

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş.

1 JANUARY - 30 JUNE 2025

INTERIM REPORT

(TRANSLATION OF INTERIM REPORT ORIGINALLY ISSUED IN TURKISH)



OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş.
01.01.2024 - 30.06.2025 INTERIM PERIOD

INTERIM REPORT

The consolidated financial statements of our company, containing the first six 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 Chairperson
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 3 billion, and the issued capital is TL 120 million.

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
Sisteme de Aparare Romania (SAROM) SRL	Romania	Production Sales and Marketing	Automotive and Defense Industry

JV Agreement was signed between our subsidiary based in Romania, Otokar Land Systems SRL (Otokar SRL), and Automecanica SA (Automecanica), also based in Romania and operating in the defense industry. The JV agreed to establish a joint venture company (JV) under a joint management principle, with Otokar SRL holding 50% and Automecanica holding 50%. Details of the partnership were shared with the public through the Company General Information Form dated June 4, 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. In addition, it started selling Tunland brand Pick-Up type vehicles in the last quarter of 2024. 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 six months of 2025 in line with the OSD (Automotive Manufacturers Association) data as follows:

- Total vehicle production recorded year on year parallel to 706.422 units in January-June 2025 period, while the automobile production decrease by 5% to 439.101 units.

The transportation vehicle market increase by 5% with 629.056 units, while automobile market increase by 5% with 488.003 units compared to first six months of 2024.

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

- Light Commercial Vehicles Segment;
 - 117% increase in minibus
 - 14% decrease in midi-bus
 - 2% decrease in pickup
- Heavy Commercial Vehicles Segment;
 - 2% increase in bus
 - 17% decrease in truck
- The imported light commercial vehicle sales recorded 23% year-on-year increase in the first six months of 2025, while the domestic light commercial vehicle sales decrease by 36%.

- The light commercial vehicle (minibus + pickup) imports had 80% 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 6M</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	86	66	60	28	26	38	43	136
Small Bus	949	893	1.065	915	(116)	(22)	(11)	(2)
Bus	836	813	867	797	(31)	16	(4)	2
Armored Vehicle	130	105	82	72	48	33	59	46
Truck	696	648	576	435	120	213	21	49
Pick-Up	-	905	-	-	-	905	-	-
TOTAL	2.697	3.430	2.650	2.247	47	1.183	2	53

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

Our Company's first six months of 2025 revenue increase by 13% 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-June)</u>	<u>(January-June)</u>	<u>Change %</u>
	<u>(Thousand TL)</u>	<u>(Thousand TL)</u>	
Domestic Sales	7.833.734	6.067.863	29
Export Sales	12.004.517	11.449.531	5
TOTAL	19.838.251	17.517.394	13

Our export total sales amounted to USD 302.056 thousand in the first six months of 2025 (USD 288.094 thousand in the first six months of 2024) accounting for 61% of the total turnover. (2024 6M: 65%)

In the first six months of 2025, our capacity utilization was 52%. (2024 6M: 51%)

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 through international operations in the defense and commercial industries increasing the share of exports in its turnover expanding on the backdrop of new models, Otokar carries on activities to reach these targets.

INVESTMENTS

Our company continues its R&D investments in 2025 with the aim of achieving the targeted rapid growth with vehicles whose intellectual property rights belong to Otokar, and to be a pioneer in the field of research and development activities.

Our company made an investment of approximately USD 34 million with capitalizing the R&D expenditures as of the end of June 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:

	30.06.2025		31.12.2024	
	End of the period	Average	End of the period	Average
Office Employee	930	936	900	974
Permanent Field Employee	2.791	2.791	2.809	2.754
Total	3.721	3.727	3.709	3.728
Temporary Field Employee	218	183	63	434
Total	3.939	3.909	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
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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.

2024 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 six 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 six months of 2025 are also presented for your information.

The consolidated revenues of our company as of June 30, 2025 totaled TL 19.838.251 thousand while gross profit totaled TL 4.389.789 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 321.466 thousand before tax, and a net period loss of TL 79.138 thousand in the first six months of 2025.

FINANCIAL RATIOS

As of June 30, 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:

	30.06.2025	31.12.2024
Liquidity Ratios		
1- Current Ratio (Current Assets / Short Term Liabilities)	1,05	1,37
2- Liquidity Ratio ((Current Assets-Inventories) / (Short Term Liabilities))	0,47	0,74
Financial Leverage Ratios		
1- Total Debt to Total Assets Ratio ((Short Term Liabilities+Long Term Liabilities / Total Assets))	0,83	0,79
2- Equity / Total Debt Equity (Equity / (Short Term Liabilities+Long Term Liabilities))	0,20	0,26
Profitability Ratios		
1- Return on Assets (Pre-Tax Profit / Total Assests)	(0,01)	(0,07)
2- Return on Equity (Net Profit / Equity)	(0,01)	(0,38)

İstanbul, 29 July 2025