

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş.

1 JANUARY - 31 MARCH 2025

INTERIM REPORT

(TRANSLATION OF INTERIM REPORT ORIGINALLY ISSUED IN TURKISH)



OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş.
01.01.2024 - 31.03.2025 INTERIM PERIOD

INTERIM REPORT

The consolidated financial statements of our company, containing the first three months of 2025 activities and the results thereof, prepared in incompliance with Turkish Financial Reporting Standards (TFRS) and formats determined by the Capital Markets Board (CMB) in accordance with the CMB's "Communiqué on Principles of Financial Reporting in Capital Markets" ("Communiqué") II.14.1, and pursuant to the resolution dated 28.12.2023 on the implementation of inflation accounting, are presented to our shareholders and the public.

The members of the Board of Directors appointed at the Ordinary General Assembly Meeting on 24.03.2025 and served the Board during the reporting period are shown below.

BOARD OF DIRECTORS :

<u>Name & Last name</u>	<u>Title</u>
Yıldırım Ali KOÇ	Chairman
Selin Ayla ÜNVER	Vice Chairman
Levent ÇAKIROĞLU	Member
Haydar YENİGÜN	Member
İbrahim Aykut ÖZÜNER	Member
Ahmet Serdar GÖRGÜÇ	Member
Ali İhsan İLKBAHAR	Independent Member
Fatma Füsun AKKAL BOZOK	Independent Member
Kamil Ömer BOZER	Independent Member

Our Board of Directors started to serve on March 24, 2025 and will be serving until the Ordinary General Assembly Meeting in order to audit 2025 accounts.

Provisions on the Members of the Board of Directors are outlined in Articles 11, 12 and 13 of the Company's Articles of Association and the Turkish Commercial Code provisions.

Following are the committees established under the provisions of the Corporate Governance Communiqué of the Capital Markets Board of Turkey and the information on the board members involved in these committees:

Committee	Chairman	Member
Audit Committee	Kamil Ömer BOZER	Fatma Füsun AKKAL BOZOK
Risk Management Committee	Fatma Füsun AKKAL BOZOK	Haydar YENİGÜN
Corporate Governance Committee	Ali İhsan İLKBAHAR	Levent ÇAKIROĞLU Başak TEKİN ÖZDEN

Working principles of the committees are available on the Company's website.

Partnership and Capital Structure

As of March 31, 2025, our Company's registered capital ceiling is TL 100 million, and the issued capital is TL 120 million. The amount related to the registered capital ceiling included in Article 7 titled "Capital" of the Company's Articles of Association will increase to 3 billion TL after the completion of the registration procedures.

Following is a list showing shareholders with more than 10% of the Company capital, their shares, and their ratio in our capital:

<u>Shareholder Title</u>	<u>Share Amount (TL)</u>	<u>Share %</u>
Koç Holding A.Ş.(*)	56.850.123	47,38
Ünver Holding A.Ş.	29.774.719	24,81
<u>Other(*)</u>	<u>33.375.158</u>	<u>27,81</u>
Total	120.000.000	100,00

The parent company Koç Holding A.Ş. is controlled by Koç Family and the companies owned by Koç Family. Shareholder, Ünver Holding A.Ş., is controlled by Ünver Family. The balance representing 27.81% of our capital consists of shares with a nominal value of TL 33.375.158, other shareholders and publicly held shares.

Information related to subsidiaries and participations of the Company subject to consolidation is as follows:

Subsidiaries	Country	Nature of operation	Area of activity
Otokar Europe SAS	France	Sales and Marketing	Automotive
Otokar Land Systems Limited	United Arab Emirates	Sales and Marketing	Automotive and Defense Industry
Otokar Europe Filiala Bucuresti S.R.L.	Romania	Sales and Marketing	Automotive
Otokar Central Asia Limited	Kazakhstan	Sales and Marketing	Automotive and Defense Industry
Otokar Italia S.R.L.	Italy	Sales and Marketing	Automotive
Otokar Land Systems SRL	Romania	Production Sales and Marketing	Automotive and Defense Industry
Participation	Country	Nature of operation	Area of activity
Al Jasoor Heavy Vehicle Industry LLC	United Arab Emirates	Sales and Marketing	Automotive and Defense Industry

A Joint Venture Agreement dated April 25, 2025 was signed between our subsidiary Otokar Land Systems SRL (Otokar SRL) established in Romania and Automecanica SA (Automecanica), which is also established in Romania and operates in the defense industry. According to the Partnership Agreement, the establishment of a JV in which Otokar SRL will have 50% and Automecanica will have 50% shares and will be subject to the principle of joint management was foreseen in the statement dated April 25, 2025.

Dividends Distributed in the Last Three Years and their Ratios:

Otokar distributed cash dividends through its issued capital based on the following ratios:

<u>Period</u>	<u>%</u>
2022	-
2023	600.00
2024	-

Our shareholders can access the Company's corporate and financial data under the section "Investor Relations" on the website www.otokar.com

AUTOMOTIVE INDUSTRY AND OTOKAR

Otokar manufactures minibuses, midibuses and buses in the field of public transportation, light trucks for the transport and logistics sector, wheeled armored and tracked armored vehicles for the defense industry. Otokar, a global company with 100% Turkish capital, is present in the automotive and defense industries with its products whose intellectual property rights belong to itself.

MARKET – SALES - PRODUCTION

It is possible to summarize the industry-specific developments in the first three months of 2025 in line with the OSD (Automotive Manufacturers Association) data as follows:

- Total vehicle production recorded year on year decrease by 9% to 344.120 units in January-March 2025 period, while the automobile production decrease by 7% to 220.927 units.

The transportation vehicle market decrease by 7% with 285.818 units, while automobile market decrease by 4% with 223.793 units compared to first three months of 2024.

In the first three months of 2025, vehicle segment-based production showed the following developments year on year;

- Light Commercial Vehicles Segment;
 - 122% increase in minibus
 - 19% decrease in midi-bus
 - 21% decrease in pickup
- Heavy Commercial Vehicles Segment;
 - 17% decrease in bus
 - 39% decrease in truck
- The imported light commercial vehicle sales recorded 1% year-on-year decrease in the first three months of 2025, while the domestic light commercial vehicle sales decrease by 45%.
- The light commercial vehicle (minibus + pickup) imports had 78% market share in this period.

PRODUCTION AND SALES

Our Company's production and sales figures by product type are presented below in comparison to the figures of the previous year. Sales of Tunland brand Pick-Up type vehicles started in October. These vehicles are not produced by our company, they are imported and sold.

	<u>2025 3M</u>		<u>2024 3M</u>		<u>Change (Units)</u>		<u>Change %</u>	
	<u>Production</u>	<u>Sales</u>	<u>Production</u>	<u>Sales</u>	<u>Production</u>	<u>Sales</u>	<u>Production</u>	<u>Sales</u>
Microbus	18	15	2	16	16	1	800	(6)
Small Bus	476	532	570	442	(94)	90	(16)	20
Bus	346	349	457	319	(111)	30	(24)	9
Armored Vehicles	34	25	-	1	34	24	-	2.400
Truck	244	258	221	214	23	44	10	21
Pick-Up	-	452	-	-	-	452	-	-
TOTAL	1.118	1.631	1.250	992	(132)	639	(11)	64

According to our consolidated financial statements prepared in line with the relevant legislation,

Our Company's first three months of 2025 revenue increase by 18% compared to same period of last year.

The distribution of our revenues in terms of domestic and international sales, and in comparison to the previous year, is as follows:

	<u>2025</u>	<u>2024</u>	
	<u>(January-March)</u>	<u>(January-March)</u>	<u>Change %</u>
	<u>(Thousand TL)</u>	<u>(Thousand TL)</u>	
Domestic Sales	3.740.052	3.097.453	21
Export Sales	4.219.602	3.663.994	15
TOTAL	7.959.654	6.761.447	18

Our export total sales amounted to USD 111.731 thousand in the first three months of 2025 (USD 83.865 thousand in the first three months of 2024) accounting for 53% of the total turnover. (2024 3M: 54%)

In the first three months of 2025, our capacity utilization was 43%. (2024 3M: 52%)

Otokar owes its growth to the products of its own design and intellectual property rights, developed through engineering and research development capabilities. Defining its strategies as growing in the defense industry, increasing the share of exports in its turnover expanding on the backdrop of new models, Otokar carries on activities to reach these targets.

INVESTMENTS

The "Otokar R&D Center" investments that started several years ago following a major decision to accelerate research and development with the aim of attaining the rapid growth targeted in vehicles with owned intellectual property rights continued in 2025.

Our company made an investment of approximately USD 20 million with capitalizing the R&D expenditures as of the end of March 2025.

ADMINISTRATIVE ACTIVITIES

The names and positions of the Senior Executives of our Company in 2025 are listed below:

<u>Name & Last name</u>	<u>Title</u>
İbrahim Aykut ÖZÜNER	General Manager
Başak TEKİN ÖZDEN	Assistant General Manager- Finance
Uğur Sedef VEHBİ	Assistant General Manager- Military Vehicles
Mustafa Kerem ERMAN	Assistant General Manager- Commercial Vehicles
Onur VURAL	Assistant General Manager- Operations

The number of end-of-period and average personnel employed within the Group is as follows:

	31.03.2025		31.12.2024	
	End of the period	Average	End of the period	Average
Office Employee	936	937	900	974
Permanent Field Employee	2.784	2.788	2.809	2.754
Total	3.720	3.725	3.709	3.728
Temporary Field Employee	189	155	63	434
Total	3.909	3.880	3.772	4.162

No disputes and workers' movements were observed during the period.

Our Company is subject to the Collective Labor Agreement signed between the Turkish Metal Workers Union and MESS (Turkish Employers' Association of Metal Industries) on January 17, 2024, and which came into force as of September 1, 2023.

Our Company has agreed to comply with the Principles of Corporate Governance issued by the Capital Markets Board, and to undertake the necessary amendments in line with changing conditions. Otokar has been rated by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. in accordance with CMB's (Capital Markets Board) Communiqué on "The Principles Regarding Rating Activity in Capital Markets and Rating Agencies", and pertaining to rating the compliance of corporations listed on the BIST, with the Principles of Corporate Governance. The "Corporate Governance Rating Report" can be found at www.otokar.com.tr/en

Our Company's Corporate Governance Rating rose from 95.99 (9.60) in 2024 to 96.93 (9.69) in 2025.

Otokar has been listed in the BIST Sustainability Index, which includes companies with the highest corporate sustainability performance since 2014, with their work in the field of sustainability. Otokar shares with its stakeholders the information, performance results and related targets of the activities it carries out in the fields of environmental, social and corporate governance through its Sustainability Index.

2023 Otokar Sustainability Report is available on the corporate website <https://www.otokar.com.tr/en>

FINANCIAL RESULTS

The company presents to the public its 2025 first three months consolidated financial statements, prepared in in compliance with Turkish Financial Reporting Standards (TFRS) and formats determined by the Capital Markets Board (CMB) in accordance with the CMB's "Communiqué on Principles of Financial Reporting in Capital Markets" ("Communiqué") II.14.1, and pursuant to the resolution dated 28.12.2023 on the implementation of inflation accounting.

The financial tables, notes, and ratios showing the results of our activities in the first three months of 2025 are also presented for your information.

The consolidated revenues of our company as of March 31, 2025 totaled TL 7.959.654 thousand while gross profit totaled TL 1.164.777 thousand.

Pursuant to CMB regulations and according to the consolidated financial statements prepared in accordance with the Turkish Financial Reporting Standards and the resolution dated 28.12.2023 on the implementation of inflation accounting, the company has posted a loss of TL 738.254 thousand before tax, and a net period loss of TL 463.335 thousand in the first three months of 2025.

FINANCIAL RATIOS

As of March 31, 2025 our Company presents to the public consolidated condensed financial statements on our company website (www.otokar.com.tr/en) and KAP (Public Disclosure Platform). Our Company's financial and profitability ratios are presented below in comparison to the figures of the previous year:

	31.03.2025	31.12.2024
Liquidity Ratios		
1- Current Ratio (Current Assets / Short Term Liabilities)	1,02	1,30
2- Liquidity Ratio ((Current Assets-Inventories) / (Short Term Liabilities))	0,48	0,71
Financial Leverage Ratios		
1- Total Debt to Total Assets Ratio ((Short Term Liabilities+Long Term Liabilities / Total Assets))	0,83	0,82
2- Equity / Total Debt Equity (Equity / (Short Term Liabilities+Long Term Liabilities))	0,20	0,23
Profitability Ratios		
1- Return on Assets (Pre-Tax Profit / Total Assests)	(0,01)	(0,07)
2- Return on Equity (Net Profit / Equity)	(0,06)	(0,38)

İstanbul, 28 April 2024