu), 3 Swiss Francs and 115,898 Euros (31 December 2024: 123,425 Euros with 150 Polish Zlotys) issued to Customs directorates, tax offices and other public institutions. It consists of plots of land in the amount of €57,700 (31 December 2024: €57,700) and mortgages on the Buildings.

NOTE 12 - PROVISIONS FOR EMPLOYMENT BENEFITS

Provisions for employment benefits	30 June 2025	31 December 2024
Provision for employment termination benefits	262,802	240,115
Payables related to employee benefits	135,487	173,551
Provision for unused vacations	82,136	60,264
	480,425	473,930

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NOTE 12 - PROVISIONS FOR EMPLOYMENT BENEFITS (Continued)

	30 June 2025	31 December 2024
Payables related to employee benefits		
Payables to personnel	61,986	101,571
Social security payables	73,501	71,980
	135,487	173,551
Provisions related to short-term employee benefits	30 June 2025	31 December 2024
Provision for unused vacations	82,136	60,264
	82,136	60,264
Provisions related to long-term employee benefits	30 June 2025	31 December 2024
Provision for employment termination benefits	262,802	240,115
	262,802	240,115

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 53,919.68 TRY (31 December 2024: 41,828.42 TRY) as of 30 June 2025. 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 2025	31 December 2024
Inflation rate (%)	%23.75	%23.75
Discount rate (%)	%4.50	%4.50

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 53,919.68 (1 January 2024: TRY 46,655.43), which is valid as of 1 January 2025, as the severance pay ceiling is adjusted every six months.

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NOTE 13 - BORROWINGS

Short-term borrowings	30 June 2025	31 December 2024
Short-term bank borrowings	2,816,534	3,299,322
Short-term portion of long-term borrowings	968,392	797,973
Bond and Sukuk(Islamic bond)	2,388,125	877,251
Factoring borrowings	196,772	202,790
Lease liabilities	54,151	121,756
	6,423,974	5,299,092

Long-term borrowings

Long-term bank borrowings	1,567,109	1,668,165
Lease liabilities	8,373	14,036
	1,575,482	1,682,201

As of 30 June 2025, TRY 44,281 (31 December 2024: TRY 101,015) of the liabilities arising from short-term leasing transactions consists of financial leasing transactions related to vehicle purchases, with an effective average annual interest rate of 51% (31 December 2024: 29%).

Other financial liabilities amounting to TRY 196,772 (31 December 2024: TRY 202,790) as of 30 June 2025 include short-term financial obligations to financial institutions related to factoring and credit insurance transactions. The carried values of these obligations converge to their reasonable values.

As of 30 June 2025 and 31 December 2024, the details of financial borrowings and lease obligations are as follows:

Currency	Weighted average annual effective interest rate (%)	30 June 2025	
		Short-term	Long-term
Bank borrowings(EUR)	%6.19	2,046,312	1,489,422
Bank borrowings (TRY)	%59.58	1,738,614	77,687
Bond and Sukuk (TRY)	%61.57	2,388,124	-
Factoring borrowings (TRY)	%46.37	196,773	-
Lease liabilities (TRY)	%36.65	54,151	8,373
		6,423,974	1,575,482

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NOTE 13 - BORROWINGS (Continued)

Currency	31 December 2024		
	Weighted average annual effective interest rate (%)	Short-term	Long-term
Bank borrowings(EUR)	5.16%	2,736,599	1,629,143
Bank borrowings (TRY)	48.79%	1,360,696	39,022
Bond and Sukuk (TRY)	50.92%	877,251	-
Factoring borrowings (TRY)	58.23%	202,790	-
Lease liabilities (TRY)	36.85%	121,756	14,036
		5,299,092	1,682,201

The repayment schedule of bank borrowings is as follows:

	30 June 2025	31 December 2024
In 1 year	3,784,926	4,097,295
1-2 years	685,489	647,788
2-3 years	380,668	454,887
3-4 years	262,614	246,888
4-5 years	238,338	218,907
5 years and over	-	99,695
	5,352,035	5,765,460

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

	2025
Beginning of the period - 1 January	6,845,501
Cash inflows from borrowings	4,014,404
Cash outflows from borrowings	(3,293,931)
Change in interest accruals	826,833
Change in foreign exchange difference	522,419
Monetary gain/(loss)	(978,294)
End of the period – 30 June	7,936,932

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NOTE 13 - BORROWINGS (Continued)

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

	2025
Beginning of the period - 1 January	135,792
Cash inflows from borrowings	36,647
Cash outflows from borrowings	(108,311)
Interest costs	17,802
Monetary gain/(loss)	(19,406)
End of the period – 30 June	62,524

NOTE 14 - REVENUE AND COST OF SALES

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Domestic sales	2,432,180	1,295,193	3,585,111	1,564,855
Foreign sales	2,728,626	2,238,827	2,255,319	1,676,029
Other income	12,215	7,025	92,348	13,661
Sales refunds (-)	(1,762)	(463)	(35,142)	(10,520)
Sales discounts (-)	(47,500)	(33,571)	(193,095)	(109,951)
Net revenue	5,123,759	3,507,011	5,704,541	3,134,074
Cost of sales	(3,864,897)	(2,460,693)	(4,564,228)	(2,330,400)
Gross profit	1,258,862	1,046,318	1,140,313	803,674
Cost of sales	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Cost of finished goods sold	(2,573,740)	(1,789,238)	(3,236,966)	(1,645,578)
Cost of services sold	(992,352)	(536,557)	(1,058,413)	(481,721)
Cost of trade goods sold	(298,805)	(134,898)	(268,849)	(203,101)
	(3,864,897)	(2,460,693)	(4,564,228)	(2,330,400)

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NOTE 14 - REVENUE AND COST OF SALES (Continued)

The composition of cost of sales is presented below:

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Raw materials and suppliers	(2,627,744)	(1,544,274)	(2,528,461)	(1,322,825)
Cost of services	(975,502)	(534,048)	(1,058,413)	(481,721)
General production expenses	(477,936)	(225,860)	(395,653)	(176,025)
Cost of trade goods sold	(323,612)	(159,705)	(313,849)	(228,101)
Direct labor expenses	(251,918)	(145,576)	(351,288)	(166,908)
Depreciation and amortization	(184,378)	(92,859)	(180,511)	(138,127)
Change in semi-finished goods	650,456	138,327	250,461	147,534
Change in finished goods	323,125	100,690	124,853	139,874
Other	2,612	2,612	(111,367)	(104,101)
	(3,864,897)	(2,460,693)	(4,564,228)	(2,330,400)

**NOTE 15 - RESEARCH DEVELOPMENT, MARKETING, SALES, DISTRIBUTION AND
GENERAL ADMINISTRATIVE EXPENSES**

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Research and development expenses				
Depreciation and amortization expenses	62,124	31,080	52,808	25,841
Outsourcing expenses	6,687	4,050	5,494	2,283
Personnel expenses	2,641	1,221	2,951	1,287
Other	153	118	27	16
	71,605	36,469	61,280	29,427

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**NOTE 15 - RESEARCH DEVELOPMENT, MARKETING, SALES, DISTRIBUTION AND
GENERAL ADMINISTRATIVE EXPENSES (Continued)**

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Marketing expenses				
Personnel expenses	140,480	51,800	144,771	60,922
Warranty expenses	134,303	95,620	35,606	15,341
After-sales services expenses	120,252	86,663	95,900	74,059
Transportation and insurance expenses	35,053	17,899	45,192	23,675
Market research and advertising expenses	23,230	14,770	33,931	20,882
Travel expenses	23,114	12,069	32,297	16,716
Subcontractor expenses	21,827	11,210	28,874	20,444
Advertisement expenses	13,766	5,876	12,830	708
Amortization expenses	10,696	5,351	10,069	4,494
Rent expenses	3,978	247	2,545	1,068
Energy expenses	948	478	1,059	624
License expenses	582	417	701	211
Other	40,718	56,926	58,759	54,922
	568,947	359,326	502,534	294,066
	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
General administrative expenses				
Personnel expenses	186,877	54,154	195,035	86,748
Amortization expenses	48,326	24,177	44,352	18,122
Holding service expenses	45,760	16,131	37,643	13,297
Subcontractor expenses	26,771	11,644	21,418	12,418
Audit and consultancy expenses	20,654	11,117	18,164	8,164
Provisions for lawsuits expenses	7,411	1,965	194	194
Other	8,386	1,620	6,797	3,612
	344,185	120,808	323,603	142,555

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NOTE 16 – OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other income from operating activities for the years ended 30 June 2025 and 2024 are as follows:

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Other income from operating activities				
Foreign exchange income resulting from operations	840,737	373,896	1,851,891	1,327,297
Operating income from financial leases	45,773	5,656	54,411	30,459
Reversals of provisions for doubtful receivables	32,643	32,643	83,937	49,805
Finance expenses arising from trading activities	-	-	4,982	2,501
Other	27,451	15,756	183,254	84,859
	946,604	427,951	2,178,475	1,494,921

The details of other expenses from operating activities for the years ended 30 June 2025 and 2024 are as follows:

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Other expenses from operating activities				
Foreign exchange expenses resulting from operations	(434,470)	(140,706)	(1,631,557)	(1,486,655)
Provision for trade receivables	(36,533)	(36,533)	-	-
Other	(39,542)	(20,968)	(98,494)	(80,393)
	(510,545)	(198,207)	(1,730,051)	(1,567,048)

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NOTE 17 - EXPENSES SORTED BY TYPE

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Expenses sorted by type				
Raw materials and suppliers	2,627,744	1,544,274	2,528,461	1,322,825
Cost of services sold	975,502	534,048	1,058,413	481,721
General production expenses	477,936	225,860	440,653	201,025
Personnel expenses	329,998	107,175	342,757	153,839
Cost of trade goods sold	323,612	159,705	313,849	228,101
Amortization expenses	305,524	153,467	311,609	243,865
Direct labor costs	251,918	145,576	351,288	166,908
Warranty costs	134,303	95,620	164,296	114,031
After-sales services expenses	120,252	86,663	114,900	70,059
Subcontractor expenses	48,598	22,854	60,292	51,862
Transportation and insurance expenses	35,053	17,899	45,192	23,675
Consultancy expenses	27,341	15,167	35,658	27,447
Market research and advertising expenses	23,230	14,770	33,931	20,882
Travel expenses	23,114	12,069	32,297	16,716
Advertisement expenses	13,766	5,876	12,830	708
Rent expenses	3,978	247	2,545	1,068
Change in semi-finished goods	(650,456)	(138,327)	(379,151)	(314,387)
Change in finished goods	(323,125)	(100,690)	(124,853)	(139,874)
Other	101,346	75,043	106,678	125,977
	4,849,634	2,977,296	5,451,645	2,796,448

NOTE 18 – FINANCIAL EXPENSES

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Financial activities				
Foreign currency expenses related to financing activities	(733,225)	(387,622)	(281,848)	(25,501)
Borrowing expenses	(545,543)	(247,735)	(620,635)	(312,663)
Bond expenses	(287,056)	(183,753)	(155,810)	(107,752)
Factoring expenses	(48,644)	(27,446)	(64,528)	(10,390)
Interest expenses on lease liabilities	(20,582)	(8,869)	(829)	(126)
Other	(38,495)	(14,428)	(53,457)	(28,031)
	(1,673,545)	(869,853)	(1,177,107)	(484,463)

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DİPNOT 19 - DISCLOSURES ON NET MONETARY GAIN/(LOSS)

Non-monetary items	30 June 2025
Statement of financial position	154,504
Other receivables due from third parties	133
Prepaid expenses	5,391
Inventories	89,461
Investments in associates accounted for using equity method	8,645
Tangible and intangible assets	1,000,044
Right of use assets	8,567
Deferred income	(38,068)
Capital adjustment differences	(1,787,033)
Share premiums	(23,933)
Accumulated other comprehensive income not to be reclassified to profit or loss	(156,363)
Accumulated other comprehensive income to be reclassified to profit or loss	(1,154)
Restricted reserves	(4,225)
Retained earnings	1,053,039
	1 January - 30 June 2025
Profit or loss statement items	427,968
Revenue	(181,942)
Cost of sales (-)	421,812
Research and development expenses (-)	40,097
Marketing expenses (-)	29,676
General administrative expenses (-)	52,445
Other income from operating activities	(35,791)
Other expenses from operating activities (-)	10,440
Income from investing activities	(2,252)
Financial expenses (-)	93,483
Net monetary gain/(loss)	582,472

NOTE 20 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

The income tax liabilities and current tax assets for the periods ended 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025	31 December 2024
Current income tax asset/(liability):		
Current corporate income tax provision	294	18,175
Less: Prepaid taxes and funds	(9,167)	(17,646)
Current income tax liability/(asset) – net	(8,873)	529

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NOTE 20 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

The components of tax expense are as follows:

	30 June 2025	31 December 2024
Current year tax expense	-	-
Deferred tax income/(expense)	36,273	(163,463)
Total tax income/(expense)	36,273	(163,463)

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 2025 is 25% (2024: 25%).

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.

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NOTE 20 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Pursuant to the amendment to the 2017/9917 Decision published in the Official Gazette on 22 February 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 2025.

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NOTE 20 - 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 2025 and 31 December 2024, 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 (2024: 25%).

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.

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NOTE 20 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

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 2025, 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.

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NOTE 20 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Deferred tax assets/(liabilities)	Total temporary differences		Deferred tax assets/(liabilities)	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
Investment incentives	616,616	563,575	616,616	563,575
Adjustments related to provisions	(548,853)	(300,379)	137,129	75,094
Provision for warranty expenses	(406,735)	(325,320)	101,684	81,330
Adjustments for tangible and intangible assets	2,540,985	2,025,673	(538,979)	(339,554)
Derivative instruments	317,330	207,943	(79,332)	(51,986)
Adjustments related to finance lease receivables	70,374	445,710	(17,593)	(111,427)
Other	170,460	329,312	(42,615)	(82,328)
Net deferred tax assets / (liabilities)			176,910	134,704

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NOTE 20 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

The movement of deferred tax assets / (liabilities) during the years ended 31 December 2025 and 2024 is presented below:

	2025	2024
Beginning of the period - 1 January	134,704	420,665
Recognized in the statement of profit or losses	36,273	(163,463)
Recognized in the statement of other comprehensive income	10,668	7,958
Monetary gain/(loss)	(4,735)	-
End of the period - 30 June	176,910	265,160

NOTE 21 – 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 2025 and 31 December 2024 are as follows:

	1 January – 30 June 2025	1 April – 30 June 2025	1 January – 30 June 2024	1 April – 30 June 2024
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)	(300,242)	4,515	(378,393)	(385,243)
Earnings/(Loss) per Share (per 100 shares)	(0,334)	0,005	(0,420)	(0,428)

NOTE 22 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

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 19, 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.

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NOTE 22 – 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 2025 and 31 December 2024, 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 2025	31 December 2024
Total liabilities	7,999,456	6,981,293
Less: Cash and cash equivalents	(627,448)	(1,374,630)
Net liability	7,372,008	5,606,663
Equity	6,073,473	6,405,717
Total Equity	13,445,481	12,012,380
Net liability/total equity (%)	%121	%88

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.

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NOTE 22 – 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 2025						
Maximum net credit risk as of the reporting date (A+B+C+D+E) (*)	545,422	4,742,812	-	554,698	476,657	197,205
- The portion of maximum risk guaranteed by collateral (**)	-	572,387	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	545,422	3,373,088	-	554,698	476,657	197,205
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	-	1,369,724	-	-	-	-
- Amount guaranteed by collateral	-	10,069	-	-	-	-
D. Impaired asset net book value	-	-	-	-	-	-
- Past due (gross amount)	-	52,268	-	-	-	-
- Impairment (-)	-	(52,268)	-	-	-	-
- Net value collateralized or guaranteed	-	-	-	-	-	-
E. Expected credit losses (-)	-	(11,392)	-	-	-	-

(*) 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.

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NOTE 23 - 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		
31 December 2024						
Maximum net credit risk as of the reporting date (A+B+C+D+E) (*)	221,281	5,195,582	-	486,391	1,256,779	207,943
- The portion of maximum risk guaranteed by collateral (**)	-	366,816	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	221,281	3,894,643	-	486,391	1,256,779	207,943
B. Book value of financial assets whose conditions have either been re-evaluated or which have been accepted as overdue or impaired	-	83,259	-	-	-	-
C. Net book value of assets that are past due but not impaired	-	1,232,620	-	-	-	-
- Amount guaranteed by collateral	-	7,555	-	-	-	-
D. Impaired asset net book value	-	-	-	-	-	-
- Past due (gross amount)	-	70,167	-	-	-	-
- Impairment (-)	-	(70,167)	-	-	-	-
- Net value collateralized or guaranteed	-	-	-	-	-	-
E. Expected credit losses (-)	-	(14,941)	-	-	-	-

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NOTE 22 - 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 2025 and 31 December 2024, the Group's undiscounted contractual cash outflows are as follows:

30 June 2025	Book value	Contractual Cash Flows	Less than 3 months	3-12 months	1-5 years	5 years and over
Bank borrowings	5,352,035	5,634,739	2,334,847	1,439,562	1,860,330	-
Trade payables	2,611,854	2,611,854	2,611,854	-	-	-
Borrowings related to bond issuance	2,388,125	2,784,483	506,578	2,277,905	-	-
Lease liabilities	62,524	68,327	13,086	39,258	15,983	-
Factoring borrowings	196,772	196,772	196,772	-	-	-
Other borrowings	15,552	15,552	15,552	-	-	-
Total borrowings	10,626,862	11,311,727	5,678,689	3,756,725	1,876,313	-
31 December 2024	Book value	Contractual Cash Flows	Less than 3 months	3-12 months	1-5 years	5 years and over
Bank borrowings	5,765,460	6,321,223	2,246,152	2,076,393	1,857,958	140,720
Trade payables	2,610,477	2,647,077	2,443,771	203,306	-	-
Borrowings related to bond issuance	877,251	1,162,805	103,100	1,059,705	-	-
Lease liabilities	135,792	143,720	32,669	111,051	-	-
Factoring borrowings	202,790	202,790	202,790	-	-	-
Other borrowings	75,840	75,840	75,840	-	-	-
Total borrowings	9,667,610	10,553,455	5,104,322	3,450,455	1,857,958	140,720

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NOTE 22 - 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:

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NOTE 22 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

		30 June 2025								
	TRY Equivalent (Functional Currency)	USD	EUR	RON	CAD	CNY	GBP	SEK	CHF	CNY
1. Trade receivables	4,642,126	12,996	73,249	75,731	855	-	-	-	-	-
2a. Monetary financial assets	137,519	-	2,326	3,173	-	-	-	-	3	-
2b. Non-Monetary financial assets	-	-	-	-	-	-	-	-	-	-
3. Other	873,172	2,596	15,887	1,947	-	-	4	-	-	-
4. Current assets (1+2+3)	5,652,817	15,592	91,462	80,851	855	-	4	-	3	-
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)	5,652,817	15,592	91,462	80,851	855	-	4	-	3	-
10. Trade payables	898,456	1,843	17,671	1,412	718	5,732	25	-	4	92
11. Financial liabilities	1,559,956	-	33,410	-	-	-	-	101	-	-
12a. Monetary other financial liabilities	-	-	-	-	-	-	2	-	-	-
12b. Non-monetary other financial liabilities	-	-	-	-	-	-	-	-	-	-
13. Short-term liabilities (10+11+12)	2,458,412	1,843	51,081	1,412	718	5,732	25	101	4	92
14. Trade payables	-	-	-	-	-	-	-	-	-	-
15. Financial liabilities	1,749,430	-	37,468	-	-	-	-	-	-	-
16a. Monetary other financial liabilities	-	-	-	-	-	-	-	-	-	-
16b. Non-monetary other financial liabilities	-	-	-	-	-	-	-	-	-	-
17. Long-term liabilities (14+15+16)	1,749,430	-	37,468	-	-	-	-	-	-	-
18. Total liabilities (13+17)	4,207,842	1,843	88,549	1,412	718	5,732	25	101	4	92
19. Net Asset/(Liability) Position of Derivative Instruments Off the Statement of Financial Position (19a+19b)	-	-	-	-	-	-	-	-	-	-
19.a Amount of Asset-Linked Off-Balance Sheet Foreign Currency Derivative Instruments	-	-	-	-	-	-	-	-	-	-
19.b. Amount of Liability-Linked Off-Balance Sheet Foreign Currency Derivative Instruments	-	-	-	-	-	-	-	-	-	-
20. Net Foreign Currency Asset/(Liability) Position (9-18+19)	1,444,975	13,749	2,913	79,439	137	(5,732)	(21)	(101)	(1)	(92)
21. Net Foreign Currency Asset/(Liability) Position of Monetary Items (IFRS7.B23) (1+2a+5+6a-10-11-12a-14-15-16a)	571,802	11,153	(12,974)	77,492	137	(5,732)	(27)	(101)	(1)	(92)
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	260,313	-	5,585	-	-	-	-	-	-	-
25. Total export amount	2,728,262	5	44,559	69,831	480	-	-	-	-	-
26. Total import amount	1,664,450	3,366	25,238	-	-	54,214	31	-	-	18

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NOTE 22 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

31 December 2024									
	TRY Equivalent (Functional Currency)	USD	EUR	RON	CAD	CNY	GBP	NOK	SEK
1. Trade receivables	3,658,361	13,622	71,563	9,383	291	3,927	-	-	-
2a. Monetary financial assets	729,770	184	16,801	150	-	-	15	-	-
2b. Non-Monetary financial assets	-	-	-	-	-	-	-	-	-
3. Other	332,601	1,337	5,661	2,297	1	2,462	18	-	89
4. Current assets (1+2+3)	4,720,732	15,143	94,025	11,830	292	6,389	33	-	89
5. Trade receivables	0	-	-	-	-	-	-	-	-
6a. Monetary financial assets	0	-	-	-	-	-	-	-	-
6b. Non-Monetary financial assets	0	-	-	-	-	-	-	-	-
7. Other	137,164	-	3,200	-	-	-	-	-	-
8. Non-current assets(5+6+7)	137,164	-	3,200	-	-	-	-	-	-
9. Total assets (4+8)	4,857,896	15,143	97,225	11,830	292	6,389	33	-	89
10. Trade payables	1,031,843	-	23,639	474	435	-	33	27	89
11. Financial liabilities	2,731,676	-	63,733	-	-	-	-	-	-
12a. Monetary other financial liabilities	500,810	4	9,622	281	3,000	-	-	-	-
12b. Non-monetary other financial liabilities	0	-	-	-	-	-	-	-	-
13. Short-term liabilities (10+11+12)	4,264,329	4	96,994	755	3,435	-	33	27	89
14. Trade payables	0	-	-	-	-	-	-	-	-
15. Financial liabilities	1,626,213	-	37,941	-	-	-	-	-	-
16a. Monetary other financial liabilities	0	-	-	-	-	-	-	-	-
16b. Non-monetary other financial liabilities	0	-	-	-	-	-	-	-	-
17. Long-term liabilities (14+15+16)	1,626,213	-	37,941	-	-	-	-	-	-
18. Total liabilities (13+17)	5,890,542	4	134,935	755	3,435	-	33	27	89
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)	(1,032,646)	15,139	(37,710)	11,075	(3,143)	6,389	-	(27)	-
21. Net Foreign Currency Asset/(Liability) Position of Monetary Items (IFRS7.B23) (1+2a+5+6a-10-11-12a-14-15-16a)	(1,502,411)	13,802	(46,571)	8,778	(3,143)	3,927	(18)	(27)	(89)
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	-	-	-	-	-	-	-	-	-
23. Amount of Hedged Portion of Foreign Currency Assets	129,526	-	3,022	-	-	-	-	-	-
24. Amount of Hedged Portion of Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-
25. Total export amount	6,529,029	9,595	140,876	9,383	543	-	-	-	-
26. Total import amount	2,582,569	7,803	48,261	-	-	33,242	79	-	52

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

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD BETWEEN 1 JANUARY - 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

NOTE 22 - 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 2025			
	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	55,363	(55,363)	55,363	(55,363)
2- USD risk hedged portion (-)	-	-	-	-
3- USD net effect (1 +2)	55,363	(55,363)	55,363	(55,363)
If the EUR appreciates against TRY by 10%				
4 - EUR net asset / liability	13,577	(13,577)	13,577	(13,577)
5 - EUR risk hedged portion (-)	-	-	-	-
6- EUR net effect (4+5)	13,577	(13,577)	13,577	(13,577)
If the RON appreciates against TRY by 10%				
7- RON net asset / liability	72,506	(72,506)	72,506	(72,506)
8- RON risk hedged portion (-)	-	-	-	-
9- RON net effect (7+8)	72,506	(72,506)	72,506	(72,506)
If the CAD appreciates against TRY by 10%				
10- CAD net asset / liability	398	(398)	398	(398)
11- CAD risk hedged portion (-)	-	-	-	-
12- CAD net effect (10+11)	398	(398)	398	(398)
If the CNY appreciates against TRY by 10%				
13- CNY net asset / liability	(3,162)	3,162	(3,162)	3,162
14- CNY risk hedged portion (-)	-	-	-	-
15- CNY net effect (13+14)	(3,162)	3,162	(3,162)	3,162
If the GBP appreciates against TRY by 10%				
16- GBP net asset / liability	(114)	114	(114)	114
17- GBP risk hedged portion (-)	-	-	-	-
18- GBP net effect (16+17)	(114)	114	(114)	114
If the SEK appreciates against TRY by 10%				
19- SEK net asset / liability	(42)	42	(42)	42
20- SEK risk hedged portion (-)	-	-	-	-
21- SEK net effect (19+20)	(42)	42	(42)	42
If the other currencies appreciates against TRY by 10%				
22- Other net asset / liability	(5)	5	(5)	5
23- Other risk hedged portion (-)	-	-	-	-
24- Other net effect (22+23)	(5)	5	(5)	5
TOTAL (3 + 6 + 9 + 12 + 15 + 18 + 21 + 24)	138,521	(138,521)	138,521	(138,521)

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(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

NOTE 22 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

	31 December 2024			
	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	62,317	(62,317)	62,317	(62,317)
2- USD risk hedged portion (-)	-	-	-	-
3- USD net effect (1 +2)	62,317	(62,317)	62,317	(62,317)
If the EUR appreciates against TRY by 10%				
4 - EUR net asset / liability	(161,631)	161,631	(161,631)	161,631
5 - EUR risk hedged portion (-)	-	-	-	-
6- EUR net effect (4+5)	(161,631)	161,631	(161,631)	161,631
If the RON appreciates against TRY by 10%				
7- RON net asset / liability	9,488	(9,488)	9,488	(9,488)
8- RON risk hedged portion (-)	-	-	-	-
9- RON net effect (7+8)	9,488	(9,488)	9,488	(9,488)
If the CAD appreciates against TRY by 10%				
10- CAD net asset / liability	(8,994)	8,994	(8,994)	8,994
11- CAD risk hedged portion (-)	-	-	-	-
12- CAD net effect (10+11)	(8,994)	8,994	(8,994)	8,994
If the CNY appreciates against TRY by 10%				
13- CNY net asset / liability	3,583	(3,583)	3,583	(3,583)
14- CNY risk hedged portion (-)	-	-	-	-
15- CNY net effect (13+14)	3,583	(3,583)	3,583	(3,583)
If the NOK appreciates against TRY by 10%				
16- NOK net asset / liability	(139)	139	(139)	139
17- NOK risk hedged portion (-)	-	-	-	-
18- NOK net effect (16+17)	(139)	139	(139)	139
If the SEK appreciates against TRY by 10%				
16- SEK net asset / liability	20	(20)	20	(20)
17- SEK risk hedged portion (-)	-	-	-	-
21- SEK net effect (16+17)	20	(20)	20	(20)
If the other currencies appreciates against TRY by 10%				
16- Other net asset / liability	8	(8)	8	(8)
17- Other risk hedged portion (-)	-	-	-	-
23- Other net effect (16+17)	8	(8)	8	(8)
TOTAL (3 + 6 + 9 + 12 + 15 + 18)	(95,348)	95,348	(95,348)	95,348

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

NOTES FOR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD BETWEEN 1 JANUARY - 30 JUNE 2025

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of TRY as of 30 June 2025, unless otherwise stated.)

NOTE 23 – EVENTS AFTER THE REPORTING PERIOD

On 10 July 2025, the Group announced on the Public Disclosure Platform (PDP) the completion of the sale of the Group's TRDKTLM12619 Domestic Lease Certificate Issuance. On 25 July 2025, the Group published on PDP the Capital Markets Board (CMB) approval of the domestic debt instrument issuance document. On 4 August 2025, the Group announced on PDP the completion of the commercial paper issuance.

On 28 July 2025, the Group published on PDP the CMB approval regarding the amendment of the Articles of Association for the purpose of increasing the registered capital ceiling and extending its validity period.

On 12 August 2025, the Group announced on PDP the results of the 2024 Ordinary General Assembly meeting, including the approval of the independent audit firm by the General Assembly, the determination of the Board of Directors' allocation and committee memberships, the General Assembly decision not to distribute 2024 profit, and the Company's general information form.

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