



Otokar



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CHAIRMAN'S MESSAGE



'As Türkiye's leading exporter of land vehicles in the defense industry, Otokar began Cobra II deliveries to the Romanian Armed Forces. The company also signed a commercial vehicle production agreement with Daimler Buses.'

Esteemed Shareholders, Business Partners, and Employees,

The year 2025 will be remembered as a period shaped by uncertainties in economic dynamics worldwide. Despite ongoing efforts to restore supply chains, the global economy struggled to achieve stable growth amid persistent inflation, varying interest rate policies imposed by different central banks, and the effects of regional geopolitical tensions. In this environment, Otokar maintained its customer-focused approach while preserving sound financial discipline and a long-term strategic perspective. Leveraging our strong design capabilities and flexible production structure, we responded effectively to rapidly changing market demands with innovative solutions. Our balanced business portfolio across the commercial vehicle and defense industries once again proved to be a key advantage against market volatility and a solid foundation for sustainable growth.

In the medium and long term, global security policies and related investments will remain among the most decisive factors shaping world economies. According to data from the Stockholm International Peace Research Institute (SIPRI), global military spending reached USD 2.7 trillion in 2024, accounting for approximately 2.5% of global gross domestic product. Europe was the primary driver of this increase, with military spending rising by 19% to USD 693 billion. This upward trend continued in 2025. Last year, NATO member countries agreed to raise defense spending targets to 5% of gross domestic product. In parallel, the European Union launched the SAFE program, a EUR 150 billion financing mechanism aimed at strengthening Europe's common defense capabilities by 2030. Through joint procurement projects, the program seeks to enhance Europe's strategic autonomy, deepen integration among member-state defense industries, and reinforce deterrence against heightened security, particularly imposed by Russia, since the start of the war in Ukraine.

Against this backdrop, Otokar doubled its military vehicle sales year on year in revenue terms, reaching TL 14 billion in 2025. Exports accounted for 97% of our military vehicle revenues. Deliveries to the Estonian Ministry of Defence, a large-scale military vehicle order secured toward the end of the year, and the launch of sales in Romania played a decisive role in this performance. In recognition of our export achievements, Otokar was named the leader in land vehicle exports in the Turkish defense industry by the Presidency of Defence Industries and ranked among Türkiye's top 10 defense industry exporters.

Across all regions, the importance of domestic production capabilities and technologies in the defense industry is being increasingly emphasized in terms of both national security and economic development. In response, Otokar has adopted a model based on local partnerships, joint product development, and localized production, positioning itself as a reliable solution partner for friendly and allied countries in global markets. Within the scope of our Romania project, we delivered 194 armored vehicles to the Romanian Armed Forces by the end of 2025. In the project's second phase, which involves local production in Romania, we aim not only to contribute to the country's defense industry but also to strengthen our own engineering and production capabilities while creating new export opportunities.

In the automotive industry, global collaborations as well as joint product development and production strategies remained decisive in 2025. Innovative products, capacity utilization, cost efficiency, resource optimization, and productivity-focused approaches continued to dominate the sector's agenda, playing a critical role in sustainable and competitive growth. Flexible manufacturing models and joint production agreements increasingly provide both cost advantages and global market access. In line with this strategic outlook, and as part of the Koç Group's broader vision, Otokar took important steps in this area. Following our collaboration with Iveco Bus, we signed an agreement with Daimler Buses last year. As Türkiye's first bus manufacturer with over 60 years of experience, we will begin producing Mercedes-Benz Conecto buses at our Sakarya facility with Daimler Buses by the end of 2026. This collaboration, which once again underscores our production strength and quality standards, represents a strategic step toward strengthening our position in Europe, enhancing capacity utilization, and establishing long-term business partnerships. It will also support our ambition to further reinforce our global presence with our own brand as one of Europe's five largest bus manufacturers.

Otokar maintained its strong performance in the commercial vehicle business in 2025. Our total commercial vehicle revenues increased by 9%

year on year to TL 33 million, while we sustained our leadership in the Turkish bus market for the 17th consecutive year. In parallel, we continued to advance our growth strategy in the European bus market. During the year, we concluded our first bus sale to Sweden and delivered our first right-hand-drive vehicles to the Channel Island of Jersey. Our innovative solutions also reached the field, with our Level 4+ autonomous city bus commencing passenger transportation services in Spain.

In the European Union, the share of alternative fuel vehicles in newly registered buses is expected to reach approximately 30% by 2025. During the year, Otokar received high-volume orders for its electric buses, particularly from Italy. In line with our goal of offering at least one alternative fuel option in all passenger transportation segments by 2028, we expanded our product portfolio with the addition of the e-Territo electric short-distance bus.

We also achieved sustainable revenue growth in the commercial vehicle market by expanding our product range and reaching new customer segments. Our light truck operations and the pickup truck segment, which we entered in late 2024, made significant contributions to this growth. By addressing evolving customer needs with a diversified lineup of light trucks and pickup trucks, we created new growth areas in both domestic and international markets, further strengthening our competitiveness. In 2025, we captured an 8% share of the Turkish pickup truck market, which expanded by 21% during the year.

In 2025, Otokar's combined military and commercial vehicle sales increased by 39% year on year, while total revenues rose by 18% to TL 52 billion. With our main production facility in Türkiye and six international subsidiaries, we continue to pursue our vision of staying close to our customers. In line with our global growth targets, exports accounted for 66% of total revenues in 2025. Deliveries of high value-added products and the easing of inflationary pressures supported profitability. Through effective cost management and strong operational discipline, we recovered from a loss of earnings before interest, taxes, depreciation,

and amortization (EBITDA) amounting to TL 1 billion in 2024 and posted a profit of TL 2.2 billion in 2025.

Our sustainability approach extends beyond financial performance and reflects our responsibility toward the environment, society, and sound governance. In alignment with Koç Holding's "Lead. Together." strategy for sustainable and profitable growth, we defined our material sustainability topics in 2025, publicly disclosed our targets, and transparently shared our performance in our 2024 Sustainability Report. We also disclosed our sustainability- and climate-related risks and opportunities. By further expanding our electric bus family, we continued to focus on broadening our alternative fuel product range. In addition, we launched the Stronger Future with Otokar project to support the professional development and STEM skills of young people. Alongside contributions to 550 vocational education students, we continued to invest in a qualified workforce through the establishment of an electric vehicle workshop.

Looking ahead, our strong order book, confirmed defense industry orders amounting to approximately EUR 720 million over the next five years, and the growth potential of our commercial vehicle business in Europe underpin our confidence in Otokar's performance and strategic direction. The large-scale export contracts and collaborative production agreements we have secured reinforce our belief in the company's future. In the period ahead, our priorities will include capturing opportunities in global markets, leading next-generation mobility solutions, and embedding sustainability criteria at the core of our business practices.

I would like to extend my sincere gratitude to our shareholders, customers, employees for their commitment to Otokar's success, and our business partners for their trust in our company.

Warmest regards,



Ali Y. Koç
Chairman

ABOUT OTOKAR



Otokar offers solutions tailored to the needs of its customers using its own technology, design, and applications and manufactures products for global brands.

Otokar was established in 1963, at a time when industrialization and modernization initiatives were being launched in Türkiye, to produce the first intercity buses of the country. The company, which started its operations with bus and minibus production, joined the Koç Group in 1976 when it decided to specialize in other business areas in addition to public transportation vehicles. As the production of buses and minibuses continued, Otokar also began manufacturing vehicles for the defense industry in 1987 and produced Türkiye's first tactical wheeled armored vehicle in the 1990s.

Today, as Türkiye's prominent manufacturer of commercial vehicles and defense industry products, Otokar produces buses and light trucks in the commercial vehicles segment, and various tactical wheeled and tracked armored vehicles and turret systems for the defense industry. As a leading company in the defense industry, Otokar maintains its strong position in the sector. Otokar, a Koç Group company, manufactures at its Arifiye (Sakarya) plant, offering solutions tailored to customer needs with its technologies, designs and applications, and manufacturing products for global brands.

FOUNDED
IN

1963 ↙

LOCAL
CAPITAL

100% ↙

In commercial vehicles, Otokar maintains its title as Türkiye's bestselling bus brand across all its segments with a diverse product offering that includes buses ranging from 6 meters to 21 meters for passenger transportation. With a continued focus on developing alternative fuel buses, Otokar has introduced Türkiye's first hybrid bus and first electric bus. The company also manufactures Otokar Atlas light trucks under license, with a maximum payload ranging from 8.5 tons to 15 tons for the logistics sector. In 2024, Otokar expanded its commercial vehicle portfolio of buses and light trucks with the pickup truck segment. Building on its successful collaboration with Foton, a leading global manufacturer of commercial vehicles, Otokar launched the Tunland G7 pickup truck onto the domestic market. In 2025, Tunland V9, with its 4x4 and 4x2 variants, was added to the lineup as Türkiye's first full-size, mild hybrid pickup truck.

Otokar comes to the forefront in land vehicles for the defense industry with its expertise in the design, development and system integration of all kinds of vehicles and platforms. The company manufactures tactical wheeled and tracked armored vehicles and turret systems with owned intellectual property rights, and exports defense industry products to about 50 countries. Worldclass know-how in the defense industry as well as engineering, R&D and technology transfer capabilities distinguish Otokar among its peers.

Otokar enjoys high demand both in Türkiye and internationally with its broad offering of commercial vehicles and defense industry products. Otokar's wide range of products are currently sold and used in more than 80 countries, including Türkiye, across five continents.

With numerous firsts to its name since its inception, Otokar engages in R&D activities in world standards.

MISSION

Otokar's primary mission is to design, manufacture and market commercial vehicles and various defense industry products with global competitive strength, all developed to meet customer expectations.

VISION

Otokar's vision is to preserve the local and national identity of its products by developing technologies in-house and to ensure the continued satisfaction of its clients, employees, and shareholders with total excellence philosophy.

VALUES

Otokar, empowered by its employees, strives to ensure customer satisfaction and sound growth by delivering products and services of universal quality and standards in line with the objectives and principles set by the Koç Group. Otokar is committed to being a symbol of trust, continuity and esteem for our country, customers, shareholders, dealers, and suppliers. Otokar always aspires to be "the best" in its efforts to serve its customers and sees its human resource as its most important assets. Otokar aims to contribute to the Turkish economy as its driving force and always upholds its superior business ethics and working principles as it works to create resources for continuous development.



OTOKAR IN NUMBERS

47%

KOÇ HOLDİNG A.Ş.

25%

ÜNVER HOLDİNG A.Ş.

28%

OTHER

SHAREHOLDING
STRUCTURE





PRODUCTION CAPACITY (ANNUAL) ↙

- 6,000** Buses/Minibuses
- 1,500** Light Trucks/
Pickups
- 2,000** Offroad Vehicles
- 950** Tactical Armored
Vehicles

54% ↙
capacity utilization rate

3,659 ↙
employees
(3,633 on indefinite contract)

552,000 m² ↙
production area

AREAS OF OPERATION

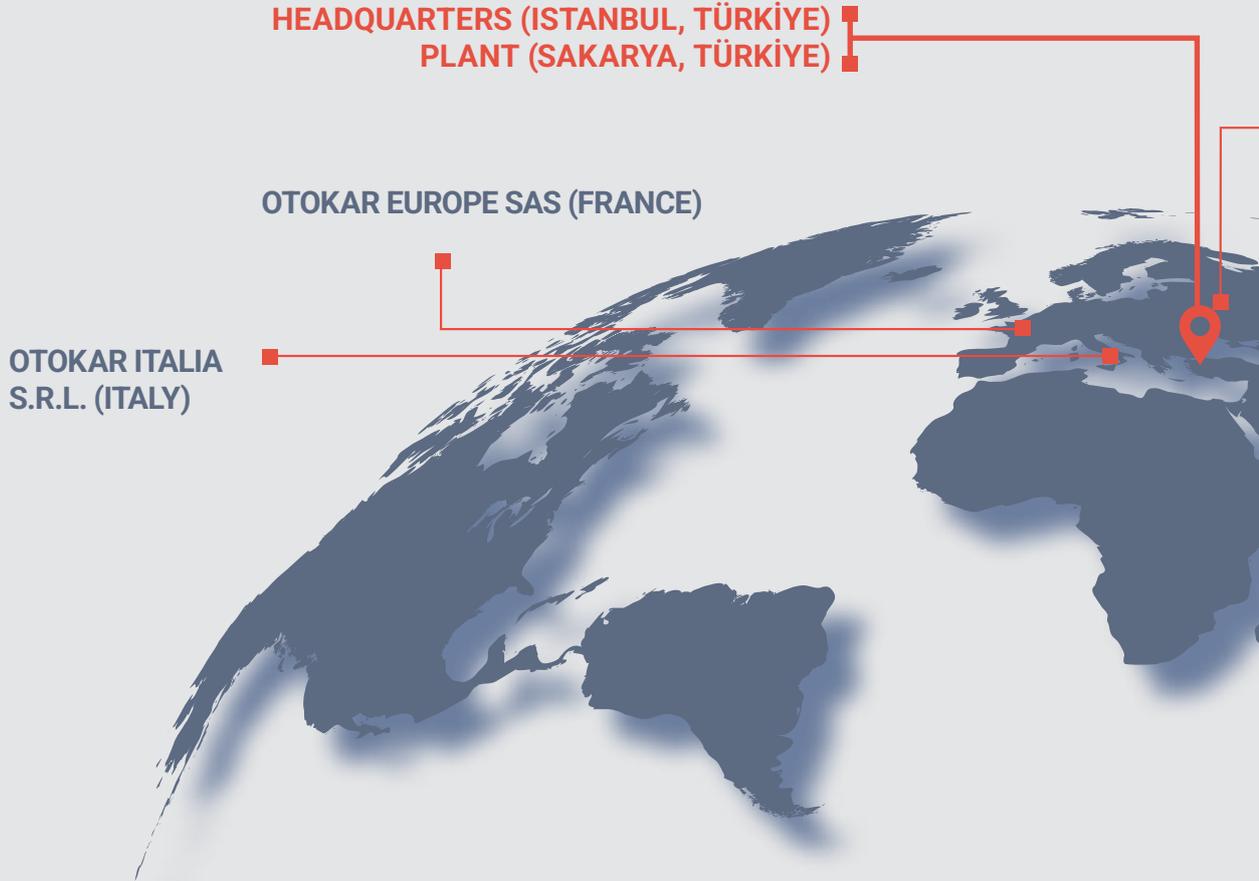
COMMERCIAL VEHICLES ↙

- PASSENGER TRANSPORTATION
- CARGO TRANSPORTATION

DEFENSE INDUSTRY ↙

- WHEELED ARMORED VEHICLES
- TRACKED ARMORED VEHICLES
- TURRET SYSTEMS

OTOKAR WORLDWIDE



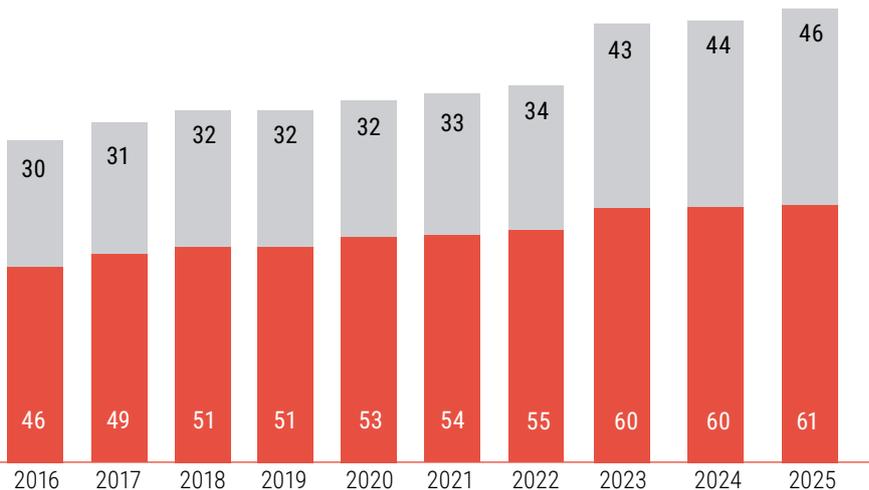
60+ Countries
Commercial vehicle exports

5 Continents
Global operational footprint

GROWTH IN EXPORT MARKETS

NUMBER OF COUNTRIES

COMMERCIAL
MILITARY



- OTOKAR EUROPE FILIALA BUCURESTI S.R.L. (ROMANIA)
- OTOKAR LAND SYSTEMS S.R.L. (ROMANIA)
- SISTEME DE APARARE ROMANIA (SAROM) S.R.L. (ROMANIA)

■ OTOKAR CENTRAL ASIA LIMITED (KAZAKHSTAN)

■ AL JASOOR HEAVY VEHICLES INDUSTRY LLC (UNITED ARAB EMIRATES)

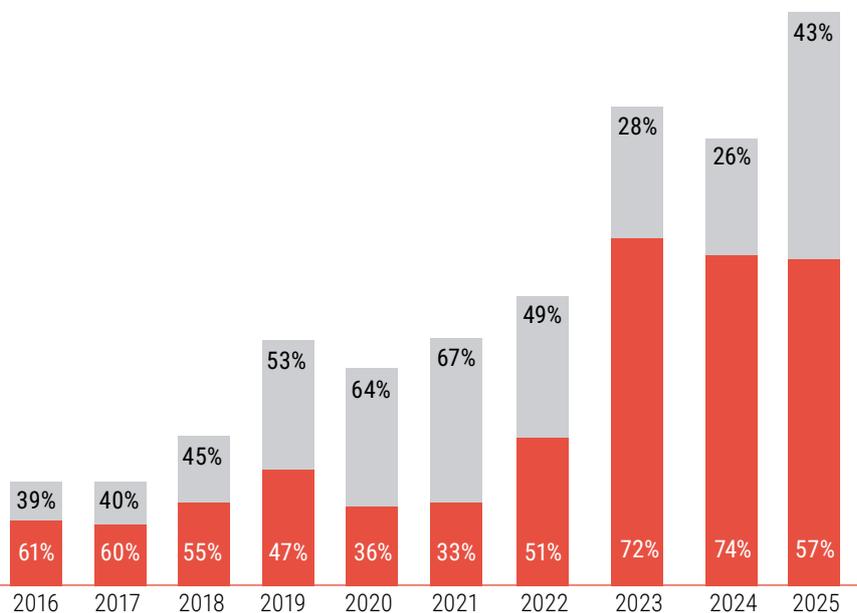
■ OTOKAR LAND SYSTEMS LLC (UNITED ARAB EMIRATES)

Defense industry products exported to
~50 Countries

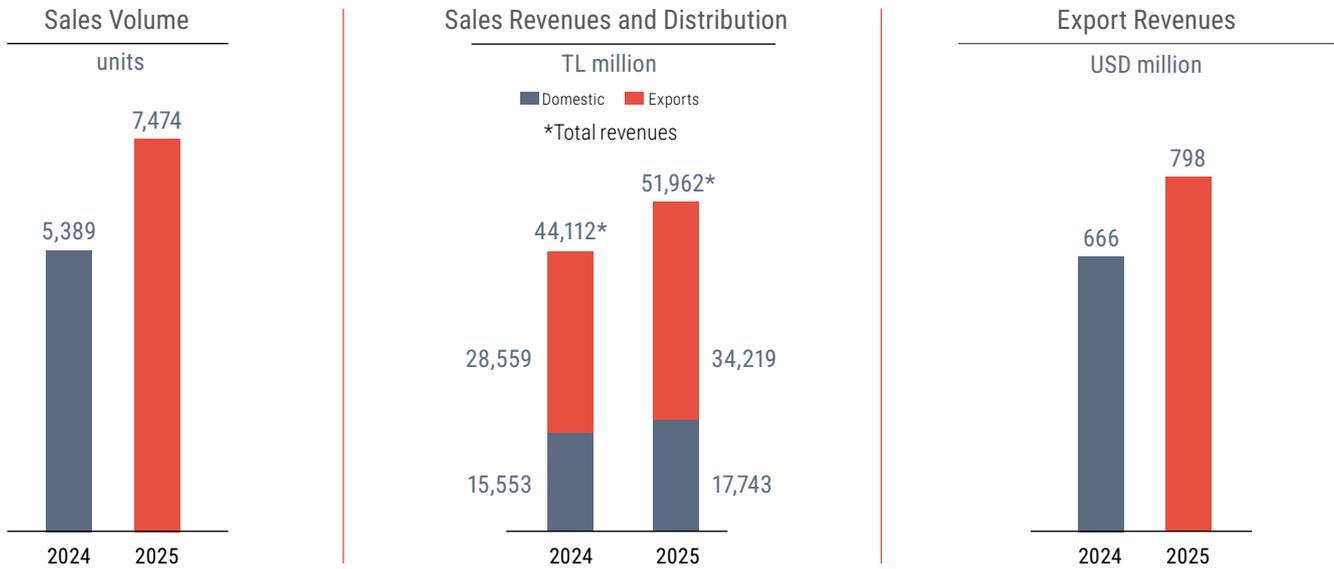
Sales and aftersales network
300+

EXPORTS BY SEGMENTS
USD MILLION

■ COMMERCIAL
■ MILITARY



SUMMARY FINANCIAL INFORMATION



51,962

MILLION TL REVENUE

1,212

MILLION USD REVENUE

66%

SHARE OF EXPORTS

42% increase

9.9

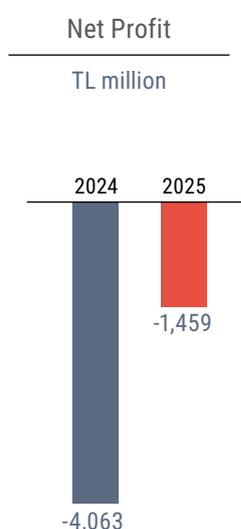
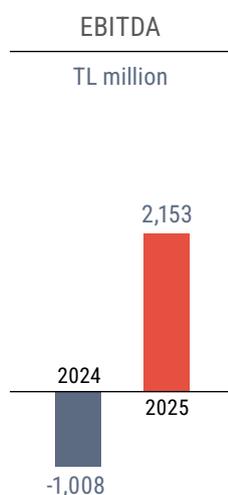
BILLION TL GROSS PROFIT

4.14%

EBITDA MARGIN

2.2

BILLION TL
EBITDA



4%

of 2025 revenues allocated for R&D

20%

Increase in exports

18%

Revenue growth

MAIN RATIOS (%)

	2025	2024
Gross Profit Margin (%)	19.1	15.8
Operating Margin (%)	4.1	-2.1
EBITDA Margin (%)	4.1	-2.3
Pre-Tax Profit Margin (%)	-3.6	-8.9
Net Profit Margin (%)	-2.8	-9.2

FINANCIAL RATIOS

LIQUIDITY RATIOS	2025	2024
Current Ratio (Current Assets/Short Term Liabilities)	1.04	1.40
Liquidity Ratio (Current Assets-Inventories/Short Term Liabilities)	0.65	0.77
FINANCIAL LEVERAGE RATIOS	2025	2024
Total Debt to Total Assets Ratio (Short Term Debt + Long Term Debt/Total Assets)	0.87	0.79
Equity/Total Debt Equity (Short Term Debt + Long Term Debt)	0.15	0.26
PROFITABILITY RATIOS	2025	2024
Sales Profitability Ratio (Pre-Tax Profit/Net Sales)	-0.04	-0.09
Return on Assets (Pre-Tax Profit/Total Assets)	-0.03	-0.07
Return on Equity (Net Profit/Shareholders' Equity)	-0.17	-0.38

AREAS OF OPERATION

COMMERCIAL VEHICLES PASSENGER TRANSPORTATION

- Develops and manufactures the widest bus portfolio in Türkiye, including public, intercity and tourism transportation buses ranging from 6 meters to 21 meters in length with varying passenger capacities.
- Exports buses to more than 60 countries, primarily in the European market.
- Offers a range of electric, CNG, hybrid, and hydrogen fuel cell versions. In addition to launching new models, continues to work on developing an alternative fuel vehicles.



COMMERCIAL VEHICLES CARGO TRANSPORTATION

- Manufactures 9-ton to 15-ton Otokar Atlas light trucks under license.
- Operates in the pickup truck segment with Foton Tunland G7 and Tunland V9.



DEFENSE INDUSTRY PRODUCTS

- Türkiye's leading defense industry company.
- Over 33 thousand military vehicles are currently in the inventories of more than 80 clients in approx. 50 countries.
- Products are manufactured to order, depending on the intended purpose, capacity and protection levels.
- Exports of all armored vehicles are subject to the requirements of the respective governments' export license regulations.
- Work is ongoing to develop local production capabilities in Europe.





PASSENGER TRANSPORTATION



Diesel Vehicles

Centro
Sultan/Navigo (Sultan Comfort, Sultan Mega, Sultan LF, Sultan Giga, Navigo C, Navigo U, Navigo T)
Doruk/Vectio (Doruk LE, Doruk T, Vectio C, Vectio U)
Ulyso T
Kent (Kent LF, Kent U, Kent C, Kent Articulated, Kent XL) Territo U

Alternative Fuel Vehicles

e-Centro
Kent CNG
e-Kent
Kent Hydrogen
Kent Hybrid
Kent Articulated CNG
e-Kent Articulated
e-Territo

CARGO TRANSPORTATION



Light Trucks

Otokar Atlas 9
Otokar Atlas 11
Otokar Atlas 3D 15
Electric Atlas

Pickup Trucks

Foton Tunland G7
Foton Tunland V9

DEFENSE INDUSTRY



Tactical Wheeled Vehicles

4x4 Tactical Wheeled Armored Vehicles (Ural, Akrep II, Akrep IIe, Cobra, Cobra II, Cobra II MRAP, Kaya II, Armored Internal Security Vehicle)
6x6 Tactical Wheeled Armored Vehicles (Arma 6x6)
8x8 Tactical Wheeled Armored Vehicles (Arma 8x8)

Tracked Armored Vehicles

Tracked Armored Vehicles (Tulpar, Tulpar S)

Robotic and Unmanned Ground Vehicles

Alpar

Turret Systems

Mızrak RCWS, Keskin RCWS, Open Turrets, Internal Security, Üçok, Başok

MILESTONES

As Türkiye's prominent manufacturer of commercial vehicles and defense industry products, Otokar produces buses and light trucks in the commercial vehicles segment, and various tactical wheeled and tracked armored vehicles and turret systems for the defense industry.

1960s



Establishment

Production of Türkiye's first intercity bus

1970s

Production of minibuses for public transportation

Joined Koç Group

1980s

Production of 4x4 tactical vehicles under Land Rover license

Production of Türkiye's first armored military vehicles

1990s

Production of Otokar-designed military armored vehicles

Exported Türkiye's first tactical armored vehicles

Plant relocated to Sakarya



2000s

Merger with İstanbul Fruehauf A.Ş.

Small and medium-sized bus production

Production of Türkiye's first hybrid bus

Prime contractor for Altay Main Battle Tank Design, Development and Qualification Project



2010s

Otokar Europe SAS incorporated in France

Launch of Türkiye's first electric bus

Product range expanded with multi-wheeled and tracked armored vehicles

Production of Atlas light trucks

Otokar Land Systems Limited incorporated in the UAE

Otokar Europe Filiala Bucuresti S.R.L. incorporated in Romania

Production of Türkiye's first electric armored vehicle AKREP IIe

Otokar Central Asia Limited incorporated in Kazakhstan

Export deal for 8x8 armored vehicles signed with the UAE

2020s

Production agreement signed with IVECO BUS

Electric bus family ranging from 6m to 18m

Istanbul's tender for 120 metrobuses awarded to Otokar

Launch of Türkiye's first heavy-class unmanned ground vehicle

Development e-Centro autonomous microbus

Hydrogen fuel cell powered bus Kent Hydrogen introduced

Mauri Bus System S.R.L. acquired and renamed Otokar Italia S.R.L.

Export deal signed with Romania for 4x4 armored vehicles

Product range expanded with Foton Tunland pickup trucks

Agreement signed with Daimler Buses for the production of Mercedes Benz Conecto buses at the Otokar plant



HIGHLIGHTS OF 2025



AWARDS

- Otokar named top exporter of Türkiye's Defense Industry in the Land Vehicles group according to its 2025 results. The company ranked among Türkiye's top 10 defense industry exporters.
- Otokar maintained its position as the leader of the Turkish bus market for the 17th consecutive time.
- Otokar recognized with Gold Award at the Export Champions Awards organized by the Automotive Industry Exporters Association for its 2024 results.
- Otokar presented with awards in the "Export," "Employment," and "Sustainability" categories at the Sakarya's Stars Award Ceremony.
- "A Strong Future with Otokar" project won the "The Future of Work" category at the Shared Tomorrows Award Program.



MAJOR DELIVERIES

- 194 Cobra II vehicles, manufactured in Türkiye for Romania, entered the inventory of the Romanian Army.
- Bus orders delivered to the cities of Arezzo, Cagliari, and Siena in Italy.
- KENT XL metrobuses delivered to Sakarya Metropolitan Municipality.
- Kent LF buses to be used by the Turkish Red Crescent for blood donation operations delivered in a ceremony.
- Otokar Atlas light trucks to be used by members of the Union of Turkish Municipalities, delivered to respective cities.



ACHIEVEMENTS

- Otokar received orders amounting to USD 83.6 million for Cobra II 4x4 tactical wheeled armored vehicles.
- An agreement was signed with Daimler Buses for the production of Mercedes-Benz Conecto buses at the Otokar plant.
- The autonomous e-Centro started carrying passengers in Spain in alignment with the country's efficient and sustainable mobility target.
- Tunland G7 and V9 have been used as emergency response and medical team vehicles in the FIA World and European Rallycross Championships.
- A strategic cooperation agreement was signed with Guardiari for military vehicle simulation solutions.



EXHIBITIONS

- Otokar participated in the IDEX 2025 International Defense Industry Fair in the United Arab Emirates.
- Otokar showcased its vehicles at the LAAD Defense & Security 2025 in Brazil.
- Otokar participated in the DSEI Japan event for the defense industry.
- Otokar showcased ten vehicles at the IDEF 2025 International Defense Industry Fair where the Cobra II and Tulpar with a 120 mm turret, produced under contract with Romania, debuted in Türkiye.
- Otokar presented scale models of its Tulpar and Cobra II vehicles at the Expodefensa 2025 in Bogota, Colombia.
- Otokar exhibited future transportation solutions focusing on its electric vehicle portfolio at Busworld Europe in Brussels.
- Otokar showcased its innovative solutions in electric commercial vehicles at the EV Charge Show 2025.

EVENTS

- Otokar showcased its broad product lineup at the International Armoured Vehicles Conference (IAVC) in the UK.
- The ARMA 6x6 vehicles delivered to the Estonian Defense Forces were exhibited at an event in Estonia's military training area.
- Otokar met with key representatives of the defense industry during the Black Sea and Balkans Security Forum organized in Bucharest.
- Otokar participated in the signing ceremony as part of the İŞKUR On-the-Job Training Program.
- A delegation from the Ministry of Industry and the Autonomous Vehicle Committee visited the Otokar plant.



NEW LAUNCHES

- Fourth-generation Atlas 9 launched.
- Foton Tunland V9 offered to the market.
- The e-Territo bus added to the product range.

TESTS

- The leading German magazine Omnibus Spiegel tested e-Kent.
- EGO General Directorate, in collaboration with WAT Mobility and Otokar, started the first electric bus tests.
- The autonomous e-Centro successfully completed comprehensive tests conducted by TÜV Rheinland in Hungary.





GENERAL ASSEMBLY



Tank
Battery
ack
AT
ROR

GENERAL ASSEMBLY

MEETING AGENDA

AGENDA OF THE ANNUAL ORDINARY GENERAL ASSEMBLY MEETING OF OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş. ON 10.03.2026

1. Opening and election of the chairman to preside over the meeting.
2. Presentation of the 2025 Annual Report, prepared by the Board of Directors, for discussion and approval.
3. Presentation of the Summary Independent Audit Report for the 2025 fiscal year.
4. Presentation, discussion and approval of the company's Financial Statements for the 2025 fiscal year.
5. Presentation of the 2024 TSRS-Compliant Sustainability Report for discussion and approval.
6. Release of each member of the Board of Directors individually for the affairs of the company in 2025.
7. Approval, approval with modifications or refusal of the Board of Directors' proposal pertaining to when and how the profit of 2025 will be distributed in accordance with the company's dividend policy.
8. Determining the number of members of the Board of Directors and their terms of office, election in accordance with the resolved number, and election of the independent members of the Board of Directors.
9. Presentation of the Remuneration Policy for Senior Executives and Members of the Board of Directors, and payments made thereof pursuant to the Corporate Governance Principles to the shareholders for approval.
10. Resolution of the annual gross salaries to be paid to the members of the Board of Directors.
11. Approval of the appointment of the independent audit firm selected by the Board of Directors pursuant to the provisions of the Turkish Commercial Code and the Capital Markets Board and the Public Oversight, Accounting and Auditing Standards Authority regulations.
12. Providing information to the shareholders regarding the donations made by the company in 2025 in accordance with the Donation and Sponsorship Policy and determining an upper limit for donations to be made in 2026.
13. Pursuant to Capital Markets Board regulations, informing the shareholders about the income or benefits obtained in 2025 through guarantees, pledges, liens, and sureties extended by the company and its subsidiaries to third parties.
14. Authorizing the shareholders with management control, the members of the Board of Directors, the senior executives and their spouses and relatives related by blood or affinity up to the second degree pursuant to Articles 395 and 396 of the Turkish Commercial Code and CMB regulations; and advising the shareholders about the transactions carried out thereof in 2025 according to the Corporate Governance Communiqué of the Capital Markets Board.
15. Wishes and opinions.

GENERAL ASSEMBLY

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

(Convenience translation of a report originally issued in Turkish)



To the Shareholders of Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi

1. Opinion

We have audited the annual report of Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi ("the Company") and its subsidiaries ("the Group") for the period of 1/1/2025-31/12/2025.

In our opinion, the consolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set consolidated financial statements and the information we obtained during the audit.

2. Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Our Auditor's Opinion on the Full Set Consolidated Financial Statements

We have expressed an unqualified opinion in our auditor's report dated February 9, 2026 on the full set consolidated financial statements of the Group for the period of 1/1/2025-31/12/2025.

4. The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and the provisions of the Communiqué II-14.1 on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") of the Capital Market Board ("CMB"), the management of the Group is responsible for the following items:

- Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.
- The annual report also includes the matters below:
 - Subsequent events occurred after the end of the fiscal year which have significance,
 - The research and development activities of the Group,
 - Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

5. Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communiqué, on whether the consolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS and the standards on auditing as issued by the Capital Markets Board of Turkey. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated financial statements.

The name of the engagement partner who supervised and concluded this audit is Cem Uçarlar.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Cem Uçarlar, SMMM
Partner

February 13, 2026
İstanbul, Türkiye

GENERAL ASSEMBLY

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş.
BOARD OF DIRECTORS' REPORT 01.01.2025 - 31.12.2025

The consolidated financial statements of our company, containing the 2025 activities and the results thereof, prepared 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, are presented to our shareholders and the public.

The members of the Board of Directors, who were elected at the Ordinary Annual General Assembly Meeting on March 24, 2025 and served during the reporting period:

BOARD OF DIRECTORS	
Full Name	Title
Yıldırım Ali KOÇ	Chairman
Selin Ayla ÜNVER	Vice Chair
Levent ÇAKIROĞLU	Member
Haydar YENİGÜN	Member
İbrahim Aykut ÖZÜNER	Member - Genel Manager
Ahmet Serdar GÖRGÜÇ	Member
Ali İhsan İLKBAHAR	Independent Member
Fatma Füsun AKKAL BOZOK	Independent Member
Kamil Ömer BOZER	Independent Member

Chairman, Vice Chair and members of the Board of Directors have been elected on March 24, 2025 to serve until the next Ordinary General Assembly Meeting where 2025 activities would be reviewed.

Provisions regarding the members of the Board of Directors are outlined in Articles 11, 12 and 13 of the company's Articles of Association and the provisions of the Turkish Commercial Code.

The committees established according to the provisions of the Corporate Governance Communiqué of the Capital Markets Board and information on the board members, who serve on these committees are listed below:

Committee	Chair	Members
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

The working principles of the committees are available on the corporate website.

CAPITAL AND SHAREHOLDING STRUCTURE

As of December 31, 2025, the company's registered capital ceiling is TL 3 billion, and the issued capital is TL 120 million.

Shareholders with more than 10% of the capital, their shares, and their stakes in the capital are listed below.

GENERAL ASSEMBLY

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş.
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Shareholder	Share (TL)	Share (%)
Koç Holding A.Ş.	56,850,123	47.38
Ünver Holding A.Ş.	29,774,719	24.81
Free Float	33,375,158	27.81
Total	120,000,000	100.00

The main shareholder Koç Holding A.Ş. is controlled by Koç Family and companies owned by Koç Family. The other large shareholder Ünver Holding A.Ş. is controlled by Ünver Family. The balance representing 27.81% of the capital with a nominal value of TL 33,375,158 consists of other shareholders and free-floating shares.

Information on the company's subsidiaries and affiliates subject to consolidation is provided below:

Subsidiaries	Country	Main Field of Operation	Industry
Otokar Europe SAS	France	Sales & Marketing	Automotive
Otokar Land Systems Limited	United Arab Emirates	Sales & Marketing	Automotive and Defense
Otokar Europe Filiala Bucuresti S.R.L.	Romania	Sales & Marketing	Automotive
Otokar Central Asia Limited	Kazakhstan	Sales & Marketing	Automotive and Defense
Otokar Italia S.R.L.	Italy	Sales & Marketing	Automotive
Otokar Land Systems SRL	Romania	Production, Sales & Marketing	Automotive and Defense
Joint Ventures	Country	Main Field of Operation	Industry
Al Jasoor Heavy Vehicle Industry LLC	United Arab Emirates	Sales & Marketing	Automotive and Defense
Sisteme de Aparare Romania (SAROM) SRL	Romania	Production, Sales & Marketing	Automotive and Defense

As stated in the company's material event disclosure dated January 16, 2026, Otokar has been served indemnity claims by Romtehnica on two separate issues regarding the contract awarded to Otokar by C.N. Romtehnica S.A. (Romtehnica), a company owned by the Romanian Ministry of Defense, for 4x4 tactical wheeled light armored vehicles. Romtehnica has served a claim for RON 191,848 thousand (TL 1,877,289 thousand), alleging that Otokar had failed to meet interim targets for local production preparations according to the contract schedule for vehicles to be manufactured in Romania, and a claim for RON 7,296 thousand (TL 71,842 thousand) for Otokar's late delivery of 194 vehicles produced at the company's Türkiye facility until the disclosure date and sold to Romtehnica. As part of the material event disclosure, Otokar has also disclosed that it has filed a countersuit with the Romanian Court seeking cancellation of the claim for RON 191,848 thousand (TL 1,877,289 thousand) and that the aforementioned delay and ongoing disputes could negatively impact the project's continuation and lead to additional indemnity claims.

Dividend Distribution and Ratios

Otokar has paid out cash dividends in the rates shown below, representing a ratio to the issued capital.

Period	%
2022	-
2023	600,00
2024	-

The shareholders may access corporate and financial information about the company under the Investor Relations section on www.otokar.com.

GENERAL ASSEMBLY

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş.
BOARD OF DIRECTORS' REPORT 01.01.2025 - 31.12.2025

AUTOMOTIVE INDUSTRY AND OTOKAR

Otokar operates in the automotive industry's commercial vehicles segment, manufacturing a product lineup of minibuses, small buses and buses for public transportation and light trucks for transportation and logistics. The company's defense industry range includes various types of tactical wheeled armored vehicles, tracked armored vehicles, and turret systems. The last quarter of 2024, Otokar introduced Foton Tunland vehicles onto the market, expanding the product range with the addition of the pickup truck segment. As a global company with 100% Turkish capital, Otokar is currently positioned in the automotive and defense industries with products with owned intellectual rights.

Otokar owes its growth to products with owned design and intellectual property rights and created thanks to strong engineering and research & development capabilities. Following a strategy of growing in the defense and commercial vehicle industries through international expansion, increasing the share of exports in revenues, and expanding with new models, Otokar strives to reach these targets.

MARKET - SALES - PRODUCTION

Guided by OSD (Automotive Manufacturers Association) data, the industry-specific developments of 2025 are summarized below:

Category	Indicator	January – December 2025	Annual Change (%)	Note
Total Production	Units	1,419,464	4.0	Total vehicle production increased.
Automotive Production	Units	872,538	-3.5	Automobile production decreased.
Total Market	Units	1,413,903	10.0	Total vehicle market grew.
Automotive Market	Units	1,084,496	10.6	Automobile sales increased.

Production volumes by vehicle segments in 2025 are listed below:

Segment	Sub-segment	Indicator	January – December 2025	Annual Change (%)
Light Commercial Vehicles	Minibus	Units	104,721	65.7
Light Commercial Vehicles	Midibus	Units	4,800	-3.0
Light Commercial Vehicles	Light Truck	Units	390,774	12.7
Heavy Commercial Vehicles	Bus	Units	12,425	25.4
Heavy Commercial Vehicles	Truck	Units	34,206	-4.6

In 2025, domestic light commercial vehicle sales declined by 10%, while imported light vehicle sales increased by 18% year over year. In the same period, imports accounted for 78% of light commercial vehicle (minibuses + light trucks) market.

GENERAL ASSEMBLY

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş.
BOARD OF DIRECTORS' REPORT 01.01.2025 - 31.12.2025

PRODUCTION AND SALES

The company's year-on-year production and sales figures by product type are listed below. The sales of Foton Tunland pickup trucks started in the last quarter of 2024. These vehicles are not manufactured by the company in Türkiye; they are imported and sold in the domestic market.

	2025 (January-December)		2024 (January-December)		Change (Units)		Change (%)	
	Production	Sales	Production	Sales	Production	Sales	Production	Sales
Microbuses	189	183	149	169	40	14	27	8
Small Buses	1,609	1,629	1,944	1,821	-335	-192	-17	-11
Buses	1,880	1,865	1,597	1,643	283	222	18	14
Military Vehicles	444	485	320	201	124	284	39	141
Light Trucks	1,538	1,521	1,365	1,257	173	264	13	21
Pickup Trucks	-	1,791	-	298	-	1,493	-	-
TOTAL	5,660	7,474	5,375	5,389	285	2,085	5	39

According to the consolidated financial statements prepared pursuant to applicable legislation, the company's 2025 revenues increase by 18% year-on-year.

Distribution of revenues by domestic sales and exports in comparison to the previous year is summarized below.

	2025 (January-December) (TL Thousand)	2024 (January-December) (TL Thousand)	Change (%)
Domestic Sales	17,743,035	15,553,607	14
Exports	34,219,344	28,558,617	20
Total	51,962,379	44,112,224	18

In 2025, the company's exports amounted to USD 798.355 (2024: USD 666,288 thousand), accounting for 66% of total revenues (2024: 65%).

In 2025, capacity utilization rate was 54% (2024: 51%).

Revenue distribution by product groups is listed below.

GENERAL ASSEMBLY

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş.
BOARD OF DIRECTORS' REPORT 01.01.2025 - 31.12.2025

	1 January – 31 December 2025 (TL Thousand)	1 January- 31 December 2025 (TL Thousand)
Commercial vehicles	33,056,388	30,257,741
Defense industry vehicles	13,921,261	7,248,816
Other sales (*)	4,984,730	6,605,666
Total	51,962,379	44,112,223

(*) Includes revenues from military turrets, spare parts, after-sales services, and other sales.

In 2025, commercial vehicle sales constituted 64% (2024: 69%), military vehicle sales 27% (2024: 16%), and other sales 9% (2024: 15%) of total revenues.

INVESTMENTS

Otokar's R&D investments, which started years ago following a major decision to ramp up research and development activities to capture the rapid growth targeted in vehicles with owned intellectual property rights, continued in 2025. The company's total investments, including R&D expenditures, capitalized as of 2025 amounted to approximately USD 77 million.

ADMINISTRATIVE AFFAIRS

The company's senior management team and their titles in 2025 are listed below.

Full Name	Title
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

Number of Group employees as of year-end and average figures:

	31 December 2025		31 December 2024	
	Year-end	Average	Year-end	Average
Office employees	903	928	900	974
Field employees on indefinite contracts	2,730	2,773	2,809	2,754
Total	3,633	3,701	3,709	3,728
Field employees on term contracts	26	176	63	434
Total	3,659	3,877	3,772	4,162

No incidents of disputes or labor movements were observed within the reporting period.

Otokar is subject to the Collective Labor Agreement, signed between the Turkish Metal Workers Union and MESS (Turkish Employers' Association of Metal Industries) on January 22, 2026 to be effective from September 1, 2025.

GENERAL ASSEMBLY

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş.
BOARD OF DIRECTORS' REPORT 01.01.2025 - 31.12.2025

The company has committed to complying with the Corporate Governance Principles issued by the Capital Markets Board and introducing the necessary changes in line with the latest developments. 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 for rating the compliance of BIST-listed corporations with the Corporate Governance Principles. The Corporate Governance Rating Report is published on www.otokar.com.

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

In recognition of its sustainability-focused activities, Otokar has been listed in the BIST (Borsa Istanbul) Sustainability Index, whose constituents include the top performers in corporate sustainability, since 2014. Through the Sustainability Index, Otokar discloses information regarding its environmental, social and corporate governance performance and results as well as related goals.

2024 TSRS-Compliant Sustainability Report and 2024 Otokar Sustainability Report are available on the corporate website: www.otokar.com

FINANCIAL RESULTS

The company presents to the public its 2025 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 company has attained the operational and financial targets set for 2025, and the financial statements, notes and ratios showing the results of the activities in 2025 are also presented.

The consolidated revenues of the company as of year-end 2025 amounted to TL 51,962,379 thousand and gross profit to 9,938,072 thousand, increasing by 18% and 42%, respectively.

According to the consolidated financial statements prepared in accordance with the Turkish Financial Reporting Standards pursuant to Capital Markets Board regulations and the CMB resolution dated 28.12.2023 on the implementation of inflation accounting, the company has posted a loss of TL 1,858,662 thousand before tax (2024: TL 3,911,270 thousand loss before tax), and a net period loss of TL 1,458,959 thousand (2024: TL 4,063,449 thousand net loss) in 2025.

We hereby submit an overview of the operations in 2025 and the results for your consideration.

Esteemed Shareholders,

The Board of Directors has completed its one-year term today. The Board members to serve in the next term will be elected in this meeting. We would like to extend our thanks for your confidence, interest and support during our term.

İstanbul, February 13, 2026

Ali Y. KOÇ
Chairman

GENERAL ASSEMBLY

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS



1. Opinion

We have audited the consolidated financial statements of Otokar Otomotiv ve Savunma Sanayi A.Ş. (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards ("TFRS").

GENERAL ASSEMBLY

SUMMARY OF FINANCIAL TABLES

Consolidated Balance Sheet

Thousand TL	2025	2024
Total Current Assets	43,116,777	34,532,230
Non-Current Assets	22,467,963	17,699,901
Total Assets	65,584,740	52,232,131
Total Non-Current Liabilities	41,368,329	24,630,071
Total Liabilities	15,667,604	16,884,320
Total Equity	8,548,807	10,717,740
Total Liabilities and Equity	65,584,740	52,232,131

Consolidated Income Statement

Thousand TL	2025	2024
Sales	51,962,379	44,112,223
Cost of Goods Sold (-)	(42,024,307)	(37,129,846)
Gross Profit	9,938,072	6,982,377
Operating Profit	2,104,536	(919,261)
Profit Before Tax	(1,858,662)	(3,911,270)
Tax Income/Expense	399,703	(152,179)
Profit for the Period	(1,458,959)	(4,063,449)
Earnings Per Share (kr)	(12.158)	(33.862)

GENERAL ASSEMBLY

BOARD OF DIRECTORS



Yıldırım Ali Koç
Chairman



Selin Ayla Ünver
Vice Chair



Levent Çakıroğlu
Board Member

Y. Ali Koç holds a bachelor's degree in management from Rice University (USA) and an MBA from Harvard Business School. Ali Koç started his career in 1990 at American Express Bank as a Management Trainee and continued as an Investment Analyst at Morgan Stanley Investment Bank from 1992 to 1994. Mr. Koç joined Koç Holding in 1997 as New Business Development Coordinator in the Strategic Planning Group and held senior level positions, including the President of Corporate Communications and IT Group from 2006 to 2010. He has served as a Board Member at Koç Holding since January 2008 and as Vice Chairman since February 2016. In addition to serving as the Chairman of Koç Financial Services and Yapı Kredi Bank since April 2016, Ali Koç is also a Chairman at other Koç Group companies, including Otokar and Ford Otosan. Furthermore, Mr. Koç contributes to the country's social and economic development as a Board Member at National Competition Research Association (URAK) and Endeavor Association, and a member of the Board of Trustees at TEMA Foundation. He is also a member of the Global Advisory Council of Bank of America, Harvard University, and Council on Foreign Relations. In addition to being a Senior Advisor at Chatham House, he also represents Türkiye at Confederation of British Industry (CBI).

Selin Ünver completed her education in Switzerland, and gained experience in finance and accounting. Ms. Ünver is currently the Chair of Ünver Holding A.Ş. and the Vice Chair of Otokar.

Levent Çakıroğlu received his bachelor's degree in Business Administration from Ankara University's School of Political Sciences and his master's degree from Illinois University (USA). Mr. Çakıroğlu began his career in 1988 as a Junior Analyst at the Ministry of Finance and went on to serve as a Financial Analyst (1991-1997). He was appointed Vice President of the Financial Crimes Investigation Board at the Ministry of Finance (1997-1998), while he also taught at Bilkent University as a part-time lecturer. Joining Koç Holding as Finance Group Coordinator in 1998, he served as the CEOs of Koçtaş (2002-2007), and Migros (2007-2008). He was appointed the CEO of Arçelik in 2008, and also served as the Koç Holding Durable Goods Group President starting from April 2010. He has served as the CEO of Koç Holding A.Ş. since his appointment in April 2015. Serving as a Board Member at Koç Holding since April 2016, Mr. Çakıroğlu is also the Chairman of Arçelik-LG, Tofaş, and TürkTraktör, Vice Chairman of Yapı Kredi Bank, and a Board Member at Otokar and other Koç Group companies.

GENERAL ASSEMBLY

BOARD OF DIRECTORS



Haydar Yenigün
Board Member

Haydar Yenigün earned his bachelor's degree in mechanical engineering from Yıldız Technical University in 1987. The same year, he started his career as an engineer at the production department of Ford Otomotiv Sanayi A.Ş., working in various roles until 1990. After completing his military service, he returned to the company as a Project Engineer (1992-1997). Following the agreement signed between Ford Motor Company and Otosan A.Ş. for the equal partnership, he assumed various responsibilities during the establishment of the Kocaeli Plant, where he was appointed as the Project Leader in 1998, serving until 2007. From 2007 to 2012, he worked as Kocaeli Plant Manager and Assistant General Manager at Ford Otosan. After serving as the General Manager and Board Member at Ford Otomotiv Sanayi A.Ş. (from February 15, 2012), he was appointed as President, Automotive Group at Koç Holding A.Ş. on April 1, 2022. Mr. Yenigün's various external assignments include: Member in Turkish Industry and Business Association (TUSIAD), Vice Chairman of the Executive Committee of Türkiye-U.S. Business Council (TAİK), and Assembly Member in Istanbul Chamber of Industry (ISO). Previously, Haydar Yenigün served as the Chairman of Automotive Manufacturers Association (OSD) (March 2018 – March 2022) and a Board Member in the European Automobile Manufacturers Association (ACEA) (2020-2022).



Ahmet Serdar Görgüç
Board Member

Ahmet Serdar Görgüç graduated from the Department of Mechanical Engineering at Boğaziçi University and later earned a master's degree in Business Administration from Istanbul University. Mr. Görgüç joined Koç Group in 1982, working at the Group's R&D Center. He served as the Automotive Unit Manager at the R&D Center until 1985 and was appointed Advanced Projects Design Manager at Otokar the same year. Mr. Görgüç served as Product Engineering Manager (1989-1995), and as Assistant General Manager - Engineering (1995-2005). After serving as the General Manager of Otokar since 2006, Ahmet Serdar Görgüç retired on April 1, 2024, while his role as a Board Member continues.



İbrahim Aykut Özünler
Board Member - General Manager

Aykut Özünler holds a mechanical engineering degree (1991) and an MBA (1995) from Boğaziçi University. Starting his professional career in 1992 at Koç Holding's Supply Coordination Group, Özünler joined Ford Otomotiv A.Ş. in 1993, going on to hold various leadership positions, including Assistant General Manager - Marketing & Sales (2004-2010) and Assistant General Manager - Marketing, Sales & After Sales (2010-2014). In 2014, Aykut Özünler was appointed General Manager of the sourcing company, Zer Merkezi Hizmetler ve Ticaret A.Ş., where he served until the end of 2018. After his role as General Manager of TürkTraktör and Ziraat Makineleri A.Ş., (January 2019 - March 2024), he was appointed the General Manager of Otokar Otomotiv ve Savunma Sanayi A.Ş. effective April 1, 2024. Aykut Özünler's external duties include Board memberships in TürkTraktör, Ankara Chamber of Industry, Automotive Manufacturers Association, and Turkish Employers' Association of Metal Industries, and membership in the Turkish Industry and Business Association.

GENERAL ASSEMBLY

BOARD OF DIRECTORS



Ali İhsan İlkbahar
Independent Board Member

Ali İhsan İlkbahar graduated from Istanbul Technical University with an M.Sc. in Mechanical Engineering in 1962 and following a two-year military service, started working as a Manufacturing Engineer at Otosan in 1964. He spent his entire professional life at Ford Otosan where he served as the General Manager during the last 14 years of his career, when he was also the Koç Holding Ford Group head and retired at the beginning of 2000. He was involved in the construction project of the Otosan Engine Plant in İnönü, Eskişehir (1977-1980) and led the Gölcük Plant project and Connect Vehicle project (1997-2000). He was the President of the Automotive Manufacturers Association from 1989 through February 2004. He served on the Board of Ford Otosan from 1991 to 2012 and was reelected as a member on March 25, 2014. Mr. İlkbahar has also served on the Corporate Governance Committee at Ford Otosan from April 2014 to March 2022. Mr. İlkbahar has been an Independent Board Member at Otokar since 2020.



Fatma Füsün Akkal Bozok
Independent Board Member

Fatma Füsün Akkal Bozok earned a bachelor's degree in Business Administration from Istanbul University. She also holds an MBA from Boğaziçi University and a PhD in Business Administration from İstanbul University. She started her career as an Auditor at Arthur Andersen in 1980. Joining Koç Holding in 1983 as an auditor at the Internal Audit Department, she went on to serve as an Audit Coordinator (1992-2003), and was later appointed Finance Director (2003). During her tenure as Audit Coordinator, Bozok also worked as a Project Manager (1995-1996) for Koç Group's MIS Project. Bozok later pursued an academic career, teaching Computer Systems Oversight and International Finance at Koç University (2006-2008), and International Finance and Auditing at Sabancı University, Sabancı Business School (2008-2020). Füsün Bozok was previously an independent Board Member at Yapı Kredi Bank (2004-2019), Akiş GYO (2017-2021), İzocam (2018-2021), Bizim Toptan (2017-2023). She was appointed as an Independent Member to the Boards of Tat Gıda Sanayi, and Ford Otosan in 2018, Gözde Girişim Sermayesi Yatırım Ortaklığı A.Ş. in 2020, and Kocaer Çelik Sanayi ve Ticaret A.Ş. in 2023, Lila Kağıt Sanayi ve Ticaret A.Ş. in 2024, and Şok Marketler Ticaret A.Ş. in 2025. Serving as an Independent Board Member at Otokar Otomotiv ve Savunma Sanayi A.Ş. since 2024, Ms. Bozok is a member of Corporate Governance Association of Türkiye and holds CMB Credit Rating, Corporate Governance, Advanced Level, and Derivatives Licenses.



Kamil Ömer Bozer
Independent Board Member

Kamil Ömer Bozer earned his bachelor's degree in Business Administration from the Middle East Technical University, followed by an MBA from Georgia State University (USA). He started his professional career as a management trainee at Koç Holding A.Ş. in 1983. He went on to serve as Deputy General Manager at Maret A.Ş. (1990), General Manager at Düzey A.Ş. (1995), and General Manager at Migros Türk T.A.Ş. (2002). During his term at Migros Türk T.A.Ş., he also began to serve as the Food, Retail and Tourism Group President at Koç Holding A.Ş. (September 2004), a position he held until April 2011 when he resigned from his executive roles. Since then, Kamil Ömer Bozer has held Independent Board Member and Board Member positions at Coca-Cola İçecek A.Ş., Anadolu Efes, Adel Kalemcilik, Anadolu Isuzu, Anadolu Etap, Kamil Yazıcı Management Consultancy, Carrefoursa, Dardanel A.Ş., Tüpraş, and Arçelik A.Ş. Mr. Bozer is currently a Board Member at Boyner Holding and an Independent Member on the Board of Otokar Otomotiv ve Savunma Sanayi A.Ş. as of 2024.



OTOKAR EXPORTS
DEFENSE INDUSTRY
PRODUCTS RANGING
FROM TACTICAL WHEELED
AND TRACKED ARMORED
VEHICLES TO TURRET
SYSTEMS, ALL WITH
OWNED INTELLECTUAL
PROPERTY RIGHTS, TO
ABOUT 50 COUNTRIES.

GENERAL ASSEMBLY

OTOKAR OTOMOTİV VE SAVUNMA SAN. A.Ş. DIVIDEND POLICY

Otokar pays out dividends in accordance with the provisions of the Turkish Commercial Code, Capital Markets Legislation, Tax Regulations, and other applicable legislation, as well as the profit distribution provision in the Articles of Association. As required by the Corporate Governance Principles, a balanced and consistent policy is followed between the interests of the Shareholders and those of the Company.

In principle, to the extent allowed by applicable regulations, investment needs and financial resources, taking into consideration market expectations, long-term corporate strategies, investment and financing policies, and profitability and cash position, a minimum 50% of the Company's distributable profit for the period calculated in accordance with Capital Markets Regulations is paid out in cash and/or distributed in bonus shares as long as it can be covered by the available resources in the statutory records or upon the decision of the Extraordinary General Assembly that convenes within the year.

No privileges are considered in dividend distribution. The dividend is paid out equally to all existing shares as of the determined distribution date, regardless of their issuance and acquisition dates.

While the Company aims to pay out dividends at the latest within one month subsequent to the General Assembly Meeting, the date of dividend payments is resolved by the General Assembly. The General Assembly or, if authorized, the Board of Directors may decide to pay out the dividends in installments in accordance with Capital Markets Regulations.

According to the Company's Articles of Association, the Board of Directors may pay out advance dividends, provided that it is authorized by the General Assembly and complies with the Capital Markets Regulations.

GENERAL ASSEMBLY

01.01.2025-31.12.2025 FISCAL YEAR DIVIDEND PAYMENT PROPOSAL

Otokar Otomotiv ve Savunma Sanayi A.Ş. Dividend Distribution Table 2025 (TL)

1. Paid-in/Issued Capital *		120,000,000	
2. Total Legal Reserves (According on Legal Records) **		254,798,147	
Information concerning any privileges provided in the articles of association regarding profit			
		According to CMB	According to Statutory Records
3	Current Period Profit	-1,858,661,838	-4,714,603,582
4	Taxes Payable (-)	-399,702,749	-
5	Net Current Period Profit (=)	-1,458,959,089	-4,714,603,582
6	Losses in the Previous Years (-)	-4,063,449,000	-3,218,613,701
7	Primary Legal Reserve (-)		
8	NET DISTRIBUTABLE CURRENT PERIOD PROFIT (=)	0	0
9	Donations made during the year (+)	35,189,865	
10	Donations-Added Net Distributable Current Period Profit	0	0
11	First Dividend to Shareholders ***		
	- Cash		
	- Bonus Shares		
	- Total		
12	Dividend Distributed to Owners of Privileged Shares		
13	Other Dividend Distributed		
	- To the Members of the Board of Directors		
	- To the Employees		
	- To None Shareholders		
14	Dividend to Owners of Redeemed Shares		
15	Second Dividend to Shareholders		
16	Legal Reserves		
17	Status Reserves		
18	Special Reserves		
19	EXTRAORDINARY RESERVES	0	0
20	Other Distributable Resources		
	- Previous year's profit		
21	Legal Reserves Allocated for Other Source as Proposed to be Distributed		

	Group	Cash Dividend Amount (TL)		Total Dividend Amount/Net Distributable Current Period Profit	Dividend to be paid for Share With Per Value of TL 1	
		Cash (TL)	Bonus (TL)	Ratio (%)	Amount (TL)	Ratio (%)
Gross	-	0,00	0	0,00	0,00000	0,000
	TOTAL	0,00	0	0,00	0,00000	0,000
Net	-	0,00	0	0,00	0,00000	0,000
	TOTAL	0,00	0	0,00	0,00000	0,000

* The amount is the registered nominal capital amount, and there is a capital inflation adjustment difference of TL 795,149,478.66 in the records prepared in accordance with Tax Procedure Law.

** The amount is the nominal general legal reserves amount, and there is an inflation adjustment difference of TL 1,669,329,645.87 regarding the legal reserves in the records prepared in accordance with the Tax Procedure Law after inflation accounting application.

GENERAL ASSEMBLY

RÉSUMÉS OF THE CANDIDATES FOR THE BOARD OF DIRECTORS

Yıldırım Ali Koç (Board of Directors Candidate)

See Page 32 Board of Directors' Résumés

Selin Ayla Ünver (Board of Directors Candidate)

See Page 32 Board of Directors' Résumés

Levent Çakıroğlu (Board of Directors Candidate)

See Page 32 Board of Directors' Résumés

Haydar Yenigün (Board of Directors Candidate)

See Page 33 Board of Directors' Résumés

Ahmet Serdar Görgüç (Board of Directors Candidate)

See Page 33 Board of Directors' Résumés

İbrahim Aykut Özüner (Board of Directors Candidate)

See Page 33 Board of Directors' Résumés

Fatma Füsün Akkol Bozok (Board of Directors Independent Member Candidate)

See Page 34 Board of Directors' Résumés

Kamil Ömer Bozer (Board of Directors Independent Member Candidate)

See Page 34 Board of Directors' Résumés

Ahmet Turul (Board of Directors Independent Member Candidate)

Ahmet Turul holds a bachelor's degree in Political Science from Ankara University (1980). After his roles as Junior Financial Analyst and Financial Analyst at the Ministry of Finance (1980-1988), he joined Koç Kolding, working as Assistant Finance Coordinator and later as Finance Coordinator (1988-1999). He was then appointed Assistant General Manager – Finance at Koç Consumer Finance (1999-2002). He continued his career as Assistant General Manager – Finance at both Allianz Sigorta and Allianz Hayat ve Emeklilik. (2002-2010). He later served as a Board member at Allianz Yaşam ve Emeklilik (2013-2021), and Allianz Sigorta and Allianz Hayat ve Emeklilik (2010-2022). During his insurance career, he served for a period as a member of the Non-Life and Life-Private Pension Executive Committees of the Insurance Association of Türkiye (TSB) representing his companies. Following his retirement, he served as an Advisory Board member of the TSB (2022-2023), which he currently represents on the Tax Council. He also served as an Independent Board Member at Tüpraş (2014-2019) and at Arçelik (2019-2025). Ahmet Turul has not held any position at Otokar or its subsidiaries in the last five years. He does not have any relationship with Otokar's senior executives. He does not directly or indirectly hold more than 5% of Otokar's capital shares. He is not an employee representative and has no commercial relationship with Otokar.

GENERAL ASSEMBLY

STATEMENT OF INDEPENDENCE

I have been nominated to serve as an “independent member” on the Board of Directors at Otokar Otomotiv ve Savunma San. A.Ş. (“Company”) in accordance with applicable legislation, the Company’s Articles of Association, and the criteria specified in Capital Markets Board’s Corporate Governance Communiqué. I, therefore, declare that:

a) In the last five years, I have not assumed any major duty or responsibility, or been employed in a management position, or acquired more than 5% of capital or voting rights or privileged shares either by myself or with others, and have not established any materially significant commercial relations with the Company, the companies that the Company controls or has significant influence over their management, or the partnerships that have management control of the Company, or the shareholders that have management control or major influence in the Company, or the legal entities in which such shareholders have management control, and there is no relationship between the aforementioned parties and myself, my spouse or my blood relatives or relatives by marriage to the second degree.

b) In the last five years, I have not been a partner (holding 5% or more of the shares in the company), a manager with important duties and responsibilities, or a member of the board of directors of any company with which the Company engages in purchasing or selling of services, in particular, auditing (tax auditing, legal auditing, internal auditing, etc.) rating or consultancy services, or products within the framework of signed agreements.

c) I have the necessary professional training, knowledge and experience to fulfill the duties I will assume as an independent director.

d) I will not work full-time for state enterprises or institutions, except for serving in an academic capacity at a university per applicable legislation, after my election as an independent director.

e) I am a resident in Türkiye according to the Income Tax Code (ITC) No. 193 of 31/12/1960.

f) I possess strong ethical standards, professional reputation, and experience to enable me to contribute positively to the Company’s operations, maintain my impartiality in conflicts of interest between the shareholders and the Company, and decide freely by considering the rights of the stakeholders.

g) I will dedicate the time required to follow the workings of Company operations and fully perform the duties I have assumed regarding Company matters.

h) I have not served as a member on the Company’s Board of Directors for more than six years in the last ten years.

i) I do not serve as an independent director on the Boards of more than three companies controlled by the Company or shareholders with controlling stakes in the Company, or in more than five listed companies in total.

j) I have not been registered or announced in the name of a legal person appointed as a member of the Board of Directors.



FATMA FÜSÜN AKKAL BOZOK

GENERAL ASSEMBLY

STATEMENT OF INDEPENDENCE

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c) I have the necessary professional training, knowledge and experience to fulfill the duties I will assume as an independent director.

d) I will not work full-time for state enterprises or institutions, except for serving in an academic capacity at a university per applicable legislation, after my election as an independent director.

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i) I do not serve as an independent director on the Boards of more than three companies controlled by the Company or shareholders with controlling stakes in the Company, or in more than five listed companies in total.

j) I have not been registered or announced in the name of a legal person appointed as a member of the Board of Directors.



KAMİL ÖMER BOZER

GENERAL ASSEMBLY

STATEMENT OF INDEPENDENCE

I have been nominated to serve as an "independent member" on the Board of Directors at Otokar Otomotiv ve Savunma San. A.Ş. ("Company") in accordance with applicable legislation, the Company's Articles of Association, and the criteria specified in Capital Markets Board's Corporate Governance Communiqué. I, therefore, declare that:

- a) In the last five years, I have not assumed any major duty or responsibility, or been employed in a management position, or acquired more than 5% of capital or voting rights or privileged shares either by myself or with others, and have not established any materially significant commercial relations with the Company, the companies that the Company controls or has significant influence over their management, or the partnerships that have management control of the Company, or the shareholders that have management control or major influence in the Company, or the legal entities in which such shareholders have management control, and there is no relationship between the aforementioned parties and myself, my spouse or my blood relatives or relatives by marriage to the second degree.
- b) In the last five years, I have not been a partner (holding 5% or more of the shares in the company), a manager with important duties and responsibilities, or a member of the board of directors of any company with which the Company engages in purchasing or selling of services, in particular, auditing (tax auditing, legal auditing, internal auditing, etc.) rating or consultancy services, or products within the framework of signed agreements.
- c) I have the necessary professional training, knowledge and experience to fulfill the duties I will assume as an independent director.
- d) I will not work full-time for state enterprises or institutions, except for serving in an academic capacity at a university per applicable legislation, after my election as an independent director.
- e) I am a resident in Türkiye according to the Income Tax Code (ITC) No. 193 of 31/12/1960.
- f) I possess strong ethical standards, professional reputation, and experience to enable me to contribute positively to the Company's operations, maintain my impartiality in conflicts of interest between the shareholders and the Company, and decide freely by considering the rights of the stakeholders.
- g) I will dedicate the time required to follow the workings of Company operations and fully perform the duties I have assumed regarding Company matters.
- h) I have not served as a member on the Company's Board of Directors for more than six years in the last ten years.
- i) I do not serve as an independent director on the Boards of more than three companies controlled by the Company or shareholders with controlling stakes in the Company, or in more than five listed companies in total.
- j) I have not been registered or announced in the name of a legal person appointed as a member of the Board of Directors.



AHMET TURUL

CORPORATE GOVERNANCE

REMUNERATION POLICY FOR SENIOR EXECUTIVES AND MEMBERS OF BOARD OF DIRECTORS

This policy document identifies remuneration system and applications of members of Board of Directors, General Manager, Assistant General Managers and Top Executives. In accordance with the Turkish Commercial Code and Otokar Otomotiv ve Savunma Sanayi A.Ş. article 13 of Articles of Association, a fixed fee is determined every year at the ordinary general assembly meeting for the functions of membership of the board of directors, applicable to all members of the board of directors. Payment to the members of the board of directors is made on pro rata basis by taking into account the duration they were on duty between the date of appointment and the date of resignation.

Executive Board members are paid in accordance with the policy established for top executives, which the details are described below. To the members of the board of directors who undertake duties in committees established by the board of directors, a premium determined by the board of directors based on the contributions except being a member of the board, attendance to meetings and functions of the members can be paid in accordance with the opinion of the Corporate Governance Committee at the end of each year. If any payment has made to members of Governance Committee within this context, it will be set off the mentioned amount at the end of the year. For compensation of the independent members of the board of directors, the payment plans based on the performance of the company are not used. Expenses incurred by the members of the board of directors on account of their contributions to the company (transportation, telephone, insurance, etc.) may be paid by the company.

Top executive salaries are consisted of two compounds; fixed and performance based.

Within the scope of our remuneration policy, remuneration and benefits management is organized and implemented as; fair, objective, appreciating high performance, competitive, rewarding and motivating. Fixed salaries of Top Executives are established in accordance with the international standards and the legal obligations by taking into account the macro-economic data in the market, the compensation policies prevailing in the market, the size and long term targets of the company and the positions of the individuals. With the remuneration policy, it is aimed to increase the motivation and commitment of employees by taking into account the internal wage balances and competitiveness in the market, and to provide qualified employees who will ensure that the company's strategic business goals are achieved.

Premiums for the Top Executives are calculated according to company performance and individual performance, in a way that will support the realization and exceeding of the company's business goals, and encourage superior performance by rewarding sustainable success.

Some information about the criteria is summarized below:

Premium Basis: Premium Bases are updated at the beginning of each year and vary according to the job size of the positions of the executives. In the updating of the premium bases, the top management premium policies in the market are taken into account.

Performance of the Company: Performance of the company is obtained by measuring the financial and operational targets (market share, exports, overseas operations, productivity, etc.) assigned to the company at the beginning of each year at the end of the period. When the targets of the company are established, that the success is sustainable and includes improvements compared with the previous years are the principles which are importantly taken into account.

Individual Performance: Individual and collective goals set by Top Executives with their own teams and managers, as well as key result indicators, are taken into account in determining individual performance. In the measurement of individual performance, long-term sustainable improvement, compliance with Environment, Society and Corporate Governance (ESG) policies are taken into account, apart from financial areas..

In case of resignation of the top executives of our company, resignation premium can be paid by taking into consideration the term of appointment, term of top executive, provided contribution, last target premium before resignation date, salary at last year and premium information.

Total amounts determined in accordance with the above principles and paid to Top Executives and the members of the Board of Directors during the year are submitted to the information and/or approval of the shareholders compliance with the legislation at the following general assembly meeting.



HAVING MARKED MANY FIRSTS SINCE ITS ESTABLISHMENT, OTOKAR COMES TO THE FOREFRONT WITH WORLD-CLASS R&D ACTIVITIES. IN 2025, THE COMPANY HAS ALLOCATED 4% OF ITS REVENUES FOR R&D.



OTOKAR IN 2025



COMMERCIAL VEHICLES

PASSENGER TRANSPORTATION



With a comprehensive product portfolio ranging from 6 meters to 21 meters in the commercial vehicle passenger transportation segment, Otokar maintains its position as Türkiye's best-selling bus brand.

According to data from the Turkish Statistical Institute (TURKSTAT), the Turkish bus market expanded by approximately 10% in 2025 compared to the previous year. This growth was primarily driven by the intercity bus segment, which increased by 7%, and the public transportation bus segment, which surged by 140%. The continuation of large-scale infrastructure investments following the earthquake, coupled with rising demand for short-distance public transportation in line with population growth, led to significantly higher procurement volumes in the public transportation segment. While European bus market data has not yet been finalized, preliminary indicators point to an increase in demand compared to the previous year, supported by government-subsidized renewal programs and tightening environmental regulations.

Leader for 17 Consecutive Years

With a bus portfolio spanning 6 meters to 21 meters, supported by environmentally friendly and alternative fuel solutions, Otokar offers the widest range of buses in Türkiye and maintained its market leadership in 2025. As the market leader in total bus sales for the 17th consecutive year, Otokar has long been the preferred brand of customers. According to Turkish Statistical Institute (TURKSTAT) data, one out of every three buses sold nationwide was Otokar branded.

In metropolitan cities, Otokar continued to play an active role in the transformation of public transportation systems. In 2025, the company held a delivery ceremony in Sakarya, where its production facility is located, for Kent XL buses supplied to the metrobus line of Sakarya Metropolitan Municipality.



During the same period, Kent LF vehicles were delivered to the Turkish Red Crescent for use in blood donation services.

Among the Top 5 in Europe

Otokar continues to focus on strengthening its production capabilities to become one of Europe’s most modern and integrated bus manufacturers, sustaining growth in the in the European market, and accelerating electrification through the modernization of its product range. In line with these priorities, Otokar signed an agreement with Daimler Buses, one of the world’s leading bus manufacturers. The agreement aims to increase production volumes, optimize capacity utilization, and reinforce Otokar’s position among Europe’s five largest bus manufacturers. Under the agreement, Mercedes-Benz Conecto buses are planned to be produced at Otokar’s Sakarya plant.

Exporting buses to more than 60 countries, Otokar sustained its presence in the European market in 2025. Deliveries continued across Europe, primarily to France, Italy, and Germany. During the year, the company completed its first export delivery to Sweden, while right-hand-drive Otokar buses entered service on the Channel Island of Jersey. Otokar vehicles were also displayed at several international exhibitions throughout the year.

Pioneering Transportation Solutions

Otokar shapes its product development approach by anticipating industry trends and customer expectations, building on its role in introducing Türkiye’s first hybrid, electric, and smart bus solutions for public transportation. As part of its strategy to expand its alternative fuel vehicle portfolio, the company targets the development of a comprehensive range of low- and zero-emission solutions. In 2025, Otokar continued its investments

in electric and autonomous vehicle projects. The first e-Territo electric bus, which was added to the product lineup in 2025, was sold to France. In addition, nearly 60 alternative fuel Otokar buses entered service in Italy during the year. The Autonomous e-Centro, developed entirely with in-house engineering and software capabilities, completed comprehensive testing by TÜV

Rheinland in Hungary. The vehicle was tested across 148 different scenarios over a 30-day period and successfully passed more than 600 autonomous driving tests. As the first Turkish autonomous vehicle tested by TÜV Rheinland, the Autonomous e-Centro started operating in Europe in 2025 and commenced passenger transportation operations in Madrid, supporting Spain’s focus on efficient and sustainable mobility.



Ecology Award for e-Territo



Otokar focuses on developing vehicles that reduce environmental impact while increasing operational efficiency through advanced technologies. As a zero-emission vehicle, the all-electric e-Territo aligns with carbon footprint reduction objectives in transportation. Equipped with 15 modular battery packs, the e-Territo offers up to 450 kWh of usable battery capacity and a driving range of up to 500 kilometers. Its electric motor delivers 97% efficiency and generates up to 557 horsepower. Energy efficiency is further supported by a variable-speed electric hydraulic power steering pump and a heat pump system used for cabin heating. With these specifications, the e-Territo represents an environmentally efficient and cost-effective solution for public transportation. This approach to product development and production earned Otokar the Ecology Award at the Busworld Awards for the e-Territo model.

Autonomous e-Centro in Spain



Otokar’s Level 4+ autonomous public transportation bus, Autonomous e-Centro, entered passenger service at Mercamadrid in Madrid, supporting Spain’s vision of efficient and sustainable mobility.

First Application on Public Roads



The AcceptRemote Project, in which Otokar is a partner, was approved following a high-scoring evaluation under the Horizon Europe framework. The project will trial Türkiye’s first autonomous vehicle application on public roads.

COMMERCIAL VEHICLES

CARGO TRANSPORTATION



Otokar continues to strengthen its presence in the commercial vehicles cargo transportation segment, supported by its light truck operations, now in their 12th year, and its entry into the pickup truck market in 2024.

Next-Generation Atlas Family

Otokar continued to improve its performance in the light truck market in 2025. Sales in the 7 ton–15 ton truck segment increased by 21% year-on-year, reaching 1,521 units. This performance supported the company's sustained growth in the light truck segment, alongside export activities carried out through truck distributors in Bulgaria, Spain, North Macedonia, Poland, Romania, Serbia, and Greece.

As the only light truck manufacturer officially exporting to Europe through its own sales network, Otokar refreshed the Atlas family in response to developments in its domestic and international sales organization, next-generation technologies, and evolving customer expectations. In parallel with its growth targets in domestic and international markets, the company launched the fourth-generation Atlas 9, equipped with advanced driver assistance systems and the GSR II safety package, at its dealerships.

During the year, Otokar also expanded the Atlas family by adding Türkiye's first electric light truck. In line with its environmental approach and cooperation objectives with local administrations, the company delivered Otokar Atlas vehicles to municipalities.

The New Strength of Businesses: Otokar Atlas 9



The fourth-generation Otokar Atlas 9 differentiates itself in the market through its safety-oriented equipment. The model features the first and only airbag and air-suspension driver's seat in its class, designed to reduce risks in the event of an accident. Atlas 9 is positioned as the only light truck in its segment offering a 1 million kilometer or four-year warranty.



Success in the Pickup Truck Market

Following its entry into the pickup truck market with Foton Tunland models in the final quarter of 2024, Otokar has achieved an 8% market share in the 4x4 pickup market in 2025. As part of its growth strategy in this segment, the company expanded its product range by launching the Tunland V9, which features a hybrid engine option, enhanced comfort, and advanced technological equipment. In addition, Otokar introduced the 4x2 version of the Tunland V9, offering the same equipment and technologies with a cost advantage. This expansion enabled the company to establish a broader pickup truck portfolio addressing diverse user needs and usage profiles.



Within the scope of Otokar's partnership with TOSFED, Tunland G7 and Tunland V9 models served as safety, medical, and referee vehicles in rally championships held across Türkiye. In addition to their active use in the Bodrum and Cappadocia rallies, the vehicles were also displayed in exhibition areas, supporting brand visibility and promotion.

Collaboration with KuzeyDoğa Association

Otokar and the KuzeyDoğa Association initiated a long-term collaboration involving the Tunland V9 pickup truck. The association conducts scientific research focused on identifying and effectively conserving biodiversity. With its robust structure, durability on rough terrains, high payload capacity, and climbing capability, the Tunland V9 supports the effectiveness of the association's field operations. Otokar plans to continue its cooperation with the KuzeyDoğa Association through future projects aimed at the conservation of natural heritage.



DEFENSE INDUSTRY



Otokar military vehicles, exceeding 33,000 units, are actively deployed in the inventories of more than 80 clients across about 50 countries.

As a long-standing supplier of land vehicles to NATO and the United Nations, Otokar strengthens its position in the defense industry through the development of 4x4, 6x6, and 8x8 tactical wheeled armored vehicles, tracked armored vehicles, unmanned ground vehicles, and turret systems. Leveraging its engineering, design, and production capabilities, the company integrates operational experience gained across diverse geographies into its vehicle development processes. This approach supports solutions characterized by enhanced survivability, modular mission configurations, and high mobility. More than 33,000 Otokar military vehicles remain in active service with over 80 clients in about 50 countries.

Strategic Steps in Romania

Otokar continued its global performance in land vehicles in 2025, with a particular focus on Europe, within the scope of

the largest single-item armored vehicle export contract ever signed in Türkiye.

The contract was executed with the Romanian Ministry of Defense. Production of 278 vehicles, representing the first phase of the total 1,059 Cobra II order, was completed at Otokar's Sakarya Plant. The vehicles were shipped to Romania as part of local integration activities, and 194 units entered the inventory of the Romanian Army. Deliveries of the remaining vehicles are ongoing.

Following the initial deliveries, preparations progressed to continue production in Romania in line with the established localization roadmap. Romtehnica has filed indemnity claims against Otokar, citing failure to meet interim targets related to local production preparations and delays in the delivery of the first batch (Detailed information



and claim amounts are provided in the notes to financial statements: Page 169, Note 20). Otokar filed a countersuit seeking cancellation of these claims, and negotiations between the parties remained ongoing. During this process, Otokar made the related payments on time, without prejudice to its legal rights. Within the scope of the project, deliveries to the Romanian Army and preparations for local production activities in Romania continue. Under the contract, Otokar plans to establish a permanent industrial presence in Romania, contributing to local production capacity, technological development, and regional security. The planned engineering and production capabilities are intended not only to address the needs of the Romanian Armed Forces but also to support exports from Romania to other markets.

New Collaborations

In line with its focus on advanced technology development and continuous improvement, Otokar signed a strategic cooperation agreement with Guardiaris, a Slovenia-based company specializing in military training and simulator solutions. The agreement was signed during the SIDEC 2025 International Defence Exhibition and Conference. The cooperation aims to establish a

framework for joint projects, product development initiatives, and new market opportunities by combining the technical expertise of both parties.

Deliveries

Throughout 2025, Otokar completed the design, adaptation, verification, production, integration, testing, inspection, and acceptance processes for vehicles ordered during the year. Vehicles developed in line with customer requirements were put into production and delivered. In addition to follow-on orders for previously delivered vehicles, preparations for upcoming deliveries continued. During the year, Otokar also concluded a second sale of the Mızrak turret.

Promotions in Different Geographies

Otokar continued to prioritize

technology transfer, local production, and cooperation opportunities, while also representing the Turkish defense industry at domestic and international exhibitions.

In 2025, the company participated for the first time in DSEI Japan and showcased its products at exhibitions held in the United Arab Emirates, Brazil, Estonia, the United Kingdom, Kazakhstan, Colombia, and Romania. In addition, Arma 6x6 vehicles delivered to the Estonian Defense Forces were displayed during a military training event in Estonia. Domestically, Otokar participated in the IDEF 2025 International Defence Industry Fair with 10 vehicles and, for the first time in Türkiye, unveiled the Cobra II and Tulpar vehicles equipped with 120 mm turrets produced under the Romanian contract.

Cobra II Order

Otokar received an export order worth USD 83.6 million for Cobra II 4x4 tactical wheeled armored vehicles. The vehicles covered under the export-registered sales contract were delivered within 2025. Added to Otokar's military product portfolio in 2013, the Cobra II platform is actively used by more than 20 clients in 13 countries. Designed as a modular platform, the vehicle can be adapted to a wide range of mission requirements. To date, Cobra II has been developed and produced in more than 30 variants in response to differing operational needs.



SUSTAINABILITY



Otokar adopts a sustainability strategy, aimed at maintaining its domestic capital structure and profitability, and built on the core pillars of sensitivity to the environment, people, and communities, operational excellence, and customer satisfaction.

Operating in two diverse industries, Otokar recognizes that each comes with different stakeholder expectations and material topics. While this diversity brings richness, it also requires meticulous planning and management of sustainability strategies and practices. Focusing on the common priorities of these industries as part of its sustainability strategy, Otokar leverages its agile structure in shaping processes according to the relevant business models' requirements. On its sustainability journey, Otokar is inspired by global best practices and guided by Koç Holding. The company strives to uphold ethical values in all processes, listen to the opinions and suggestions of all its stakeholders, starting with employees, suppliers, business partners and customers, and respect people and the environment in all its operations.

Otokar's sustainability approach extends beyond its internal operations

to encompass the entire value chain and deliver exemplary performance. In line with this vision, the company has disclosed its economic, social and environmental performance transparently through reports complying with GRI standards since 2013. As a result of its sustainability efforts, Otokar has also been listed in the BIST Sustainability Index since 2014.

Sustainability Strategy

Otokar has designed a sustainability strategy aimed at maintaining its domestic capital structure and profitability. Sensitivity to the environment, people and communities, commitment to universal human rights and code of ethics, operational excellence and focus on customer satisfaction, developing high-tech, value-added products form the pillars of this strategy. As a responsible company that promotes stakeholder participation, Otokar aims to



strengthen its business strategy in the automotive and defense industries. On this path, the company strives to fully adhere to the laws and regulations in the regions where it operates, apply global sustainability standards, and respect the environment, people and the future.

Material Sustainability Topics

Otokar’s material sustainability topics are reviewed annually by sustainability managers and external experts and updated as needed. In consideration of industry dynamics and the rapid regulatory changes in the European Union and Türkiye, a comprehensive materiality assessment was conducted in 2024 with the help of professional consultants to create new momentum within Otokar. A review of current Otokar policies, SASB’s sector-specific priorities for the automobile and defense Industries, Koç Group’s high priority material topics, and the results of past surveys

with the participation of 14 different stakeholder groups guided this process. Stakeholder expectations in international markets, including Northern European countries, were analyzed, best practices were reviewed, GRI Standards and EFRAG disclosure requirements were studied.

Sustainability Management

The Board of Directors is the governing body responsible for setting the strategic direction for Otokar’s social, economic and environmental issues. As with all other areas of operation, sustainability strategy and direction is also determined by the Board of Directors, which oversees the senior management’s sustainability performance.

The Corporate Governance Committee reviews the Sustainability Principles Compliance Report, prepared annually according to the

Otokar’s Material Sustainability Topics

For Business

- Sustainable Growth
- Contribution to Local Economy
- Corporate Reputation
- Product and Service Responsibility
- R&D and Innovation
- Business Ethics

For the Planet

- Low-Carbon Economy
- Circular Economy
- Waste Management
- Water Stewardship

For People

- Employee Experience
- Potential Employee Management
- Human Rights and Fair Work

For Communities

- Civic Engagement

Social Indicators

3,650+

TOTAL WORKFORCE

6.8%

FEMALE EMPLOYMENT RATIO

100%

UNIONIZATION RATE OF FIELD EMPLOYEES

4.57

TOTAL INJURY RATE

32,170

PERSON*HOURS TOTAL OHS TRAINING TIME

100%

RATIO OF EMPLOYEES UNDERGOING PERFORMANCE APPRAISAL

Environmental Indicators

12,000 GJ

ENERGY SAVINGS

154,100 m³

RECOVERED WATER

3,467.8 GJ

ELECTRICITY CONSUMPTION PER UNIT (GRID + SPP)

99%

WASTE RECYCLING RATE

3,467.8 GJ

SOLAR POWER GENERATION

BIST Sustainability Index

Otokar aims to create long-term value by integrating economic, environmental and social factors with corporate governance principles. Since 2014, Otokar has been included in the BIST Sustainability Index, whose constituents are listed companies with the highest corporate sustainability performance, in recognition of its sustainability-focused efforts. Through the Sustainability Index, Otokar discloses information on its environmental, social and corporate governance related activities as well as performance results and relevant targets to its stakeholders. Otokar is also included in the ESG rating of the LSEG.

formats specified by the CMB pursuant to its decision of June 23, 2022, and then submits it to the Board of Directors for approval, inclusion in the Annual Report, and public disclosure (on KAP).

The General Manager, who is also a Board member, ensures that sustainability-related activities are aligned with corporate policies and strategies. While the ultimate responsibility for sustainability remains with the Board of Directors, the company's material sustainability topics are determined at workshops held with members of the Sustainability Committee and senior management.

Sustainability Committee

At the executive level, the Sustainability Committee, headed by the General Manager, coordinates sustainability efforts. The committee is responsible for developing, implementing and monitoring sustainability strategies, and keeping a close eye on sustainability- and climate-related risks and opportunities. It also identifies

material sustainability topics, reviews and approves annual targets and monitors performance indicators. The committee plays an active role in overseeing greenhouse gas emission reduction efforts, evaluating sustainable finance opportunities, and following relevant regulation.

After a review of its functioning in 2025, the Sustainability Committee began to convene regularly throughout the year. Based on the new structuring, the committee now meets at least twice a year or more frequently if significant developments require a meeting to make the necessary assessments. Meeting agendas are shaped around working group analyses, stakeholder feedback, and legislative developments. The committee reaches decisions by majority vote and consults experts when needed. Developments and decisions are reported to the Board of Directors through the General Manager.

The Sustainability Committee consists of 11 members: General Manager as the chair, and Assistant General





Manager - Commercial Vehicles, Assistant General Manager - Operations, Assistant General Manager - Military Vehicles, Assistant General Manager – Finance, Commercial Vehicles Engineering Group Director, Bus Marketing and Sales Group Director, People, Culture and Transformation Leader, Purchasing Director, Systems and Production Engineering Director, and Corporate Communications and Sustainability Director.

Working Groups

Thematic sustainability working groups coordinated by the Corporate Communications and Sustainability Directorate monitor progress toward sustainability targets and regularly submit reports to the Sustainability Committee about their activities, evaluations and analyses. The Directorate’s responsibilities include internal communication as well as ensuring that the sustainability strategy is embedded into all company functions, managing sustainability-based interactions with external stakeholders and coordinating processes related to measuring and reporting sustainability performance.

Sustainability is embedded into the responsibilities of various

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Certificates and Documents held by Otokar

- ISO 9001:2015 Quality Management System Certificate
- ISO 14001:2015 Environmental Management System Certificate
- ISO 14064: Greenhouse Gas and Emissions Management System Certificate
- ISO 50001:2018 Energy Management System Certificate
- ISO 10002:2018 Customer Satisfaction Management System
- ISO 27001: 2022 Information Security Management System
- ISO 45001: 2018 Occupational Health and Safety Management System Certificate
- AQAP 2110: 2016 Quality Management System Certificate
- MND - Facility Security Certificate – (NATO Classified)
- MND - Facility Security Certificate – (National Classified)
- MND - Approved Supplier Certificate
- MND - Production Permit Certificate
- ISO 17025: 2017 Laboratory Accreditation Certificate
- TS 12047: 2013 Authorized Service Qualification Certificate
- ISO 21434-R155 (Road Vehicles) Cyber Security Management System (CSMS) Certificate
- Ministry of Trade – Authorized Economic Operator Certificate (AEO)
- CoP - Conformity of Production Certificate





Otokar Sustainability Targets	Target Year
For Business	
Integrating 50% of critical suppliers accounting for 80% of procurement budget into the Supplier Evaluation and Development Program	2027
Ensuring continuity of the Quality Index with the value 100%	2030
Allocating 70% of R&D expenditures to sustainability areas such as alternative fuels, environmental solutions, and safe transportation	2028
Offering at least one alternative fuel version in each passenger transportation product segment	2028
Participating in at least two international projects annually in digital transformation and smart production technologies	2035
Providing Ethical Principles training, including "Respect for Human Rights", to 75% of dealers/service centers	2028
Increasing the Customer Product Recommendation NPS Score to 50	2030
For People	
Reaching zero accident rate through sustainable improvements	2030
Providing 80% of Otokar employees with Ethical Principles training including 'Respect for Human Rights'	2028
Increasing the ratio of women on Otokar's Board of Directors to 25%	2026
Ensuring that 50% of new hires each year are women to support female employment	2030
Increasing the percentage of female field employees to 20%	2030
For the Planet	
Conducting LCA-Recycling Reports for the entire alternative fuel commercial vehicle family	2030
Maintaining 99% waste recovery rate from production activities	2030
For Communities	
Reaching 100 students in internship programs at company facilities under the "Stronger Future with Otokar" project	2030

[Click to view Otokar's sustainability policies.](#)

[Click to view Otokar's compliance policies.](#)

company functions, including R&D, Human Resources, Production, and Investment. Therefore, industry-specific and regional regulations, such as EU regulations, guide R&D processes, while Koç Group's gender equality targets shape Otokar's Human Resources practices. As a result, sustainability has become an integral part of the relevant departments' activities.

Policies and Procedures

At Otokar, sustainability management is supported with corporate policies and procedures. The Environmental Policy and Energy Policy reflect the company's commitment to the efficient use of natural resources and the reduction of environmental impacts. These policies come into effect following the approval of the Board of Directors and are shared with all employees. Implementation documents such as the Greenhouse

Gas Management Procedure, Environmental Impacts Procedure, Legal and Other Obligations Procedure for the Environmental and Energy Management System, and the Energy Management Procedure support policy objectives. Sustainability practices are also guided by Enterprise Risk Management Policy and Corporate Risk and Opportunity Management Procedure, reflecting Otokar's overall corporate risk management approach, and Compliance Policy, defining ethical compliance standards. Otokar holds ISO 14001, ISO 50001, and ISO 14064 certifications.

Compliance with CMB's Sustainability Principles

Otokar closely follows the best sustainability practices, including those specified in the Capital Market Board's (CMB) Sustainability

Principles Compliance Outline, to ensure compliance with the generally accepted best sustainability practices.

Most of the sustainability topics Otokar manages are congruent with the Sustainability Principles Compliance Outline introduced by CMB in 2020. Otokar is already in compliance with the majority of the non-mandatory principles in the Sustainability Principles Compliance Outline imposed by the Capital Markets Board on a "comply or explain" basis. Once the ongoing work to align with internationally accepted practices is completed, Otokar aims to adhere to the remaining principles that currently lack full compliance. The company monitors environmental and social impacts related to non-compliance with the non-mandatory principles and assesses them as part of sustainability activities.

Contributions of Otokar's Material Sustainability Topics to UN Sustainable Development Goals

R&D and Innovation for Continuous and Sustainable Development

- Product quality
- Lifecycle factor in production
- Minimizing supply and value chain impact



Quality and Sustainable Products

- Implementing new technologies
- Alternative fuel vehicles
- Sustainable product design
- Digitalization



Innovative Solutions for Climate Action

- Energy efficiency in production
- Zero waste
- Transitioning to low-carbon economy



Brand Value and Customer Satisfaction

- Accessibility
- Customer satisfaction
- Brand value and reputation



Employee Satisfaction

- Employee engagement
- Occupational health and safety
- Diversity and human rights
- Talent management



SUSTAINABILITY FOR BUSINESS



In response to both European market regulations and the global shift to low-carbon economy, Otokar continues to drive production of electric and zero-emission vehicles.

R&D and Innovation

Otokar continues to work at full steam with the goal of developing new products and services in anticipation of future needs. The high technology vehicle groups and systems the company manufactures are designed in-house. Otokar's R&D capabilities include CAD software for product development, prototyping workshops and software, computer-assisted analytics and simulation software, and testing apparatus and software. In 2025, Otokar's R&D spending corresponded to 4% of the company's revenues.

R&D Center

Otokar's Sakarya plant is home to one of the leading automotive R&D centers worldwide. Otokar R&D Center, which also serves as an independent accreditation center for all R&D activities of local and international companies in the

automotive and defense industries, is equipped with simulators, test equipment and computer systems to generate and evaluate information for faster testing of manufactured vehicles with advanced technologies. The testing capabilities of the R&D Center, which currently operates with 620 employees, are accessible to various other industries and companies.

Manufacturing

Otokar launched the Layout Project to reconfigure the production flows in both the commercial vehicle and defense industry manufacturing. As part of the project, all production workflows were reconfigured according to lean production principles. Furthermore, the company's technological infrastructure was reinforced, and the production management processes were restructured.



Once the project is completed, Otokar aims to set industry benchmarks in production infrastructure and management processes.

Electric and Alternative Fuel Vehicles

In response to both European market regulations and the global shift to low-carbon economy, Otokar continues to drive production of electric and zero-emission vehicles. The company’s electric vehicle development accelerated in 2025 as the product range kept evolving.

Otokar remains committed to its goal of offering at least one alternative fuel version in all product segments by 2028, with the R&D and innovation investments supporting this target. The company actively works on developing battery technologies and using lightweight materials for product electrification and the transition to alternative fuel vehicles.

Otokar is a contributor to Koç University’s Hydrogen Technologies Center (KUHyTech) that was opened in February 2024 to advance the production, storage, transportation, and commercialization of green hydrogen.

In addition to participating in the center’s activities, Otokar continues to drive R&D & innovation for a more sustainable future.



Highlights of 2025



- The autonomous e-Centro completed comprehensive tests conducted by TÜV Rheinland in Hungary.
- The electric minibuses started operating in Cagliari, Italy.
- The autonomous e-Centro began carrying passengers in Mercamadrid, the smart urban district in the Spanish capital.
- The leading German magazine Omnibus Spiegel tested the e-Kent bus.
- EGO General Directorate, in collaboration with WAT Mobility and Otokar, initiated the trial of the first electric bus.
- A delegation from the Ministry of Industry and the Autonomous Vehicle Committee visited the Otokar plant.
- At Busworld Europe in Brussels, Otokar exhibited future transportation solutions focusing on its electric vehicle portfolio, including e-Centro, Navigo U Giga, Ulyso, e-Kent, and e-Territo models. The 10.9 m e-Kent was unveiled for the first time during the exhibition.
- Otokar displayed its innovative solutions in electric commercial vehicles at the EV Charge Show 2025
- The e-Territo bus was added to Otokar’s product family.





Digital Transformation Projects

Otokar's R&D projects on digital transformation, smart production, and autonomous vehicles are recognized at national and international levels. The company is currently advancing research on its autonomous vehicle, developed under TÜBİTAK's Tech-Driven Industry Initiative Program.

Additionally, three digital transformation and smart manufacturing technology projects Otokar developed were approved for the EU's Horizon Europe Program in 2024. With the acceptance of these projects, the company's effectiveness in international projects was further reinforced, resulting in additional R&D discounts from the Ministry of Industry. In 2025, Otokar was a partner in five EU projects.

TASTI: The main objective of TASTI (Application-Tailored Synthetic Image Generation) is to develop a modular transferable technology framework by generating synthetic images of the error types encountered in industrial systems and classifying those errors with neural networks trained with these images.

Otokar aims to integrate the project outputs into applications where machine vision systems are utilized. An autoencoder-based AI algorithm, developed for detecting anomalies in data received from camera sensors, has been configured to run on the GPU of the system computer. Networks incorporating diffusion models have been trained to create datasets consisting of images with a small number of rare defect types. These networks were then used to generate realistic images containing rare defects (welding radiation, lens fogging, etc.) and industrial datasets.

Sa4CPS: The objective of the Sa4CPS project is to develop a secure situation awareness concept for critical cyber-physical systems in the logistics, mobility, energy and security sectors. As part of the project, a pilot application was introduced for a camera-based human detection and warning system integrated into forklifts, particularly with the goal of further enhancing occupational health and safety in critical operational areas. The targeted outcomes of the pilot application were reducing

accident risks, supporting operational continuity, and further improving the safe work environment. The findings were evaluated to determine whether the application could be deployed as a scalable and sustainable safety solution. The project has delivered significant gains that will improve the resiliency, security, privacy and safety of people in critical infrastructure.

MATISSE: The MATISSE project aims to advance the development of digital twins for complex industrial systems to enhance productivity and quality through simulation, testing, and prediction. In the first year, work began on modeling the system's digital twin. To feed field data into the digital twin and support predictive maintenance, sensors capable of measuring vibration, temperature, speed, acoustics, and similar parameters were integrated into robot axes. Additionally, development has started on software that, based on system requirements, defines test scenarios for Robustness Testing of the digital twin software using LLM-based models, generates corresponding test code, and reports the results.

AGASSI: During the first year of the AGASSI project, which was launched on January 1, 2025, comprehensive preparation and planning activities were carried out to define the project’s strategic direction. Current-state analyses of automotive manufacturing and supply chain processes were conducted, and priority transformation areas were identified in line with the Industry 5.0 vision. Together with consortium partners, technical requirements, the project roadmap, and the target architecture were defined more clearly. The integration of digital twin technologies, digital product passports, and smart manufacturing technologies into the project was planned. These efforts established a strategic foundation that will enable rapid and effective implementation in the later phases of the project.

NexTARC: As part of the NexTARC (Next Generation Open Innovations in Trustworthy Embedded AI Architectures for Smart Cities, Mobility and Logistics) project, analytical studies were conducted to enhance efficiency, traceability, and security in internal and external logistics processes. Internal logistics operations at Otokar’s Sakarya

Plant, as well as external logistics flows from suppliers to the plant, were analyzed in detail. Existing data and processes were assessed to identify operational bottlenecks and improvement opportunities. The resulting analyses and documentation were structured to support objectives such as reducing the number of vehicles, optimizing routes, and ensuring the secure integration of autonomous logistics solutions. The project has provided

a decision-support framework for future digital and autonomous logistics investments.

Supply Chain Management

Otokar evaluates all national and global supply alternatives, giving priority to local suppliers, to remain competitive in both domestic and international markets. The company has developed a highly effective communication system that enables compliance and information sharing



TÜBİTAK-3005 Project Awarded a Grant

The TÜBİTAK-3005 project, “Developing Innovative Policies with the Progress Model for the Automotive Supply Industry in the Process of Compliance with the European Green Deal,” carried out by Otokar in partnership with Sakarya University, was awarded a grant. As part of this project, which also included a Supplier Sustainability Survey, faculty members from Sakarya University participated in the training and provided information about the project.



ESG Assessment

Otokar expects its stakeholders and business partners to adopt the same sustainability approach as its own and pays particular attention to compliance with regulations and standards in supplier selection. An ESG (Environmental, Social, and Governance) Assessment was conducted at 40 critical and carbon-intensive suppliers in 2025.



[Click to view Otokar’s Supply Chain Compliance Policy.](#)

[Click to view Otokar’s Purchasing Policy.](#)

to facilitate its ongoing cooperation with its suppliers. Suppliers that invest in technological development and human resources and respect the environment and human health are preferred. The development of existing suppliers in these areas is also supported. Otokar establishes long-term business relationships with companies that are capable of delivering quality products on time and in competitive terms, prioritize research and development to specialize in their respective fields, manufacture in national and international environmental and occupational safety standards and adopt a contemporary management approach. The company's Purchasing Policy is disclosed publicly on the corporate website. The objective of this policy is to establish, maintain and develop long-term business relationships based on mutual trust and cooperation with current and

prospective business partners in alignment with the general policies and strategies of Koç Holding and Otokar, in accordance with UN Global Compact and following Koç Holding's Purchasing Management System guidelines.

The objective of the Supply Chain Compliance Policy is to communicate Otokar's core principles and values to the suppliers by creating a roadmap for the standards they need to follow. Through this policy, the company also aims to provide guidance in the supplier selection and monitoring processes. All Otokar employees and managers are required to adhere to this policy, which is an integral part of Koç Group's and Otokar's Codes of Ethics. Otokar expects all its business partners to adhere to this policy, to the extent applicable for the respective business, and takes the necessary steps to ensure compliance.

Business partners are selected according to criteria such as technical competence, product and service quality, pricing, corporate reputation and financial soundness. Engagement with all business partners requires acting in accordance with a set of criteria, including laws and regulations, anti-bribery and anti-corruption, prevention of laundering the proceeds of crime, financing of terrorism and weapons of mass destruction, human rights, health and safety, environment, compliance with code of ethics and international conventions, conflicts of interest, reporting, training and development, and management systems.

Furthermore, compliance risks are assessed through a risk-based approach, which involves the adoption of the following conditions:

- Taking the necessary measures to



effectively manage risks associated with sanctions and export control regulations.

- Ensuring that business partners are not sanctioned directly or indirectly, and that they bear no negative intelligence, including bribery, corruption, laundering the proceeds of crime, financing of terrorism and weapons of mass destruction, human rights violations, etc.
- Auditing the business partners as needed to ascertain their compliance with Otokar Code of Ethics, applicable legislation, guidelines for business partners and contractual obligations.
- Providing the necessary training to business partners as needed to ensure compliance with applicable standards.

Quality and Product Safety

Otokar's goal is to provide safe products and services in universal quality norms and standards. As part of its product and service responsibility, the company considers the social, environmental and economic impact that it may create. The company continuously strives to ensure that customers are always equipped with accurate information about the products and terms of use.

At Otokar, product and service quality is managed in line with the internationally accepted product and management standards. Accordingly, production process quality and excellence is assured with ISO 9001 Quality Management System Standard and AQAP 2110 Military Quality Assurance System certifications and monitored with an internal index. Otokar products are subject to many laws and regulations that vary depending on their purpose and markets where they will be used. Therefore, applicable legislation is monitored closely to ensure and maintain legal compliance. In 2025, the company successfully passed the ISO 9001 & 14001 & 10002



Integrated Management Systems recertification audits conducted by Bureau Veritas and renewed these certifications. Otokar also passed the first control audit of the ISO 50001 Energy Management System, qualifying for continuation of its ISO 50001 certification. The interim control audit of the Quality Management System conducted by the Ministry of National Defense under AQAP 2110 was also completed successfully, receiving approval for continuation of its AQAP 2110 certification.

For Otokar, operating in the defense industry comes with critical product quality requirements and responsibilities. Pursuant to applicable laws and statutory requirements, the defense industry products are only sold to the Turkish Armed Forces and other internal security and police forces. Exporting defense industry products is subject to the approval of the Turkish Ministry of Defense. These are only exported to the authorized organizations within the framework of the applicable export laws and regulations, and the requirements of the respective governments' export licenses.

Customer Satisfaction

With over 60 years of experience,

Otokar is a pioneer and industry leader, designing and developing products using its own R&D capabilities. Always aiming to preserve the local and national identity of its products, the company has introduced many innovations in public transportation and defense industry.

Otokar's goal is to ensure continued customer satisfaction by generating fast and reliable solutions with a total excellence philosophy. The objective of Otokar's Customer Satisfaction Policy is to establish long-term relations with its clients based on mutual trust, while ensuring their ultimate satisfaction. According to the policy:

- Customers' requests and expectations are quickly addressed at no cost with a transparent and objective approach. All customers may contact Otokar 24/7 via the Customer Relations Line at 444 68 57 (444 OTKR).
- Otokar offers customer-centric solutions to applications submitted to the company in accordance with internal policies, legal and other requirements and organizational, financial and operational requirements.
- The security of customers' personal information is paramount. Therefore, their information is not shared



or used for purposes other than the application submitted to the company pursuant to Law No. 6698 on the Protection of Personal Data.

- Feedback, requests, and expectations communicated by customers, employees, and other stakeholders are regarded as an opportunity for continuously improving all business processes.

Code of Ethics

Otokar Code of Ethics is based on and aligned with Koç Holding Code of Ethics and Implementation Principles, and binding on all company executives, employees and partners (suppliers, dealers, authorized service centers, contractors, consultants and all representatives acting on behalf of the company). Similarly, UN Global Compact, to which Koç Holding is a signatory on behalf of all Group companies, is binding on Otokar's entire value chain.

Ethical Processes and Ethics Line

At Otokar, an Ethics Board has been formed to design and effectively implement the processes regarding

compliance with business ethics guidelines and prevention of unethical behaviors, including bribery and corruption, within the organization and across the value chain. This Board is responsible for the processes, from planning and conducting audits and detecting violations to creating action plans for responding to such incidents. Accordingly, both Otokar Internal Audit teams and Koç Holding Audit teams conduct individual audits on the company's operations. Employees may report suspicious incidents and behaviors and communicate their suggestions and requests to a senior manager. If need be, they may directly contact the Otokar Reporting and Notification Line or Koç Holding Ethics Line. All notifications are addressed in strict confidence. Otokar has implemented a Whistleblowing Policy to encourage its employees and stakeholders to report any actions that they suspect are in violation of relevant policies or applicable legislation.

Information Security

As specified in the Information

Security Policy, Otokar views its information assets (including consumer information assets) as an important resource for capturing a competitive advantage and attaining its strategic goals. Therefore, the company takes all necessary measures to ensure that these information assets are always available, secure and consistent. Otokar is committed to complying with laws and regulations, fulfilling its contractual information security obligations and putting in maximum effort to ensure the security of customer and consumer information available. To achieve these goals, the company has also committed to establishing and continuously enhancing an Information Security Management System, managing its risks in accordance with ISO 27001 criteria, and allocating the necessary resources.

Data Privacy

Operating in the defense industry requires maintaining data in utmost confidentiality. As a manufacturer with the capability to design and develop products using its own

[Click to view Otokar's Information Security Policy.](#)

know-how and expertise, Otokar also engages in R&D activities, making information assets even more important. Protecting the corporate and personal data of clients and customers is also addressed within the scope of data privacy. Therefore, the company takes all measures needed to protect its information assets and store them securely, safely and continuously, while constantly enhancing the relevant practices. In all processes regarding data privacy, Otokar complies with ISO 27001 Information Security Standard and AQAP 2110 NATO Quality Assurance Requirements Standard for Design, Development and Production.

Protection of Personal Data

Otokar diligently protects personal data. The Personal Data Protection

Policy lays out the principles the company has adopted to process personal data. Through this policy, data subjects are advised transparently about the protection of their data and customers are asked for their express consent after they have read and understood the relevant notice before their information is collected. The collected data is not used for purposes other than those specified in Otokar Customer Satisfaction Policy and the Personal Data Protection Law No. 6698. All employees, starting with the CRM Center team, receive training on data privacy and agree to protect confidentiality. Processes related to data privacy are regularly assessed.

Cybersecurity

Aiming to continuously improve its

business processes, services and products, Otokar completed the Cyber Security Management System (CSMS) audit in 2024 and earned ISO 21434 certification, a cybersecurity management system standard for the automotive industry in alignment with ECE R155 standards, a comprehensive security regulation for ensuring the protection of vehicles against cyber threats. As a result, Otokar ranked among the first commercial vehicle manufacturers in Türkiye with a three-year certification. Since the applications connected to the internet pose the highest risk in terms of cybersecurity, Otokar protect them with IPS and Firewalls. No adverse situations were encountered in 2025. Furthermore, the ISO 27001 Information Security Management System audit was successfully completed.



[Click to view Otokar's Personal Data Protection Policy.](#)

SUSTAINABILITY FOR THE PLANET



Otokar's main strategy for tackling climate change is to work on limiting the impact of its products and manufacturing processes on the environment.

Environmental Management

At Otokar, the Board of Directors determines the environmental management strategies and monitors the relevant activities. The General Manager is responsible for the implementation of corporate policies and strategies. Environmental management practices are overseen by the Environmental and Sustainability Leadership positioned under the Corporate Communications and Sustainability Directorate.

Environmental impacts are monitored as part of enterprise risk management. The risks identified in this area are analyzed and the relevant impacts are recorded in the Environmental Impact Log, which is updated in the event of changes in environmental risks. In accordance with the Otokar Management Systems Environmental Objectives, Targets and Management Programs Procedure, annual and five-year targets are set for environmental performance and progress is monitored.

Environmental targets are also included in the personal performance appraisals and remuneration system. The environmental performance of the employees is evaluated and tracked with scorecards and the results are reported to the General Manager and the Board of Directors. The environmental impact of Otokar's operations is subject to multi-dimensional audits. In addition to the company's internal audit system, annual Koç Holding Audit Group audits are also conducted. On the other hand, independent external audits are conducted for compliance with environmental standards. Otokar is also subject to audits by the Turkish Ministry of Environment, Urbanization and Climate Change. Otokar reports its performance related to greenhouse gas emissions, VOC emissions, wastewater, hazardous and non-hazardous waste to the Ministry. During the reporting period, no complaints were filed and no environmental fines were imposed due to environmental impact.



Tackling Climate Change

Otokar follows its Environmental Policy, Energy Policy and R&D Strategy, which are all in alignment with Koç Group Climate Change Strategy and Koç Group Climate Change Management model, to tackle climate change. The Board of Directors is the highest governing body responsible for determining climate-related strategies.

Otokar's main strategy for tackling climate change is to work on limiting the impact of its products and manufacturing processes on the environment. Accordingly, the company monitors the energy consumed and greenhouse gas emissions released in the production processes and launched efficiency projects to reduce consumption and emissions. Guided by TCFD (Task Force on Climate-Related Financial Disclosures), a risk analysis was conducted in 2021 regarding climate change. Sustainable products, services and strategies that facilitate the transition to a low-carbon economy were evaluated on the basis of risks and opportunities.

With 2021 taken as baseline, Scope 1-2-3 emissions have been assured by BSI according to the ISO14064-1 standard. The Scope 1-2-3 emissions for 2022 have been accredited by BVQI (Bureau Veritas) and the 2023 data by QSI Certification & Inspection. Calculations were also made with Carbon Trust in accordance with the GHG standard. In 2024, Scope 1, Scope 2 and Scope 3 emission calculations and assurances were performed in accordance with the ISO 14064 - 1:2006 Standard, GHG Protocol and IPCC 2006 Tier 1 methods. Furthermore, target modeling and feasibility studies were carried out for Scope 1 and Scope 2 emissions. Otokar also completed the scenario studies as part of the Carbon Transition Program.

Otokar regularly monitors export processes related to its product

groups within the iron & steel and aluminum sectors, covered by the Carbon Border Adjustment Mechanism (CBAM), which was introduced by the EU as part of the European Green Deal, and continues to evaluate compliance with applicable legislation. As of 2025, these assessments have not revealed any additional obligations or significant risks requiring public disclosure.

Zero Waste Approach

Within the framework of Otokar's Environmental Policy and zero waste target, the company aims to minimize waste generation during production and to recover and reuse the waste at the highest rate possible. All hazardous and non-hazardous waste generated at the plant is managed with the zero waste principle. After the waste materials are sorted, they are designated as solid-liquid, recycling, temporary storage and disposal. The waste materials sorted for recycling are further separated depending on whether they can be directly recycled or reused as fuel and shipped out of the plant according to their designations.

Energy Management

In all its operations, Otokar aims to implement and develop a proactive

energy management system based on sustainable development. In line with its Energy Policy, the company is committed to efficiently using energy and natural resources in all operations, implementing environment- and energy-friendly technologies in new projects and equipment purchases, saving energy, and reducing natural resource consumption through efficiency improvements in existing processes and systems. As part of these efforts, the ISO 50001 Energy Management System has been implemented and certified.

Energy Efficiency in Production

Energy efficiency initiatives are implemented because of their impact on Otokar's key performance indicators: energy consumption and greenhouse gas emissions. As part of the energy efficiency activities carried out at the plant in 2025, 35 projects were implemented, saving 2,756,389 kWh of electricity and 60,148 sm³ of natural gas which prevented 1,300 tCO₂ in emissions. Otokar also won third place in the Energy category at the Ministry of Industry Efficiency Project Awards.



SUSTAINABILITY FOR PEOPLE



Otokar believes that employee happiness and engagement is essential for professional success and fosters a highly motivating work environment open to continuous development.

Otokar aims to attract highly qualified talent to the company and to ensure the loyalty of its current employees. For this purpose, it supports them by implementing contemporary human resources policies that create an equitable, reliable and peaceful work environment, free from discrimination against religion, language, race and gender without compromising ethical values. The objective of the Human Resources Policy is to be the employer of choice in the industry and to sustain this level of success. This can be achieved by creating an environment that makes employees proud and by developing their knowledge, skills and competencies, enabling them to consistently deliver high performance by unlocking their potential. Otokar believes that employee happiness and engagement is essential for professional success and fosters a highly motivating work environment open to continuous development. Providing a fair, equitable and respectful work environment where employee rights are protected, the company adopts a people-centric management approach.

Recruitment

Otokar's goal is to build a creative,

innovative and qualified workforce, open to newness and aligned with the company's goals. In 2025, the number of employees stood at 3,659. During the year, 117 office employees and 355 field employees joined the workforce, including the 12 employees hired for the R&D Center. As a result, the number of R&D employees reached 620. In 2025, women constituted 12% of the new office and field employees recruited by Otokar.

In 2025, Otokar received 10,028 applications for field jobs and conducted 1,124 interviews. On the other hand, 58 field workers' employment status changed from term to indefinite contracts. Furthermore, 13 employees joined the Rotation Program to advance their careers within the Group.

In 2025, Otokar also hired 237 high school students and 123 university students as interns. As part of the efforts to strengthen the employer brand, high school and university students visited the Otokar Plant and participated in technical tours. The Talent Acquisition and Business Partnership team joined face-to-face and online events to introduce Otokar to young talents. To promote Reverse Brain Drain, two office



employees and one Gear Up Visionary were hired in 2025.

Throughout the year, Otokar continued to improve the effectiveness of its human resources processes with an employee-centric approach and digitalization efforts. The company also expanded its candidate pool by participating in İŞKUR's Disabled Day and recruited 12 disabled employees in 2025.

Talent Management

Otokar prioritizes training and development to ensure that its employees continue to deliver successful performance and maintain their competitive strength in the sector. In 2025, Otokar allocated TL 28.8 million for training and planned 290 group training sessions across 120 topics. In total, 55 group training sessions, provided by 32 internal trainers, were completed with a 95% participation rate. The internal trainings achieved a success rate of 90%. The training sessions were rated by employees at a Net Promoter Score (NPS) of 9.4.

Employee Experience and Culture

Throughout the year, Otokar employees came together in various club activities. With Koç Volunteers established as a centralized function in 2025, 45 employees actively participated in events such as Animal Adoption and Shelter Visit, Coastal Cleanup, Career Coaching, Career Days, Mentoring

Program for Young Women, Supporting Education Project, Book Exchange Movement, April 23 Hatay Event, Ramadan Package Distribution in Iskenderun, Hatay, and Shoe Distribution in Hatay and Kahramanmaraş.

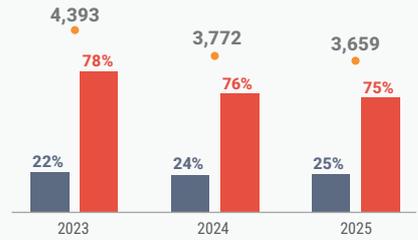
In line with the Well-being Policy implemented in 2025, internal best practices were applied. With the launch of the Spring Games, 921 employees participated in the events. Otokar grants leaves for mothers to enable them to be with their children on special occasions such as the first day of school and report card day.

The Factory Tour with Families event, which included various activities for the employees and their families to experience the production area and enjoy a picnic atmosphere with their children, hosted 2,400 people. Additionally, school supplies were gifted to the children of Otokar employees.

The EX Action Coaches program, designed to provide guidance to leaders in strengthening their action plans within their sphere of influence and helping them effectively manage communication processes with their teams, was supported with engagement- and experience-focused workshops and training throughout the year. As a result, team engagement scores rose by up to 55 points.

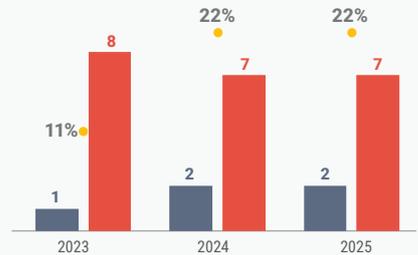
Employees

- Office Employees
- Field Employees
- Total Employees



Women's Representation on the Board of Directors

- Female Board Members
- Male Board Members
- Women's Representation on the Board



As stated in the Board of Directors Diversity Policy, approved and implemented in 2021, the target for women's representation on the Board of Directors (excluding subsidiaries) is to reach 25% by the end of 2026. This rate stands at 22% as of year-end 2025.

72%

Completion rate of the Ethical Principles training including "Respect for Human Rights"



38%

Ratio of women on the Board of Directors (including subsidiaries)



12%

Ratio of women in new hires



2.5%

Percentage of women in field employees



Safe Work Environment

Unsafe conditions and behaviors are minimized and a safe work environment is created with the participation of employees





In total, 509 experiences shared through the mobile app, which allows employees to seek and find solutions to their immediate issues, were resolved with a 97% success rate. The Employee Engagement and Well-being Survey resulted in an 88.7% engagement rate, demonstrating an improvement of 5.3%. With this score, Otokar became the company with the highest successful engagement rate within Koç Group and Koç Holding Automotive Group.

As a donor to Koç University's Anatolian Scholarship Program, Otokar added more scholarship recipients among the students of Law, Electrical-Electronics, Mechanical, and Computer Engineering.

Remuneration and Benefits

Prioritizing employee satisfaction, the company continuously improves its remuneration policy and benefits with a fair, transparent, and competitive approach. Otokar launched the digital application VisiBen to combine all employee benefits in a single mobile portal that offers personalized access.

The application enables the employees to access more than 65 benefits, including health insurance, company car, special occasion gifts, leave management, salary, and payroll.

Digitalizing Human Resources Practices

Otokar is committed to elevating the employee experience further every day with digitalization-focused innovations. As the digitalization

efforts initiated last year continued in 2025, environmentally friendly practices became permanent. Otokar further reduced paper waste by taking the job start documents and employee notification processes to the digital environment and achieved a 5.4-ton CO₂e reduction as a contribution to the carbon transition target. Social security registration processes and personnel data processing, which are already digitalized, were used effectively throughout the year. The implementation of AI and robotic process automation (RPA) technologies, integrated into these processes, continued. Using the Document Understanding technology, documents were scanned for full SAP entries, and digital storage and control processes were further optimized. Labor efficiency increased with an average monthly saving of 120 hours, resulting in labor savings of TL 2.34 million. The field employees' requests, previously handled manually on paper, were transferred to the digital environment using a new system screen. This improvement resulted in an average monthly labor saving of five hours.

In addition, the social assistance application forms, previously submitted in paper format, were digitalized, enabling them to be uploaded to a digital app as of 2025. This practice prevented labor loss due to printed document submission and enhanced employee experience.

Diversity, Equity and Inclusion

Otokar formed the voluntary Diversity,

Equity and Inclusion Committee - Spectrum - to create a diverse, equal and inclusive work environment where human rights are respected and to build a corporate culture on these principles. The Spectrum committee has already conducted a materiality analysis within the organization and identified the focus areas to address as gender equality, physical disability and generational discrimination. The results of these studies have been published as a manifesto. The employees also received training on this topic. Furthermore, a platform was introduced on the mobile app for the employees to share their suggestions on this topic.

In 2025, Otokar continued to raise awareness within the organization as part of its diversity, equity and inclusion endeavors. Once the necessary infrastructure was completed, the company began recruiting female field workers. As of 2025, the number of female employees at Otokar stood at 294. Women constituted 38% of Otokar's Board of Directors (including subsidiaries) and 37.5% of senior executives. Additionally, 12% of new hires and 4% of the employees leaving the company were women.

Accessible Work Environment

Otokar offers its disabled employees annual check-ups and makes the necessary adjustments in the workplace to improve their comfort and safety of disabled. As part of these efforts, the company organized sign language training to facilitate communication with hearing-impaired and deaf employees. Given the presence of lifting and transport equipment and vehicle movement at the plant, the uniforms of hearing-impaired and deaf employees were updated in different colors to increase their visibility by seeking their opinions and suggestions. With the Buddy program, disabled employees are assigned buddies to work together to ensure that they always have someone to rely on for evacuation in case of danger.

Gender Equality

Otokar supports women's participation in professional life and implements practices to facilitate the careers of female employees, aiming to ultimately achieve gender equality. Otokar is a

signatory of the Declaration on Equality at Work, published by the Equality at Work platform, and Women’s Empowerment Principles (WEPs), a joint initiative of UN Women and UN Global Compact.

To enhance its diversity and equal opportunity practices further, Otokar also implemented the Board of Directors Diversity Policy. The target is for the female representation on the Otokar Board of Directors to reach 25% by the end of 2026. Currently, women constitute 22% of the Board of Directors at Otokar (excluding subsidiaries). In the reporting period, targets were set for senior management regarding the recruitment of hourly-paid female employees.

Equal Pay for Equal Work

Remuneration is another area where the company promotes gender equality and adopts an Equal Pay for Equal Work approach in line with the relevant policies. Accordingly, there is no gender pay gap between people performing the same job. Salary differences between employees are based solely on factors such as individual performance and tenure at the company.

Occupational Health and Safety

Koç Group Occupational Health and Safety Policy, Koç Group OHS Management System Procedure, and Koç Group Standards guide Otokar in its OHS endeavors. In line with the company’s primary mission and as stated in the Occupational Health and Safety Policy, Otokar views its workforce as its most valuable asset in its efforts to attain its strategic goals and capture a competitive advantage. To create a healthy and safe work environment, Otokar commits to providing the necessary resources and:

- Following the developments related to OHS, complying with applicable laws and regulations, fulfilling our contractual obligations.
- Identifying the occupational health and safety risks of our

operations, analyzing the causes, context and risks, taking the necessary precautions, creating opportunities and adopting preventive approaches to address potential workplace accidents and occupational diseases and eliminate hazards.

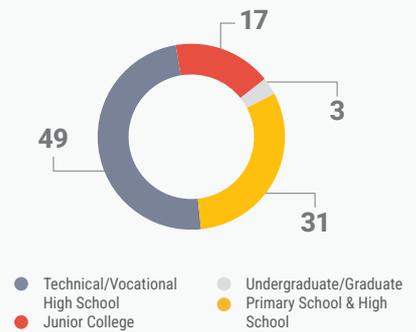
- Providing the necessary training and information to ensure that employees and anyone else who is on site for work, internship or visit purposes are aware of their individual or business responsibilities. Creating an environment where the employees, employee representatives and stakeholders may interact and participate in OHS-related activities, working to build an OHS culture.
- Operating in accordance with the requirements of the OHS Management System, setting targets and designing management programs using the best technologies to continuously improve this system and its performance, monitoring the results.

• Working toward the zero accident target. As part of its occupational safety culture, Otokar provided behavior-based safety culture training, which was completed by 168 employees in 2025. The Occupational Health and Safety Week was marked with celebrations and awareness-raising activities.

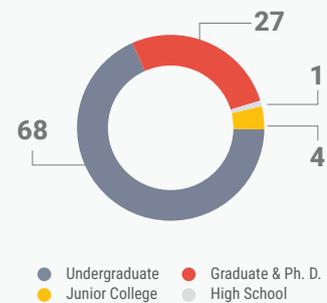
Occupational Health and Safety (OHS) Board meetings and OHS workshops were held throughout the year. Occupational Health and Safety training totaled 32,170 person-hours in 2025.

Otokar continues to provide counseling and dietitian services to support physical and mental well-being. In 2025, 409 employees benefited from a total of 1,170 hours of dietitian services and 115 employees from a total of 688 hours of counseling services. Events and activities were organized to raise awareness about conditions such as breast cancer and leukemia. Furthermore, the newly-formed Ergonomics Team conducted ergonomics risk analyses in the field and the offices.

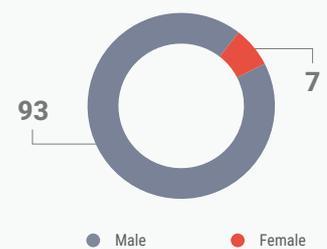
Field Employees by Education Level (%)



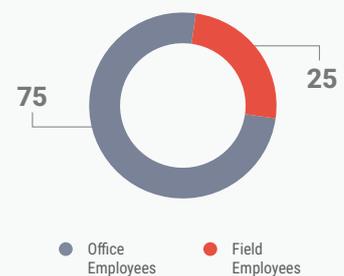
Office Employees by Education Level (%)



Employees by Gender (%)



Employees by Type of Employment (%)



SUSTAINABILITY FOR COMMUNITIES



Otokar aims to support the development and welfare of its communities, drawing from the motto of the late Vehbi Koç, the founder of Koç Holding, who said, 'I exist if my country exists'.

Otokar aims to support the development and welfare of its communities, drawing from the motto of the late Vehbi Koç, the founder of Koç Holding, who said, 'I exist if my country exists'. Adopting a responsible corporate citizenship approach, the company also contributes to the social, environmental and economic development of society in line with the Sustainable Development Goals. All the activities carried out for these purposes are guided by the principles defined in the Community Investment Policy, which forms an integral part of Otokar's Code of Ethics.

A Stronger Future with Otokar
"A Stronger Future with Otokar" project launched by the company in collaboration with SATSO MAT MTAL (Sakarya Chamber of Commerce and Industry Motor Vehicle Technology Vocational and Technical Anatolian High School) was recognized in the Future of Work category at the Shared Future Awards presented by Turkish

Confederation of Employer Associations (TİSK).

The goal of this project, which was launched in 2024 and reached 550 students in its first year, is to contribute to a highly qualified workforce equipped with electric vehicle technology expertise. The project that started with the establishment of an Electric Vehicles Workshop, one of the first electric vehicle training centers in Türkiye, supports the students with internship and scholarship opportunities and industry-specific education. After granting scholarships to 12 students last year, the company plans to extend this support to 15 students this year. Female students are prioritized in scholarships to encourage their interest in technical fields.

As part of the project, 11th-grade students attend applied courses at Otokar facilities, while they have access to the latest technologies in the



workshop. In the 2024-2025 academic year, 106 students received Basic Tightening Techniques training, and 26 students earned certification in electric vehicle maintenance and safety after 1E Training. Additionally, Otokar's occupational safety specialists delivered OHS in the Automotive Industry training to 190 students.

#RoleEquality Campaign

At Otokar, which operates in automotive and defense industries, both traditionally perceived as male-dominant, senior management launched a notable initiative on March 8, International Women's Day. Led by Otokar General Manager Aykut Özüner, the management team updated their LinkedIn profiles, adding titles such as "Equity Advocate" and "Glass Ceiling Breaker" to their titles to highlight gender equality in the business world. They invited all stakeholders to support this movement by uniting under the hashtag #RoleEquity.

Social Compliance Audit

The SMETA social compliance audit was conducted at the Otokar plant to make improvements in ESG practices.



[Click to view Otokar's Community Investment Policy.](#)

INVESTOR RELATIONS



Reflecting its high level of compliance with corporate governance principles, Otokar increased its Corporate Governance Rating to 9.69.

Otokar operates with a focus on enhancing long-term shareholder value through sustainable growth, regular dividend distribution, investor relations practices aligned with international standards, and a strong corporate governance framework. Relations with shareholders are managed by the Investor Relations Department in close coordination with relevant internal functions. The Investor Relations Department is responsible for the timely and accurate disclosure of information, excluding confidential information and trade secrets, to shareholders and potential investors. The department also facilitates effective two-way communication between shareholders, potential investors, and company management, with the objective of ensuring transparency and preventing information asymmetry.

As part of its responsibilities to inform the interested parties about Otokar's activities, the department

held 24 online and six in-person meetings, and 57 conference calls with current and potential investors, and updated the shareholders on the latest developments. Throughout the year, the department continued to provide information by responding to written and verbal questions. Furthermore, the corporate website, investor presentations and all other communication tools were regularly updated and shared with shareholders in Turkish and English languages. The Investor Relations Department submitted the report on its 2025 activities to the Board of Directors on February 12, 2026.

General Assembly

The Ordinary General Assembly of Otokar Otomotiv ve Savunma Sanayi A.Ş. will convene to review the activities of the company in 2025 at 2:30 p.m. on Tuesday, March 10, 2026, at the Divan İstanbul Hotel, Asker Ocağı Cad. No: 1, Elmadağ, Şişli, İstanbul.



The Annual Report, containing Financial Statements, Independent Audit Report, Dividend Distribution Proposal, Corporate Governance and Sustainability Principles Compliance Reports, and the detailed Information Note that includes the agenda items and the required disclosures for compliance with the Capital Markets Board Regulations will be made available for the shareholders to view within the legal period of three weeks before the Annual General Meeting at the company headquarters, on the corporate website (www.otokar.com), and the Public Disclosure Platform and the Electronic Annual General Meeting System.

Corporate Governance

Corporate Governance Rating is an indication that the company complies with corporate governance principles to a great extent and that it will continue to improve its efforts for further compliance. As announced to the public on March 24, 2025 with a material disclosure, Otokar’s Corporate Governance Rating measured by SAHA Kurumsal Yönetim ve Derecelendirme Hizmetleri A.Ş. (SAHA) rose to 96.93 (9.69 out of 10).

Credit Rating

In 2025, JCR Avrasya Derecelendirme A.Ş. (JCR Eurasia Rating) evaluated the credit ratings and outlooks of Otokar and affirmed the company’s Long-Term National Rating as “A(Tr)” and outlook as “Stable,” Short-Term National Rating as “J1(Tr)” and outlook as “Stable,” and Long-Term International Rating (local and foreign currency rating) as “BB” and outlook as “Stable.”

Company Shares

Otokar Otomotiv ve Savunma Sanayi A.Ş. shares have been traded on Borsa İstanbul since April 24, 1995 with ticker symbol “OTKAR”. Otokar shares, traded on the Star Board, are also listed in the Corporate

Governance and Sustainability Indices. Otokar has been listed in the BIST Sustainability Index since 2014.

Otokar shares are listed in the BIST 500, BIST 100, BIST Corporate Governance, BIST Sustainability, BIST Star, BIST All, BIST Industrial, BIST Metal Goods Machinery, and BIST 100-30 indices.

In 2025, BIST 100 rose by 14.56% while Otokar shares were traded at lowest TL 360.25 and highest at TL 575.00, seeing 0.31% increase throughout the year. The company’s market capitalization as of December 31, 2025 was TL 58.3 billion.

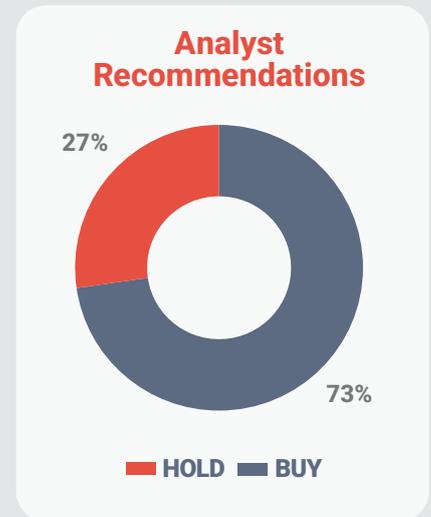
Analyst Recommendations

Among the 11 investment firms that actively report on Otokar, 8 have recommended BUY and 3

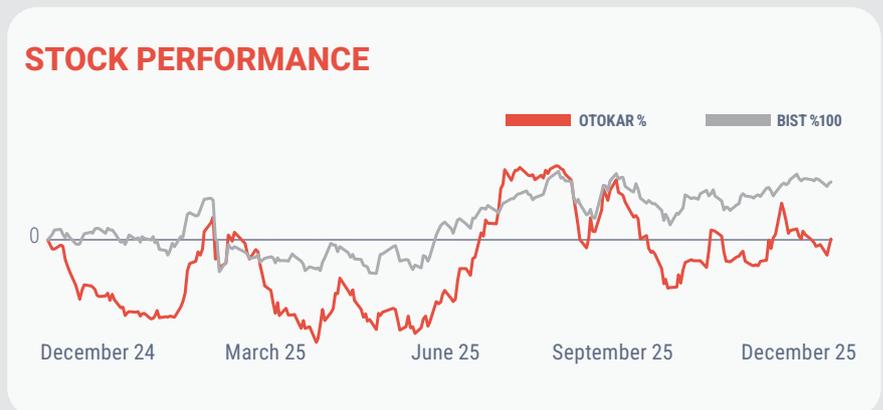
HOLD, based on their latest reports issued in 2025.

Dividend Distribution

The Company’s Dividend Policy is available on the corporate website and on page 36 of this report. The 2025 Dividend Distribution Proposal can be found on page 37.



Corporate Governance Rating	Weight	Score
Shareholders	25%	95.92
Public Disclosure and Transparency	25%	98.79
Stakeholders	15%	99.51
Board of Directors	35%	95.22
Total	100%	96.93



FUTURE



Otokar's future outlook is focused on sustainable growth, technological capability, and international expansion.

Otokar, a Koç Group company, has developed customer-focused solutions since 1963, using its own technology, design, and engineering capabilities. Operating as one of Türkiye's leading manufacturers in the commercial vehicle and defense industries, the company benefits from a strong engineering infrastructure, advanced R&D capabilities, a qualified workforce, and a flexible production structure.

Subsidiaries

Supporting its user-focused product development approach with after-sales services, Otokar maintains an international presence through its subsidiaries in the United Arab Emirates, France, Italy, Kazakhstan, and Romania. With newly established branch offices, the company continues to strengthen its organizational presence in both domestic and international markets, supporting its long-term growth objectives.

Defense Industry

As Türkiye's leading land systems manufacturer, Otokar continues to deliver products and services aligned with evolving customer requirements in global markets. The company focuses on increasing exports and contributing to national export performance through technology transfer and joint production initiatives with local partners abroad. At the same time, Otokar regards the continued support of the Turkish Armed Forces and security forces as a core responsibility, offering its products, capabilities, and resources in line with operational needs.

Commercial Vehicles

Otokar continues to prioritize its leadership position in the Turkish bus market while maintaining production activities for both its own brand and global brands. The company advances its capabilities in alternative fuel vehicles and autonomous technologies,



positioning its alternative fuel product family to address the evolving transportation needs of cities, particularly in European markets, within the context of climate change mitigation. Otokar plans to participate in these markets with a portfolio focused exclusively on low- and zero-emission solutions. Together with its subsidiaries, Otokar continues to expand its presence in the European market through its electric vehicle portfolio and takes determined steps toward the development and commercialization of autonomous vehicle technologies.



In the cargo transportation segment, the company sustains growth in both domestic and export markets with its Atlas light truck family. In the pickup truck segment, Otokar focuses on strengthening its market position through the expanded 4x4 and 4x2 product range.

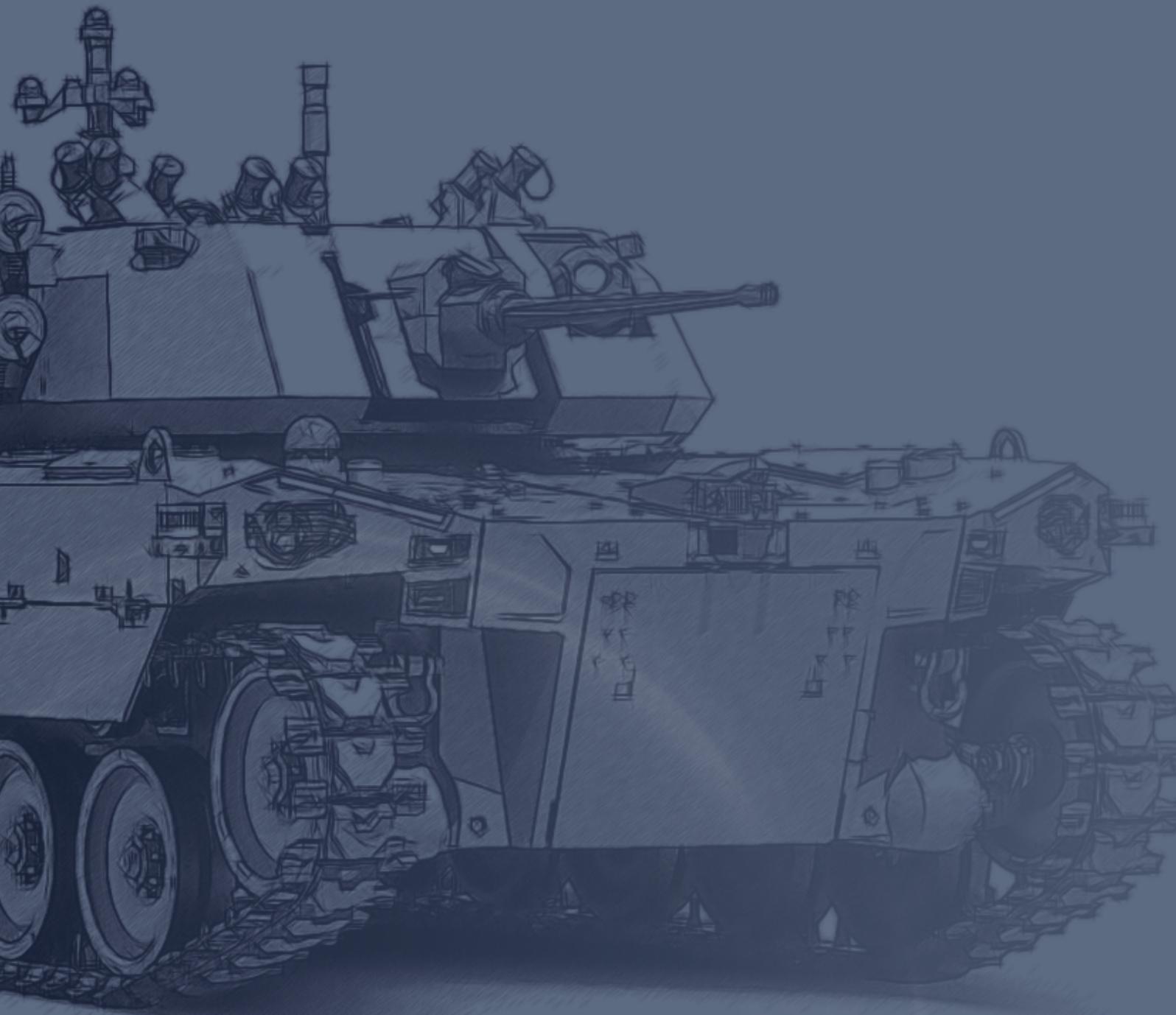


Goal: Further Developing the Human Resource

Otokar continues to strengthen employee engagement and workforce capabilities through talent transformation initiatives. Empowered by its employees, the company seeks to foster a corporate culture built on mutual trust and respect, while promoting inclusion and diversity. In line with its Human Resources Policy, Otokar supports the continuous development, motivation, and organizational commitment of its qualified workforce.

Sustainable Growth

Adopting the 17 Sustainable Development Goals defined by the United Nations General Assembly, Otokar structures its sustainability efforts across environmental, social, innovation, and corporate governance dimensions. Within this framework, the company prioritizes the protection of its domestic capital structure and profitability, while treating environmental and social responsibility, respect for human rights and business ethics, operational excellence, and customer satisfaction as material topics. In line with this approach, Otokar will continue to concentrate on the development of high-technology, value-added products.



CORPORATE GOVERNANCE



CORPORATE GOVERNANCE

LEGAL DISCLOSURES

Reporting Period:

01.01.2025 - 31.12.2025

Company Title:

Otokar Otomotiv ve Savunma Sanayi A.Ş.

Trade Registry/Number:

İstanbul / 83467

Shareholding Structure and Capital Distribution:

Registered Capital Ceiling : TL 3,000,000,000

Paid-in Capital : TL 120,000,000

Shareholder	Share (TL)	Share (%)	Votes	Votes (%)
Koç Holding A.Ş.	56,850,122.77	47.38	5,685,012,277.00	47.38
Ünver Holding A.Ş.	29,774,719.15	24.81	2,977,471,915.00	24.81
Free Float	33,375,158.08	27.81	3,337,515,808.00	27.81
Total	120,000,000.00	100.00	12,000,000,000.00	100.00

The parent company, Koç Holding A.Ş., is controlled by Koç Family companies owned by Koç Family.

The shareholder, Ünver Holding A.Ş. is controlled by Ünver Family.

Privileged Shares and Voting Rights of Shares:

There are no privileges in the company's Articles of Association pertaining to the exercise of voting rights. Each share in the nominal value of Kr 1 has one vote.

Stock Information:

BIST Ticker Symbol : OTKAR
Reuters Ticker Symbol : OTKAR.IS
Bloomberg Ticker Symbol : OTKAR.TI
IPO Date : 24.04.1995

Headquarters Address::

Taşdelen Mahallesi Sırrı Çelik Bulvarı No. 5 34788 Çekmeköy-İstanbul / P: +90 216 489 29 50

Factory Address:

Atatürk Caddesi No. 6 54580 Arifiye-Sakarya / P: +90 264 229 22 44

Website: www.otokar.com.tr

Organizational Changes within the Year:

None.

Legal Actions Taken and Lawsuits Filed Against the Company that Could Materially Affect the Company's Financial Standing and Activities, and the Potential Implications:

While no lawsuits, including those related to environmental, social and corporate governance matters, that could materially affect the company's financial standing and activities were filed against the company, proceedings are ongoing regarding certain indemnity claims with potential impact on the financial statements, as detailed below.

C.N. Romtehnica S.A. has served Otokar indemnity claims, which have been explained in the financial statements dated 31.12.2025 (page 169, Note 20).

On 27.11.2024, Otokar signed a contract with C.N. Romtehnica S.A. ("Romtehnica"), a company of the Romanian Ministry of Defense, for the delivery of 1,059 Cobra II vehicles in total over a period of five years.

The contract includes the supply of vehicles produced at Otokar's facilities in Türkiye and a facility in Romania that has been equipped with the necessary capabilities. The contract contains penalty clauses in the event of non-compliance with the vehicle delivery plan and interim targets for local production preparations. For the reasons stated in the material event disclosure published on the Public Disclosure Platform (KAP) on 16.01.2026, C.N. Romtehnica S.A. has served Otokar an indemnity claim on December 17, 2025 for RON 191,848 thousand (TL 1,877,289 thousand) and another claim

CORPORATE GOVERNANCE

LEGAL DISCLOSURES

on December 24, 2025 for RON 7,296 thousand (TL 71,842 thousand), amounting to a total of TL 1,949,132 thousand. Regarding the indemnity claim for RON 191,848 thousand (TL 1,877,289 thousand), explained in the said material event disclosure, Otokar has publicly disclosed that it has filed a countersuit with the Romanian Court seeking cancellation of this claim and that the aforementioned delay and ongoing disputes could negatively impact the project's continuation and lead to additional indemnity claims.

On February 4, 2026, Romtehnica has served an additional indemnity claim for RON 4,315 thousand (TL 43,148 thousand) due to the delayed delivery of 46 vehicles from the first batch produced at Otokar's facilities in Türkiye. Out of this indemnity claim, RON 2,365 thousand (TL 23,286 thousand) corresponds to the progress payments in 2025 and has been reflected in contractual penalty payments and accruals. The remaining portion of this indemnity claim corresponds to the progress payments in 2026 will be accounted for in Otokar's financial statements for 2026.

In addition to the aforementioned indemnity claims, Otokar is highly likely to be served an indemnity claim for the delayed delivery of 38 vehicles from the batch produced at Otokar's facilities in Türkiye in an amount that could be partially associated with the progress payments in 2025. Accordingly, RON 1,954 thousand (TL 19,237 thousand) has been recorded as an accrued amount.

Furthermore, Otokar is highly likely to be served an indemnity claim due to failure to meet the interim targets for local production preparations according to the contract schedule for vehicles to be produced in Romania in an amount that could be fully associated with the progress payments in 2025. Accordingly, RON 93,792 thousand (TL 923,507 thousand) has been recorded as an accrued amount based on Otokar's most reasonable estimate to the extent of the information it possesses.

These accrued amounts are recorded under the Other Liabilities account on the balance sheet. In the event that the final indemnity claim amounts differ from the current accrued amounts, their effects could be traced in Otokar's financial statements for subsequent accounting periods.

Administrative or Legal Sanctions Imposed on the Company or the Board Members due to Regulatory Non-compliance:

No administrative or legal sanctions have been imposed on the Company or the Board Members due to regulatory non-compliance.

Legislative Changes that Could Materially Affect the Company's Activities:

There were no legislative changes that could materially affect the company's activities.

Conflicts of Interest with Service Providers, Including Investment Consultants, Rating Agencies, etc. and the Measures Taken to Prevent Such Conflicts of Interest:

The company does not procure any investment consultancy services. No conflicts of interest have occurred with the companies providing Corporate Governance and Credit Rating services.

Implementation of the Ordinary General Assembly Resolutions:

The resolutions reached at the Ordinary General Assembly on March 24, 2025, have been implemented.

Extraordinary General Assembly Meetings Held Within the Year:

None.

Amendments to the Articles of Association within the Reporting Period:

The change in the company's legal address was registered with the Istanbul Trade Registry and published in the Turkish Trade Registry Gazette no. 11167 on September 18, 2024. "Article 5. Head Office and Branch Offices of the Company" of the Articles of Association was amended to reflect this change.

"Article 7. Capital" has been amended to extend the expiration of the registered capital from the end of 2025 to the end of 2029, and to increase the current registered capital ceiling to TL 3,000,000,000 after the last increase in 2013.

Evaluations Under Article 376 of the Turkish Commercial Code:

Pursuant to Article 376 of the Turkish Commercial Code, the company's capital has been evaluated to ensure that it is preserved in the equity. Accordingly, it has been ascertained that the paid-in capital of TL 120,000,000 of Otokar Otomotiv ve Savunma Sanayi A.Ş. is preserved with TL 8,548,807,000 in shareholder's equity as of 31.12.2025 and that the company's debt structure is adequate for healthy running of its operations with a Net Financial Liability/Shareholder's Equity Ratio of 3.25.

CORPORATE GOVERNANCE

REPORT ON AFFILIATED COMPANIES

The report, which explains the company's relations with majority shareholders in accordance with article 199 of the Turkish Commercial Code, was approved by the Board of Directors on February 12, 2026. The conclusion of the report is quoted below:

"Pursuant to Article 199 of the Turkish Commercial Code no. 6102, the Board of Directors of Otokar Otomotiv ve Savunma Sanayi A.Ş. is required to prepare a report within the first three months of the calendar year concerning the company's transactions with its majority shareholders and its subsidiaries in the previous year; and to include the conclusions of this report in the annual report. The details of the transactions between Otokar Otomotiv ve Savunma Sanayi A.Ş. and the related parties are included in note 28 to the financial statements."

The following was expressed in the report, which was prepared by Otokar Otomotiv ve Savunma Sanayi A.Ş.'s Board of Directors on February 12, 2026: "The Board of Directors of Otokar Otomotiv ve Savunma Sanayi A.Ş. has reached the conclusion that, in all transactions conducted in 2025 between Otokar Otomotiv ve Savunma Sanayi A.Ş. and its majority shareholders, as well as its subsidiaries, the transactions were either completed or the required measures were taken, and, in cases where the company refrained from taking the required measures, due consideration was provided based on all facts and conditions known to the company's Board at the time, and, in this context, that there were no measures taken, or which were refrained from, that could harm the company, and, accordingly, there were no transactions or measures that required balancing."

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PRACTICES

COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Otokar Otomotiv ve Savunma Sanayi A.Ş. ("Company") acts with utmost diligence to comply with the Capital Markets Board Corporate Governance Principles, published by the Capital Markets Board (CMB). The activities related to Corporate Governance in 2025 were executed in compliance with the Capital Markets Law, which includes regulations on CMB's corporate governance principles and the communiqués promulgated pursuant to this Law.

At the 2025 Ordinary General Assembly meeting, the Board of Directors and its Committees were formed in line with the provisions of the Corporate Governance Communiqué. Ahead of the upcoming general assembly meeting, Independent Board members were nominated and announced, and the entire process was executed in line with the regulations. The Board Committees have been functioning effectively.

The General Assembly Information Note and documents providing details of privileged shares, voting rights and organizational changes, as well as the résumés of Board of Directors candidates, the Remuneration Policy for Board Members and Senior Management and other information required to be disclosed were all made available for the investors three weeks prior to the general assembly meeting.

Furthermore, the company's corporate website and Annual Report were reviewed and revisions required to comply with the principles were made. The company will continue to work toward compliance with the principles based on the developments in legislation and general practice.

As an indication that the company has significantly complied with corporate governance principles and that its efforts toward full compliance with corporate governance principles will increase and continue, the company's corporate governance rating has been increased to 96.93 (9.69 over 10) by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş., as announced in our material disclosure on 25.03.2025. The Corporate Governance Rating Report can be found on the corporate website at www.otokar.com.

DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Otokar recognizes the importance of complying with the Corporate Governance Principles regulated by the Capital Markets Board ("CMB"), and has achieved full compliance with the mandatory principles of the Corporate Governance Communiqué II-17.1 ("Communiqué"), applicable in 2024, as well as compliance with the majority of the non-mandatory principles. While full compliance with the non-mandatory principles is ultimately targeted, due to the challenges encountered in the implementation of some principles, ongoing discussions in Türkiye and on international platforms regarding compliance with certain principles, and the incongruency of the current market and corporate structure with some principles, full compliance has not been achieved so far. We are working on the principles yet to be implemented and we plan to apply them once the administrative, legal and technical infrastructure for the effective governance of the company has been completed.

Full compliance with a number of non-mandatory Corporate Governance Principles listed below has not been achieved for the aforementioned reasons, and detailed information on this matter is provided in the relevant sections that follow.

- Principle 1.3.10 - The donations made by the company are provided under a separate item on the General Assembly agenda and the details of the donations with the highest amounts are included in the General Assembly information document. The remaining amount, not detailed in the information document, consists of various donations, each lower than TL 700,000, made to various institutions and organizations and that are not of material significance for investors. Donations lower than this amount are not followed by the investors and the company has plans to continue disclosing this materiality limit in the coming years.
- Principle 1.5.2 - The minority rights for shareholders holding less than one twentieth of the capital have not been defined in the Articles of Association, and the rights have been defined within the frame of general provisions in the legislation. The company does not foresee any changes in the near future.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PRACTICES

- Principle 4.4.7 - Considering that the Board members contribute significantly to the Board with their business experience and industry knowledge, they are not restricted in terms of assuming other duties outside the company. The résumé of each Board member and their external duties are provided in the annual report. Given the effective functioning of the Board, no changes to the current practice are anticipated in the near future since no negative consequence has been observed in terms of corporate governance.
- Principle 4.5.5 - The committee appointments are decided by taking into consideration the respective Board members' expertise and experience, and in accordance with applicable regulations, and some Board members serve multiple committees. However, these members also facilitate communication and increase the opportunities for cooperation between committees handling related subjects. Considering the efficient work of the Board members with their wealth of knowledge and experience, the current committee structure is deemed effective and no changes are anticipated in the near future.
- Principle 4.6.5 - Remunerations provided to the Board members and executives with administrative responsibilities are provided in the notes to the financial statements and disclosed to the public as a total figure. Given that this matter is important due to the privacy of personal data, practices in the market are followed with plans to act in line with the widespread preferences.

The company has not been subjected to any conflicts of interest due to non-compliance with the non-mandatory principles.

The Corporate Governance Compliance Report (CGCR) and Corporate Governance Information Note (CGIN), drawn up according to the new reporting formats pursuant to CMB resolution no. 2/49 dated 10.01.2019, and approved by the Board of Directors, are presented as an appendix to this annual report (pages 196-209). The relevant documents can also be accessed through the Company's corporate governance page on the Public Disclosure Platform. (www.kap.org.tr/tr/cgif/4028e4a140ee35c70140ee4316b3001d)

INVESTOR RELATIONS

The relations between Otokar Otomotiv ve Savunma Sanayi A.Ş. and shareholders are managed by the Investor Relations Department. In addition to providing shareholders and potential investors with information, except for confidential information and trade secrets, and in a manner not to lead to information disparities, the IR Department is also responsible for establishing two-way communication between the company executives and shareholders and potential investors.

Investor Relations Department managers are listed below:

Başak Tekin Özden (Assistant General Manager - Finance)

Ayça Çağla Sahillioğlu (Strategy, Financial Control and Investor Relations Group Director)

Hatice Gülşah Mutlu (Investor Relations and Corporate Governance Leader)

In 2025, the Investor Relations Department held 24 online and six in-person meetings and 57 conference calls, meeting with current and potential investors and updating the shareholders on the latest developments. To ensure this, the company's website, investor presentations and investor newsletters are regularly updated. Material disclosures that may be important for the investors are published on the corporate website in Turkish and English after they are announced on the Public Disclosure Platform (KAP). Information pertaining to the last five years is available on the corporate website in Turkish and English languages. Numerous requests for information were submitted to the Investor Relations Department by analysts and investors regarding the company's financial reports and activities, and these were replied in line with publicly available information in a manner to avoid information disparities.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PRACTICES

Statutory obligations such as holding the General Assembly meetings in accordance with applicable regulations, Articles of Association and company bylaws, and preparing Annual Reports and other documents for the shareholders to benefit are the responsibility of the Investor Relations Department. The General Assembly Meeting held in 2025, call to meeting and meeting minutes were carried out in compliance with applicable regulations, Articles of Association and other relevant company bylaws.

All kinds of public disclosure obligations required by the regulations, such as financial reporting and disclosing of material situations to the public, are fulfilled by the Investor Relations Department. In 2025, 71 material disclosures were announced, and those that particularly concern the investors were published on the Public Disclosure Platform (KAP) and concurrently on the corporate website along with their English translations.

The Investor Relations Department submits a report to the Corporate Governance Committee at least once a year regarding its activities to be communicated to the Board of Directors. The said report on the activities of 2025 was evaluated by the Corporate Governance Committee and the Board of Directors on February 12, 2026.

The company acts diligently to ensure compliance with legislation in satisfying investors' demands. In 2025, no complaints, or administrative or legal pursuit of exercising shareholders' rights in the company have been filed to the best of our knowledge.

BOARD OF DIRECTORS

Structure and Composition of the Board of Directors

The company is managed by a Board of Directors formed by minimum five (5) members, elected by the General Assembly. In addition to electing the Board members, the General Assembly also determines the number of members to serve on the Board. Without prejudice to the requirements imposed by the Capital Markets Board's Corporate Governance Principles for independent directors, the General Assembly has the right to replace Board members at any time if needed, per Article 364 of the Turkish Commercial Code.

In the event that a Board membership is vacated for any reason such as when an independent member's status is no longer independent, or he/she resigns or becomes unable to perform his/her roles, the Board of Directors will temporarily appoint an individual that meets the legal criteria in accordance with the applicable provisions of Turkish Commercial Code and the CMB regulations and submit the nomination to the General Assembly for approval in the next meeting.

The duties of the Chairman of the Board and the General Manager are performed by separate individuals. Board members are encouraged to allocate the required time to fulfil their obligations toward the company, while there are no rules restricting them from assuming other duties outside the company. Considering that independent members, in particular, may contribute significantly to the Board with their business experience and industry knowledge, no such restrictions have been deemed necessary. The résumé of each Board member and their external duties are made available for the shareholders to view prior to the annual General Assembly meeting.

Duties of the Nomination Committee and the Remuneration Committee within the company are carried out by the Corporate Governance Committee. Three candidates were nominated for independent membership in 2025, and the declarations of independence and résumés of these individuals were evaluated by the Corporate Governance Committee and the Board of Directors on February 14, 2025, determining them to be independent member candidates. All independent board members submitted their declarations of independence to the Corporate Governance Committee, and in the 2025 reporting period, no situation that would void their independence occurred.

Otokar's Board Diversity Policy was approved in 2021 with the goal of raising female membership ratio in the Board of Directors to 25% in the next five years. Currently, the female membership ratio in the Board stands at 22%.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PRACTICES

The table below provides an overview of the current Board members, elected at the General Assembly on March 24, 2025 to serve until the next General Assembly meeting to review the 2025 activities. As defined in the CMB Corporate Governance Principles, all members are non-executive except for İbrahim Aykut Özüner.

Detailed résumés of the Board members can be found on the corporate website and on pages 32-34 of the Annual Report.

Full Name	Title	Independence	First Elected to BoD	Term	Committee Assignments	External Assignments
Yıldırım Ali KOÇ	Chairman	Not Independent	26.03.2015	1 Year		Vice Chairman - Koç Holding A.Ş., Chairman, Board Member and Committee Member at multiple Koç Group Companies
Selin Ayla ÜNVER	Vice Chair	Not Independent	22.10.2018	1 Year		Ünver Holding A.Ş. Chairwoman
Levent ÇAKIROĞLU	Member	Not Independent	26.03.2015	1 Year	Corporate Governance Committee – Member	Board Member and CEO - Koç Holding A.Ş. Chairman, Board Member and Committee Member at multiple Koç Group Companies
Haydar YENİGÜN	Member	Not Independent	21.03.2022	1 Year	Risk Management Committee – Member	Board Member and Committee Member at multiple Koç Group Companies
Ahmet Serdar GÖRGÜÇ	Member	Not Independent	20.04.2006	1 Year		
İbrahim Aykut ÖZÜNER	Member – General Manager	Not Independent	24.03.2025	1 Year		Board Member at TürkTraktör ve Ziraat Makinaları A.Ş.
Ali İhsan İLKBAHAR	Member	Independent	16.03.2020	1 Year	Corporate Governance Committee – Chair	
Fatma Füsün AKKAL BOZOK	Member	Independent	27.03.2024	1 Year	Risk Management Committee – Chair Audit Committee – Member	Board Member at Koç Group Companies and other companies
Kamil Ömer BOZER	Member	Independent	27.03.2024	1 Year	Audit Committee – Chair	Board Member at Koç Group Companies and other companies

Operating Principles of the Board of Directors

The powers and responsibilities of the members of the Board of Directors are specified in the Articles of Association. Distribution of duties among Board members and their duties and powers are explained in the annual report.

The subject or agenda of the Board of Directors Resolutions is determined according to the matters, for which the company's Articles of Association explicitly require a Board of Directors resolution, or the issues that arise as reported to the company's Senior Management and Board members by the relevant departments.

The Board of Directors convenes for meetings as company business requires. Although there is no dedicated secretariat established to facilitate communication between Board members, relevant tasks such as preparing the meeting agenda, recording the resolutions, and following them through are performed by the relevant officers in coordination with the Assistant General Manager – Finance.

Pursuant to the Turkish Commercial Code and the relevant provisions of the company's Articles of Association, the Board of Directors convenes in person when the company business calls for it, and when necessary, resolutions can be reached by circulating them per article 390, paragraph 4 of the Turkish Commercial Code. The Board of Directors passed 30 resolutions in 2025. Furthermore, the Board convened three times with the majority of members in attendance to address strategic matters and discuss the company's position and activities.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PRACTICES

Different views expressed during the Board meetings as well as the reasons for casting opposing votes are recorded in the minutes. However, since no such opposing or discordant views were recently expressed, no public disclosures were released in this regard.

Otokar's Board members and senior executives are covered by an Executive Liability Insurance policy.

Otokar's Remuneration Policy for Members of the Board of Directors and Senior Management, which lays out all the rights, benefits and remunerations provided to the Board members and senior executives and the criteria used to determine them as well as the principles of remuneration, is available on page 42 of the Annual Report.

There has been no materially significant transaction that could result in a conflict of interest such as extending loans to the Board members or executives or providing collaterals in their favor by the company.

Committees under the Board of Directors

At Otokar, the Board of Directors has formed several committees to effectively fulfil its duties and responsibilities, and these committees carry out their activities in accordance with specified procedures. The committees reach decisions after independently working on specific topics and present their findings in the form of proposals to the Board, which then passes a final resolution.

The committees' operating principles and fields of activity are determined by the Board of Directors and publicly disclosed.

The committees are headed by Independent Board members. Furthermore, all members of the Audit Committee consist of Independent Board members.

The committees document all of their activities and keep records. The committees hold meetings as frequently as needed to work effectively and as defined by their operating principles, and they report the information and results of their work to the Board of Directors.

Members who serve on multiple committees facilitate communication and increase opportunities for cooperation between committees handling related subjects. The Board of Directors is of the opinion that it has obtained the expected benefit from the committees' work.

Operating principles of the committees are available on the corporate website. (<https://www.otokar.com.tr/investor-relations/corporate-governance/committees>)

Audit Committee

The Audit Committee, established pursuant to the Board of Directors' resolution on April 29, 2003, fulfils the duties specified for audit committees in the Capital Markets Legislation.

The Board of Directors resolved on April 28, 2025 that the Audit Committee would be composed of 2 independent members, with Kamil Ömer Bozer appointed as chair, and Fatma Füsün Akkal Bozok as member.

In 2025, the Audit Committee submitted to the Board of Directors a written report of its views on the selection of the independent auditor, observations about the functioning and effectiveness of the independent audit and internal control system, its assessments of annual and interim financial statements to be disclosed to the public in terms of their truth, accuracy and compliance with the accounting principles adopted by the company as well as the decisions made during committee meetings held within the year. The Audit Committee convened eight times in 2025.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PRACTICES

Corporate Governance Committee

The Corporate Governance Committee was established following the Board of Directors resolution on May 25, 2012 to monitor the company's compliance with the Corporate Governance Principles, examine the reasons for non-compliance with the Principles that are not yet implemented, and propose improvement actions, evaluate corporate governance practices and the Corporate Governance Compliance Report, and oversee the work of the Investor Relations Department.

The Board of Directors resolved on April 28, 2025 that the Corporate Governance Committee be composed of three members and that the independent Board member Ali İhsan İlkbahar be appointed as the chair, and Levent Çakıroğlu ve Başak Tekin Özden as members of the committee, which would also serve as the Nomination Committee and the Remuneration Committee in accordance with the Communiqué.

The Corporate Governance Committee reviewed the company's corporate governance practices in 2025 and the Corporate Governance Compliance Report (CGCR) and Corporate Governance Information Note (CGIN), drawn up according to the new reporting formats pursuant to CMB resolution no. 2/49 dated January 10, 2019. The committee informed the Board of Directors on the activities of the Investor Relations Department. After reviewing the TSRS-Compliant Sustainability and the Sustainability Report, the committee presented its opinions and thoughts on these reports. In 2025, the committee, which also undertakes the duties of the Nomination Committee and Remuneration Committee, worked on various topics within its purview such as determining the Independent Board member nominees and the benefits provided to the Board members and Senior Executives. The Corporate Governance Committee convened seven times in 2025.

Risk Management Committee

The Board of Directors resolved on July 11, 2012 to establish the Risk Management Committee to work on early detection of risks that could pose a threat to the company's existence, development and continuity, implement the necessary measures to mitigate these risks and to manage them so that compliance with article 378 of Law 6102 of the Turkish Commercial Code, enacted in July 2012, is ensured and the Board committees function effectively. The Board of Directors resolved on April 28, 2025 that the Committee would be composed of two members, with the independent Board member Fatma Füsün Akkal Bozok as the chair and Haydar Yenigün as member. The committee convenes at least six times a year.

In 2025, the Risk Management Committee submitted its written report to the Board of Directors to inform them about their assessment of the Risk Report to be included in the Annual Report and their opinions on the risk factors, as well as the decisions reached in the committee meetings during the year. The committee also reviewed the information systems management activities in 2025 and related Report in accordance with the CMB Communiqué on Information Systems Management VII-128.9 ("Communiqué on IS Management"), which imposes obligations on public companies. The Risk Management Committee convened six times in 2025. The report presented by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. on February 9, 2026 stated that Otokar's early risk detection system and the Risk Management Committee are adequate in all material aspects within the framework of article 378 of the TCC.

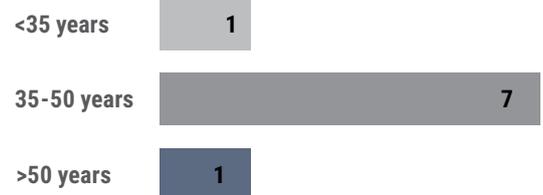
CORPORATE GOVERNANCE

BOARD SKILLS MATRIX

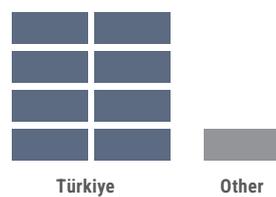
TENURE ON THE COMPANY'S BOARD OF DIRECTORS



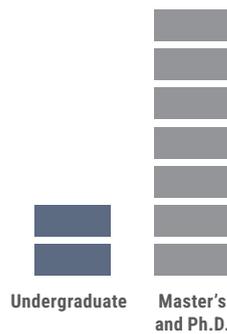
PROFESSIONAL EXPERIENCE



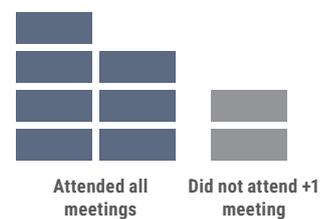
CITIZENSHIP / RESIDENCE



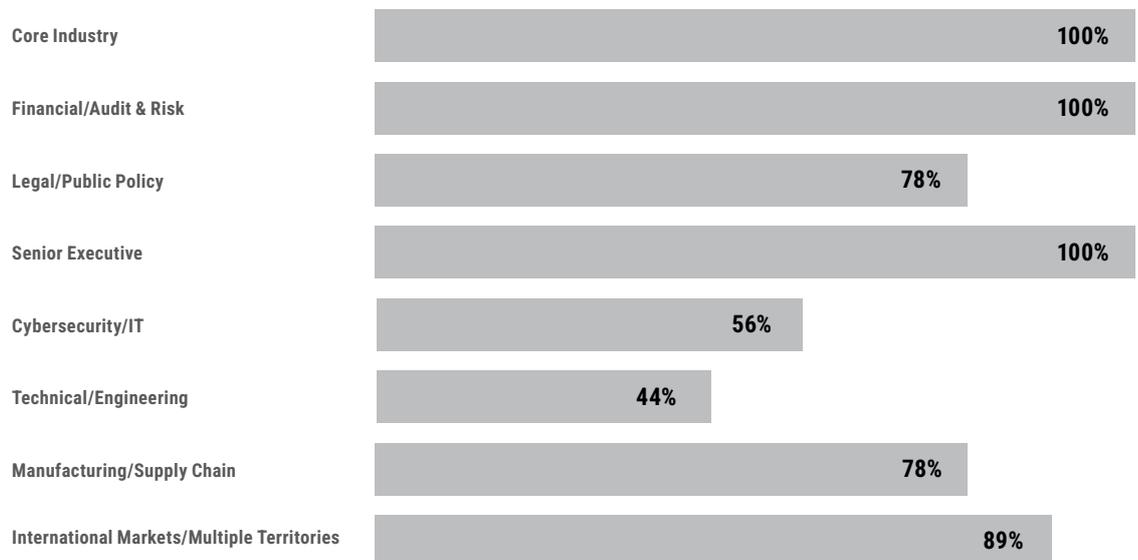
EDUCATION LEVEL



PARTICIPATION RATE IN MEETINGS



SKILLS



Appraisal criteria are based on Glass Lewis Board Skills Matrix.

CORPORATE GOVERNANCE

MEMBERS OF THE BOARD OF DIRECTORS AND THE COMMITTEES

Board of Directors	Title	Term Start	Term End
Yıldırım Ali Koç	Chairman	3/24/2025	3/10/2026
Levent Çakıroğlu	Vice Chair	3/24/2025	3/10/2026
Selin Ayla Ünver	Member	3/24/2025	3/10/2026
Haydar Yenigün	Member	3/24/2025	3/10/2026
Ahmet Serdar Görgüç	Member	3/24/2025	3/10/2026
İbrahim Aykut Özüner	Member – General Manager	3/24/2025	3/10/2026
Ali İhsan İlkbahar	Independent Member	3/24/2025	3/10/2026
Fatma Füsun Akkal Bozok	Independent Member	3/24/2025	3/10/2026
Kenan Güven	Independent Member	3/24/2025	3/10/2026
Audit Committee	Title	Term Start	Term End
Kamil Ömer Bozer	Chair	3/24/2025	3/10/2026
Fatma Füsun Akkal Bozok	Member	3/24/2025	3/10/2026
Corporate Governance Committee	Title	Term Start	Term End
Ali İhsan İlkbahar	Chair	3/24/2025	3/10/2026
Levent Çakıroğlu	Member	3/24/2025	3/10/2026
Başak Tekin Özden	Member	3/24/2025	3/10/2026
Risk Management Committee	Title	Term Start	Term End
Fatma Füsun Akkal Bozok	Chair	3/24/2025	3/10/2026
Haydar Yenigün	Member	3/24/2025	3/10/2026

- Clauses pertaining to the Board of Directors have been resolved in accordance with articles 11, 12 and 13 of the Articles of Association and pursuant to the provisions of the Turkish Commercial Code.
- The principles of remuneration of Board of Directors and Senior Executives have been put in writing, and the Remuneration Policy prepared for this purpose has been included in the Annual Reports and the company's corporate website (www.otokar.com).
- The compensations provided to Senior Executives in 2025 have been included in note 28 to the financial statements for the 2025 fiscal year.
- Detailed information on committees and their operating principles has been provided on pages 87-88 of the Annual Report and the company's corporate website (www.otokar.com).
- As stated in Board Resolution no. 2026/10, the Board of Directors has been briefed on the activities of the Board Committees in 2025.
- In 2025, the Audit Committee convened 8 times, the Corporate Governance Committee 7 times, and the Risk Management Committee 6 times, respectively. The meetings were attended by all committee members.
- The résumés of the Board members are provided on pages 32-34.

CORPORATE GOVERNANCE

SENIOR MANAGEMENT



İbrahim Aykut Özüner / General Manager

Aykut Özüner holds a mechanical engineering degree (1991) and an MBA (1995) from Boğaziçi University. Starting his professional career in 1992 at Koç Holding's Supply Coordination Group, Özüner joined Ford Otomotiv in 1993, going on to hold various leadership positions, including Assistant General Manager - Marketing & Sales (2004-2010) and Assistant General Manager - Marketing, Sales & After Sales (2010-2014). In 2014, Aykut Özüner was appointed General Manager of the sourcing company, Zer Merkezi Hizmetler ve Ticaret A.Ş., where he served until the end of 2018. After his role as General Manager of TürkTraktör and Ziraat Makineleri A.Ş., (January 2019 - March 2024), he was appointed the General Manager of Otokar Otomotiv ve Savunma Sanayi A.Ş. effective April 1, 2024. Aykut Özüner's external duties include Board memberships in TürkTraktör, Ankara Chamber of Industry, Automotive Manufacturers Association, and Turkish Employers' Association of Metal Industries, and membership in the Turkish Industry and Business Association.



Başak Tekin Özden / Assistant General Manager – Finance

Başak Tekin Özden holds a B.Sc. in mechanical engineering from Middle East Technical University and an MBA from Bilkent University. She began her professional career in 1999 at Koç Holding, where she held positions as Management Trainee, Strategic Planning Specialist, and Strategic Planning Manager, respectively. She later worked at Tofaş Türk Otomobil Fabrikası as Strategic Planning and Business Development Manager, Strategic Planning, Business Development and Foreign Trade Manager, and Budget, Planning and Commercial Control Manager, respectively (2007 - 2012). After her role as Corporate Relations Coordinator at Koç Holding (2012 - 2019), she joined Tat Gıda as Assistant General Manager - Finance and Financial Affairs (February 2019 - August 2024). Concurrently, she served as Assistant General Manager - Finance and Financial Affairs at Düzey Pazarlama (2019 - 2022). Following her role as Acting Assistant General Manager - Finance at Otokar (September 2024 - December 2024), she was appointed Assistant General Manager - Finance at Otokar, effective January 1, 2025.



Uğur Sedef Vehbi / Assistant General Manager – Military Vehicles

Uğur Sedef Vehbi holds a bachelor's degree in Economics from Hacettepe University (1990). She started her professional career in the Commercial Finance department at Turkish Bank (UK) Ltd. (1993). After working as Business Development Officer at Ram Dış Ticaret A.Ş. (1997-2002), she joined Otokar as Business Development Coordinator and later assumed the roles of Export Manager, Military Vehicles Export Manager, and Military Vehicles Export Director, respectively. After her appointment as Assistant General Manager - Military Vehicles International Marketing & Sales in 2018, Ms. Vehbi has served as Assistant General Manager-Military Vehicles at Otokar since 2021.



Mustafa Kerem Erman / Assistant General Manager – Commercial Vehicles

Mustafa Kerem Erman holds a bachelor's degree in business administration from Boğaziçi University (1995) and an Executive MBA degree from ESSEC Business School (2002). Kerem Erman started his professional career in 1995 at GM Packard Electric and Electronic Architecture Systems as Factory Finance Manager. Afterwards he worked as Internal Auditor at Delphi Chassis Systems in France, as Finance Director at Delphi Powertrain Division in France, as Country Director at Delphi Diesel Systems in Türkiye, as Country Director at Delphi Diesel Systems in France, as Vice President Strategic Purchasing at Delphi Corporation in Luxembourg, respectively. He also served as Senior Vice President and General Manager of ICE Systems Division at Delphi Technologies in Luxembourg. Kerem Erman has served as Assistant General Manager - Commercial Vehicles at Otokar since 2021.



Onur Vural / Assistant General Manager – Operation

Onur Vural graduated from the Department of Mechanical Engineering at Middle East Technical University in 1996 and started his professional career at Ford Otosan as a Method Engineer the same year. He went on to serve as Product Process Development Team Leader, Quality Manager, and Ford Production System Manager at Ford Otosan's Eskişehir Plant, respectively (1996-2009). He later worked at Ford Otosan's Kocaeli Plant as Product Development Manager and Operations Quality Manager, respectively (2009-2014). In 2014, he joined Türk Traktör's Erenler Plant, where he served as Factory Manager, Factory Director, and Assistant General Manager -Purchasing, respectively (2014-2022). In 2023, he joined Otokar as Assistant General Manager-Operations.

CORPORATE GOVERNANCE

RISK MANAGEMENT AND ACTIVITIES OF THE RISK COMMITTEE

RISK MANAGEMENT

Otokar follows a risk management policy, led by the General Manager under the supervision of the Board of Directors and carried out in coordination with all executives, deployed and supported across all levels of the organization, and implemented in line with the company's strategies with the aim of anticipating and monitoring any potential risks that may prevent the company from reaching its goals, and drawing up action plans to address such risks.

The Risk Management Committee has been established to anticipate and assess any strategic, operational, financial, legal and other risks that may jeopardize the company's existence, growth and continuity, calculate the impact and probability of such risks, report and manage these risks according to the company's risk profile, and submit suggestions to the Board of Directors concerning the implementation of the necessary measures against such risks, taking them into consideration in decision making processes, and establishing and integrating effective internal control mechanisms.

In addition to following its own risk policy, Otokar also acts in alignment with Koç Group's risk policies, limits, and control mechanisms. The risk management system is continuously improved, leveraging risk management principles and best practices established at Group level.

Risk management involves regular monitoring of forward-looking risks related to key performance indicators, including sales, productivity, revenue generation capability, profitability, debt/equity balance, inventory management, regulatory transitions, natural disaster risks, and environmental and social risks that may affect sustainability with the aim of supporting the company's financial resilience, operational continuity, and long-term value creation capacity.

Otokar monitors its risk exposure under financial, strategic, operational, and legal risk categories and systematically implements the necessary preventive and corrective measures to limit the potential impact of these risks.

Financial Risks

Otokar adopts a systematic approach to managing its financial risks to meet its financial obligations fully and on time, and to limit the potential negative effects of volatility in financial markets. Major financial risks include foreign currency risks, liquidity risks, credit risks, interest risks and receivables risks.

Foreign Currency Risk: The company's foreign currency positions are monitored daily to avoid risk exposure and to remain within targeted levels. In managing exchange rate risk, cash flow structure and natural hedging mechanisms stemming from operations are prioritized, and derivatives are used when necessary.

Liquidity Risk: Otokar manages its liquidity risks with a view to ensuring the continuity of its capacity to meet its short-term and long-term obligations. Aiming to meet operating capital requirements and balance cash flow, it closely monitors and maintains the ratio of cash and cash equivalents to total short-term liabilities at the targeted levels to meet cash demands.

Credit Risk: Credit risks are managed by restricting average risks for the other party in all agreements, except for those between related parties, and securing collaterals when needed. This approach aims to limit potential collection risks.

Interest Risk: The company seeks to achieve a fixed/variable interest balance in financing. The company's policies are followed for short-term and long-term borrowing. A policy of utilizing loans with flexible maturities has been implemented to adapt to market conditions.

Receivables Risk: Trade receivables are followed based on collateral limits. Conformity of debt-receivable days with the anticipated days in the budget is monitored closely. This helps keep collection performance and cash flow risks under control and contributes to minimizing operating capital requirements.

Strategic Risks

Strategic risks are structural risks that may prevent the company from reaching its short-, medium- or long-term strategies as one of the most important factors for future readiness. These risks are related to product range, customer profile, competitive landscape, brand value, market and industry dynamics, governance structure, and change management. Regulatory and legislative changes, technological advances, business model risks, disruptions in the supply chain, cybersecurity threats, evolving customer behaviors and expectations, mergers and acquisitions among competitors, and macroeconomic volatility in financial markets also affect strategic risks.

To manage strategic risks effectively, budgets and strategic plans are created by considering macroeconomic developments, market conditions, and industry trends, while future risks and opportunities monitored closely. This approach allows the company to proactively assess the effects of potential uncertainties during the strategic decision-making processes and introduce necessary measures.

CORPORATE GOVERNANCE

RISK MANAGEMENT AND ACTIVITIES OF THE RISK COMMITTEE

Operational Risks

Operational risks include losses such as those from business processes that may disrupt key operations, employees and systems, which are affected by internal systems and processes, and external factors. Risk areas such as sales, product development, capacity, information management, technology, brand management, and physical risks such as earthquakes and fires are included in this category.

Operational risks are regularly monitored and managed by the relevant internal functions. Necessary insurance is secured to cover potential financial operational risks.

Legal Risks

Otokar ensures compliance with ethical principles, legislation, and international regulations applicable in all countries where it operates. Legal and compliance risks are monitored by the internal legal team and external legal counsel with expertise in specific areas for compliance with applicable local and international laws, regulations and standards.

The Compliance Program addresses key risk areas, including, competition law, data privacy, human rights, laundering proceeds of crime, international sanctions, and anti-bribery. To anticipate and prevent such risks, compliance risks are analyzed, third-party checks are conducted, and sanctions lists are monitored.

The risk groups identified across the organization through compliance programs take the necessary basic ethics and compliance training to reach a certain level of awareness. Employees in these risk groups also take additional training based on their duties and risk profiles. The employees are encouraged to consult with expert legal counsel when in doubt. Additionally, the Koç Group Ethics Line is accessible to all employees and stakeholders, enabling anonymous reporting and ensuring protection against retaliation.

Sustainability Risks

Otokar addresses environmental, social, and governance (ESG) risks that could affect its long-term value creation capacity, operational continuity, and ability to meet stakeholder expectations. The company considers these risks as an integral part of its corporate risk management approach and manages them in alignment with Koç Group's sustainability policies and objectives. The company discloses its management approach to sustainability topics, strategy, and manner of addressing relevant risks and opportunities in detail in Otokar's TSRS-Compliant Sustainability Report, prepared in accordance with the Turkish Sustainability Standards (TSRS).

Environmental Risks: Otokar's key environmental risks include climate change, carbon emissions, efficient use of energy and water resources, waste management, and compliance with environmental legislation. Climate-related physical risks (extreme weather events, natural disasters) and transition risks (carbon regulations, emission trading systems, transition to low-carbon technologies) are regularly monitored. Projects are implemented for energy efficiency, resource utilization, and reducing environmental impacts.

Social Risks: Otokar's social risk framework is built on employees' health and safety, talent management, employee engagement, human rights, social compliance in the supply chain, product safety, and customer satisfaction. The company manages these risks by implementing occupational health and safety practices, providing training and development programs, introducing mechanisms to encourage employee participation, and conducting supplier audits. Changes in societal expectations and stakeholder demands are closely monitored.

Governance Risks: Ethical principles, corporate governance practices, transparency, regulatory compliance, information security, and data privacy are addressed within the framework of governance risks. Otokar manages such risks based on strong internal control and internal audit systems, compliance programs, and Koç Group's Code of Ethics. The company adopts accountability and transparency as fundamental principles in establishing the Board structure, policies, procedures, and decision-making processes.

Otokar regularly monitors sustainability risks through relevant performance indicators and targets, and implements preventive and corrective measures to limit the potential impact of these risks. Sustainability risks are managed in alignment with the company's strategic goals and long-term growth plans.

ACTIVITIES OF THE RISK MANAGEMENT COMMITTEE

The Board of Directors resolved on July 11, 2012 to establish a Risk Management Committee to work on early detection of risks that could pose a threat to the company's existence, development and continuity and on applying necessary measures to mitigate these risks to ensure compliance with article 378 of Turkish Commercial Code No. 6102, enacted on July 1, 2012. The Committee is chaired by Independent Board member, Fatma Füsün Akkal Bozok, while the other committee member is Board member Haydar Yenigün.

The Committee, which convened six times in 2025, evaluates the principles for the Risk Management System and risk reporting within the company, examines the periodic risk reports, and expresses views on measures deemed necessary to address areas where there is non-compliance with the limits stipulated in the Risk Management System. The Committee also reviews the Risk Management System and oversees the implementation of the practices in the relevant risk management departments in terms of compliance with its decisions. The Committee's other duties include evaluating the information security procedures, monitoring compliance risks and related activities, and assessing the sustainability risks. Reporting activities and the Committee's assessments are recorded as minutes of the meeting, and duly presented to the Board of Directors.

CORPORATE GOVERNANCE

INTERNAL CONTROL SYSTEM AND INTERNAL AUDITS

The Internal Control System established within the organization aims to maintain objectivity and independence in all operations, add value to the company, ensure that the company's operations are in alignment with the strategies and goals, as well as regulations, contribute to the realization of the company's key objectives, principles and targets, and improve effectiveness and productivity.

The Internal Control System is composed of standard definitions, job descriptions, authorization processes, policies, and written procedures included in the workflows.

The Internal Control System is regularly reviewed by the Internal Audit Department for effectiveness. Within the organizational structure, the Internal Audit Department reports administratively to the General Manager to ensure independency of its activities, and functionally to the Audit Committee.

Accounting records and financial statements are reviewed by the Audit Committee and the Internal Audit Department, and also audited by the independent audit firm Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

The Audit Committee was briefed about the Internal Control System and Internal Audit activities through the 2025 Otokar Audit Activities report prepared by the Internal Audit Department.

Otokar Otomotiv ve Savunma Sanayi A.Ş. has not completed any special or public audits in 2025.

CORPORATE GOVERNANCE

BOARD'S REVIEW OF THE COMMITTEES AND THEIR EFFECTIVENESS

In 2025, all the Board Committees have fulfilled the duties and obligations mandated by the Corporate Governance Principles and their own regulations and convened according to the annual meeting schedules. Information on the committees' activities and the outcomes of the meetings held throughout the year has been reported to the Board of Directors.

The Board of Directors has formed the opinion that the Board Committees have delivered the benefits expected of their activities.

Information on the Board Committees and their operating principles is available on the corporate website. (<https://www.otokar.com.tr/investor-relations/corporate-governance/committees>)

More information on the composition and activities of the committees is provided in the Corporate Governance Practices section of this report (see pages 87-88).

CORPORATE GOVERNANCE

DECLARATION OF COMPLIANCE WITH SUSTAINABILITY PRINCIPLES

Otokar closely follows the best sustainability practices, including those specified in the Capital Market Board's (CMB) Sustainability Principles Compliance Outline, and carries out activities with the aim of complying with generally accepted best practices. The majority of the sustainability topics Otokar manages are congruent with the Sustainability Principles Compliance Outline introduced by CMB in 2020. Otokar is already in compliance with the majority of the non-mandatory principles in the Sustainability Principles Compliance Outline imposed by the Capital Markets Board on a "comply or explain" basis. However, full compliance with all the principles has not yet been achieved due to the challenges in implementing some of these principles, uncertainties in the overall national and international landscape, certain principles not fully aligning with the current structure of the company, and the fact that some compliance principles will be identified based on the findings of ongoing studies. Once these ongoing studies within the scope of internationally accepted practices are completed, Otokar aims to align with the principles that currently lack full compliance.

The practices that are congruent with the principles specified in CMB's Sustainability Principles Compliance Outline are disclosed in various sections of the Annual Reports, corporate website, and Sustainability Reports. The explanations provided in the Declaration Table also include references to the information disclosed in the latest Sustainability Reports. Otokar releases its Sustainability Reports, which provide the most comprehensive statements on the management of social, environmental and governance risks, at the beginning of the third quarter every year. Otokar monitors the impact on environmental and social risk management due to lack of full compliance with the non-mandatory principles and considers such impact in its sustainability-related work.

Principle B14 - Even though the environmental performance and improvement efforts, including greenhouse gas emissions, are among the supplier selection criteria and considered in the process, the specific actions taken in these areas are not disclosed to the public due to the nature and dynamics of the suppliers' respective industries.
Principle B15 - While the company discloses the administrative and investment costs of environmental management activities, the returns on the efficiency-focused activities are not declared.
Principle B25 - The annual Sustainability Reports are the primary channel for transparent disclosure of environmental performance. The corporate website and the Annual Report also contain the environmental indicators.

The Sustainability Principles Compliance Report, prepared according to the formats specified in the CMB's decision no. 34/977 dated 23.06.2022 and approved by the Otokar Board of Directors, is included in the appendix of the Annual Report (pages 97-105), and the relevant documents can be accessed through Otokar's page on the Public Disclosure Platform: (<https://www.kap.org.tr/tr/sirket-bilgileri/ozet/1046-otokar-otomotiv-ve-savunma-sanayi-a-s>). In accordance with the Public Oversight, Accounting and Auditing Standards Authority's decision dated December 29, 2023, the report to be prepared in compliance with the Türkiye Sustainability Reporting Standards (TSRS) will be disclosed to the public within the statutory timeframe.

CORPORATE GOVERNANCE

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		COMPLIANCE STATUS				Explanation	Report/Link Where Related Information Is Disclosed Publicly
		Yes	No	Partial	N/A		
A. General Principles							
A1. Strategy, Policy and Goals							
A1.1	The Board of Directors should determine ESG-priority issues, risks and opportunities, and form ESG policies in accordance with them. For the sake of effective implementation of the aforesaid policies, internal directives, work procedures, etc. may be prepared for the corporation. For these policies, a decision of the Board of Directors should be taken and made public.	X				<p>At Otokar, the Board of Directors is the highest governing body that oversees the company's activities, led by the General Manager in coordination with all executives. Otokar adopts a risk policy that is spread and supported across all levels of the organization, and implemented in line with the company's strategies with the aim of anticipating and monitoring any potential risks that may prevent the company from reaching its goals, and drawing up action plans to address such risks. The Risk Management Committee has been established to anticipate and assess any strategic, operational, financial, legal, sustainability and other risks that may jeopardize Otokar's existence, growth and continuity, calculate the impact and probability of such risks, report and manage these risks according to the company's risk profile, and submit recommendations concerning the implementation of the necessary measures against such risks, taking them into consideration in decision-making processes, and establishing and integrating effective internal control mechanisms.</p> <p>The evolving landscape of climate change and sustainability presents systemic risks as well as emerging opportunities that may impact Otokar's operations. In response, the company adopts an integrated and structured risk management approach for the early identification, assessment, prioritization, monitoring and mitigation of climate-related risks and opportunities. At Otokar, the processes of identifying, evaluating and monitoring risks and opportunities are carried out in accordance with the "Otokar Corporate Risk and Opportunity Management Procedure," aligned with the ISO 31000 standard. Climate change and sustainability-related risks are integrated into these existing risk management processes.</p>	<p>Annual Report Sustainability Section (pages 52-73)</p> <p>Sustainability Report (page 24) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu</p> <p>TSRS-Compliant Sustainability Report (page 23) https://www.otokar.com.tr/getmedia/b4c42e3d-2718-4842-9dfd-4871e70099dc/otokar-2024-tsrs-uyumlu-surdurulebilirlik-raporu</p>
	Should determine a Corporation Strategy in compliance with ESG policies, risks and opportunities.	X				Otokar's ESG policies are publicly available on the corporate website (link in the next column).	www.otokar.com.tr/surdurulebilirlik
A1.2	Should determine and publicly disclose its short and long-term goals in line with its ESG policies.	X				In addition to several targets tracked with scorecards in many areas within the scope of ESG policies, including environment and occupational safety, the Company's goals aligned with Otokar's material sustainability topics have been disclosed in the 2024 Sustainability Report.	<p>Annual Report, Declaration of Compliance with Sustainability Principles (page 95)</p> <p>Sustainability Report (page 33) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu</p>
A2. Implementation / Monitoring							
A2.1	Should appoint and publicly disclose its committees/units in charge of implementation of ESG policies.	X				The Board of Directors is the governing body responsible for setting the strategic direction for Otokar's social, economic and environmental issues. As with all other areas of operation, sustainability strategy and direction is also determined by the Board of Directors, which oversees the senior management's sustainability performance. At the executive level, the Sustainability Committee, headed by the General Manager, coordinates sustainability efforts. The committee is responsible for developing, implementing and monitoring sustainability strategies. It also identifies material sustainability topics, reviews and approves annual targets and monitors performance indicators. The committee plays an active role in monitoring greenhouse gas emission reduction efforts, evaluating sustainable finance opportunities and following relevant regulation. Developments and decisions are reported to the Board of Directors through the General Manager.	<p>Annual Report Sustainability Section (pages 52-73)</p> <p>Sustainability Report (page 27) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu</p>
	Committees/units in charge should report the activities carried out under the policies to the Board of Directors at least once a year and in any case, within the maximum periods of time stipulated for disclosure of annual reports in the regulations of the Board pertaining thereto.	X				The Board of Directors is kept up to date about the efforts to comply with the Sustainability Principles through the Corporate Governance Committee.	Sustainability Report (page 21) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu

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SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		COMPLIANCE STATUS				Explanation	Report/Link Where Related Information Is Disclosed Publicly
		Yes	No	Partial	N/A		
A2.2	Should formulate and publicly disclose the implementation and action plans in line with the short and long-term goals determined as above.	X				Otokar has designed a sustainability strategy with the aim of maintaining its domestic capital structure and profitability. Sensitivity to the environment, people and communities, commitment to universal human rights and code of ethics, operational excellence and focus on customer satisfaction, developing high-tech, value-added products form the pillars of this strategy. As a responsible company that promotes stakeholder participation, Otokar aims to strengthen its business strategy in the automotive and defense industries. On this path, the company strives to fully adhere to the laws and regulations in the regions where it operates, apply global sustainability standards, and respect the environment, people and the future. The material topics and targets within this framework have been disclosed publicly.	Annual Report Sustainability Section (pages 52-73) Sustainability Report (page 28-33) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024
A2.3	Should determine ESG Key Performance Indicators (KPIs) and declare them comparatively on an annual basis.	X				ESG KPIs and their evolution over the years are published in the Annual Reports and Sustainability Reports.	Annual Report Sustainability Section (pages 52-73) Sustainability Report https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu
A2.4	Should declare innovation activities aimed to improve the sustainability performance in relation with business processes or products and services.	X				Information on the alternative fuel vehicles with reduced environmental impact and the improvement efforts in this area is provided in the Annual Reports and Sustainability Reports.	Annual Report Sustainability Section (pages 52-73) Sustainability Report (page 48) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu
A3. Reporting							
A3.1	Should report and publicly disclose its sustainability performance, goals and actions at least once a year. Should provide information about its sustainability activities within its annual report.	X				Otokar discloses information regarding the activities categorized under the environmental, social and corporate governance topics, performance results and related targets to its stakeholders. Information on Otokar's sustainability efforts is communicated through Sustainability Reports as well as Annual Reports and the corporate website. Starting with Otokar employees, all stakeholders are provided with information on the company's environmental, social and governance policies and practices.	Annual Report Sustainability Section (pages 52-73) Sustainability Report https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu
A3.2	It should provide information as to with which of the United Nations (UN) 2030 Sustainability Development Goals its activities are related.	X				Otokar publicly discloses its activities in areas identified as material topics through Annual and Sustainability Reports and provides information about how the relevant KPIs are aligned with different SDGs.	Annual Report Sustainability Section (pages 52-73) Sustainability Report (page 33) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu
A3.3	It should disclose information about lawsuits filed and/or completed against it in environmental, social and corporate governance issues.	X				All materially significant lawsuits filed against the Company and their financial consequences are disclosed to the public in the Legal Disclosures section of the Annual Reports.	Annual Report, Legal Disclosures Section (pages 80-81)
A4. Verification							
A4.1	If verified by independent third parties (independent sustainability assurance providers), it should disclose its sustainability performance measures, and should endeavor to increase said verification actions.	X				Otokar works with an independent third party for verification purposes to further improve the reliability of the consolidated financial statements disclosed to the public.	Sustainability Report (page 106) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu TSRS-Compliant Sustainability Report (page 30) https://www.otokar.com.tr/getmedia/b4c42e3d-2718-4842-9dfd-4871e70099dc/otokar-2024-tsrs-uyumlu-surdurulebilirlik-raporu

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SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		COMPLIANCE STATUS				Explanation	Report/Link Where Related Information Is Disclosed Publicly
		Yes	No	Partial	N/A		
B. Environmental Principles							
B1	Should declare its policies and practices, action plans, and environmental management systems (known as ISO 14001 standard) and programs.	X				Otokar's Environmental Policy is the reference document regarding the management of environmental issues. Through the Environmental Policy, Otokar expresses its commitment to environmental protection, efficient use of natural resources, compliance with applicable regulations, carrying out improvement work to reduce environmental impact, and establishing systems and processes for environmental control. Otokar's operations are certified according to the ISO 14001 Environmental Management System	Annual Report Sustainability Section (pages 52-73) Sustainability Report (page 79) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu Environmental Policy: https://www.otokar.com.tr/surdurulebilirlik/cevre-politikasi
B2	Should disclose limitations to the environmental report that will be prepared under the Sustainability Principles, reporting period, reporting date, data collection process and restrictions in reporting conditions.	X				Information on the environmental reporting scope, period and limitations is provided in the Sustainability Reports.	Sustainability Report https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu
B3	Provided in A2.1.						
B4	Should disclose the incentives it offers for management of environmental issues, including the achievement of goals.	X				Environmental targets are included in the scorecards of company managers and employees, and environmental performance, monitored with a scorecard system, is reported to the General Manager and the Board of Directors. In measuring individual performance, consideration is given not only to financial results but also to long-term value creation and adherence to environmental, social, and governance (ESG) principles. Sustainability targets are integrated into Otokar's Objectives and Key Results (OKR) system and cascaded throughout the organization. In determining these indicators, GRI standards, environmental issues, industry norms and requirements, and Koç Group's material environmental topics are considered. The annual Sustainability Reports are the primary channel for transparent disclosure of environmental performance. Environmental KPIs are also provided on the corporate website and in Annual Reports.	Annual Report Sustainability Section (pages 52-73) Sustainability Report https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu
B5	Should disclose how environmental issues are integrated into business objectives and strategies.	X				Climate-related risks and opportunities are integrated into Otokar's overall strategic planning and operational management cycles. Risk reviews are recorded in the Company's digital infrastructure, monitored on a regular basis and updated as needed. All relevant process owners at Otokar are responsible for monitoring corporate risks and opportunities. Climate-related risk and opportunities are also systematically incorporated into investment decisions, new product development processes and supply chain management. The outcomes of risk assessments serve as a guide for key decision areas such as capital allocation, R&D priorities and business continuity plans. Through this comprehensive approach, Otokar not only builds resilience against current risks but also aims to fully capitalize on strategic opportunities presented by the transition to a low-carbon economy.	TSRS-Compliant Sustainability Report (page 24) https://www.otokar.com.tr/getmedia/b4c42e3d-2718-4842-9dfd-4871e70099dc/otokar-2024-tsrs-uyumlu-surdurulebilirlik-raporu
B6	Provided in A2.4.						
B7	Should disclose how it manages environmental issues and integrates suppliers and customers into its strategies, not only in terms of direct operations, but also along the corporation value chain.	X				Otokar does not limit its environmental management approach to its own operations; it aims to extend it across the entire value chain. Accordingly, compliance with environmental regulations and relevant standards is a key criterion in supplier selection, and suppliers' environmental performance is monitored through self-assessment surveys. The Company has already started to implement actions to improve the environmental and social performance of suppliers and plans to deepen its work with suppliers regarding climate change and carbon emissions in the times to come.	TSRS-Compliant Sustainability Report (page 10) https://www.otokar.com.tr/getmedia/b4c42e3d-2718-4842-9dfd-4871e70099dc/otokar-2024-tsrs-uyumlu-surdurulebilirlik-raporu

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		COMPLIANCE STATUS				Explanation	Report/Link Where Related Information Is Disclosed Publicly
		Yes	No	Partial	N/A		
B8	Should disclose whether it is included in the (sectoral, regional, national and international) policy formulating processes on environmental issues or not, as well as associations it is a member of, its environmental cooperation initiatives entered into with related institutions and non-governmental organizations, and its duties and functions, if any, assumed thereon, and the activities supported by it.	X				<p>Environment is an area where Otokar aims to create more positive impact through collaborations and joint efforts. Accordingly, Otokar partners with different stakeholder groups and NGOs. Otokar attends the monthly meetings of the Koç Group Environmental Committee as a member, contributing to Group companies by sharing its best practices.</p> <p>Otokar also takes an active role in the Environmental Working Groups of OSD and TÜSİAD, which provide platforms for Otokar to engage with businesses in proximity. Such engagements facilitate discussions and collaborations regarding legislative changes, EU compliance directives, local sanctions, and investments. These collaborations are disclosed to the public through Annual Reports and Sustainability Reports.</p>	<p>Sustainability Report (page 30) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar</p>
B9	Should periodically report in a comparable manner, information about environmental effects in the light of environmental indicators [Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect)), air quality, energy management, water and waste water management, waste management, biodiversity effects].			X		<p>Otokar monitors the energy consumed and greenhouse gas emissions released in the production processes and launches efficiency projects to reduce energy consumption and emissions. With 2021 taken as baseline, Scope 1-2-3 emissions have been assured by BSI according to the ISO14064-1 standard. The Scope 1-2-3 emissions for 2022 have been accredited by BVQI (Bureau Veritas) and the 2023 data by QSI Certification & Inspection (QSI Belgelendirme Muayene ve Test Hizm. Ltd. Şti.). Calculations were also made with Carbon Trust in accordance with the GHG standard. In 2024, Scope 1-2-3 emission calculations and verification were performed in compliance with the ISO 14064-1:2006 standard, the GHG Protocol, and IPCC 2006 Tier 1 methodology. Moreover, target modeling and feasibility studies were conducted for Scope 1 and Scope 2 emissions.</p>	<p>Sustainability Report (page 81) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu</p>
B10	Should disclose details in relation to standards, protocols, methodologies and base year employed for collection and calculation of its data.	X				<p>In addition to B9, the emission factors used in emission calculations are obtained from scientific sources such as the IPCC and the GHG Protocol, and updated for alignment with local conditions.</p>	<p>Sustainability Report (page 81) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu</p> <p>TSRS-Compliant Sustainability Report (page 25) https://www.otokar.com.tr/getmedia/b4c42e3d-2718-4842-9dfd-4871e70099dc/otokar-2024-tsrs-uyumlu-surdurulebilirlik-raporu</p>
B11	Should declare the status of environmental indicators for the reporting year in comparison with past years (increase or decrease).	X				<p>The annual Sustainability Reports are the primary channel for transparent disclosure of environmental performance. Environmental KPIs are also provided on the corporate website and in Annual Reports. Disclosing five-year historical data regarding environmental KPIs provides an opportunity to make retrospective comparisons.</p>	<p>Sustainability Report https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu</p>
B12	Should determine and disclose short and long-term goals for reduction of its environmental impact. If an improvement is detected in the reporting year over the previously determined goals, it should provide information thereabout.		X			<p>In addition to several targets monitored with scorecards in many areas within the scope of ESG policies, including environment and occupational safety, the company's goals aligned with its material sustainability topics have been disclosed to the public.</p>	<p>Sustainability Report (page 33) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu</p>
B13	Should disclose its strategy and actions for fight against climate crisis.	X				<p>Otokar systematically analyzes the potential impacts of climate change on its business model, operational processes, and financial performance, and positions the transition to a low-carbon economy as a strategic priority. The Company's climate action efforts are overseen by the Board of Directors and guided by its Environmental Policy, Energy Policy, R&D Strategy, and the Koç Group Climate Change Strategy and Management. Otokar plays an active role in Koç Holding's Carbon Transition Program toward the 2050 net-zero target.</p>	<p>Sustainability Report (page 81) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu</p>

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		COMPLIANCE STATUS				Explanation	Report/Link Where Related Information Is Disclosed Publicly
		Yes	No	Partial	N/A		
B14	Should disclose its programs or procedures aiming to prevent or minimize the potential negative effects of its products and/or services.	X				Information on the alternative fuel vehicles with reduced environmental impact and the improvement efforts in this area is provided in Annual Reports and Sustainability Reports.	Annual Report Sustainability Section (pages 52-73) Sustainability Report (page 48, 82) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu TSRS-Compliant Sustainability Report (page 7-10) https://www.otokar.com.tr/getmedia/b4c42e3d-2718-4842-9dfd-4871e70099dc/otokar-2024-tsrs-uyumlu-surdurulebilirlik-raporu
	Should also declare the actions of third parties aiming to reduce greenhouse gas emissions.			X		Even though the environmental performance and improvement efforts, including greenhouse gas emissions, are among the supplier selection criteria and considered in the process, the specific actions taken in these areas are not disclosed to the public due to the nature and dynamics of the suppliers' respective industries	Annual Report Sustainability Section (pages 52-73) Sustainability Report https://www.otokar.com.tr/getmedia/47eb9cea-1c36-49b7-84b9-d95db4985b5c/otokar-sr-tr-2023-1
B15	Should declare the total number of actions taken, projects implemented and initiatives entered into for reduction of its environmental impact, as well as their environmental benefits and cost savings.		X			While the company discloses the administrative and investment costs of environmental management activities, the returns on the efficiency-focused activities are not declared.	Annual Report, Declaration of Compliance with Sustainability Principles (pages 97-105)
B16	Should report total energy consumption data (with the exception of raw materials), and disclose its energy consumptions as Scope-1 and Scope-2.	X				Relevant data is disclosed publicly through the annual Sustainability Reports.	Sustainability Report (pages 81-85) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu
B17	Should provide information about electricity, heat, steam and cooling generated and consumed in the reporting year.	X				Relevant data is disclosed publicly through the annual Sustainability Reports.	Sustainability Report (pages 81-85) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu
B18	Should carry out and disclose works on increasing the use of renewable energy sources, and transition to zero or low carbon electricity.	X				Relevant data is disclosed publicly through the annual Sustainability Reports.	Sustainability Report (pages 81-85) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu
B19	Should conduct energy efficiency projects, and disclose the resulting reduction in energy consumption and emission due to its projects.	X				Relevant data is disclosed publicly through the annual Sustainability Reports.	Sustainability Report (pages 81-85) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu
B20	Should conduct energy efficiency projects, and disclose the resulting reduction in energy consumption and emission due to its projects.	X				Relevant data is disclosed publicly through the annual Sustainability Reports.	Sustainability Report (pages 81-85) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu
B21	Should report quantities, sources and procedures of water extracted from underground or ground waters, used, recycled and discharged (Total water extraction on source basis, water sources affected from water extraction, percentage and total volume of recycled and reused water, etc.).	X				Relevant data is disclosed publicly through the annual Sustainability Reports.	Sustainability Report (pages 81-85) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu
B22	Should disclose whether its operations or activities are included in any carbon pricing system or not (Emission Trade System, Cap & Trade or Carbon Tax).	X				Otokar regularly monitors export processes related to its product groups within the iron & steel and aluminum sectors, covered by the Carbon Border Adjustment Mechanism (CBAM), which was introduced by the EU as part of the European Green Deal, and continues to evaluate compliance with applicable legislation. As of 2025, these assessments have not revealed any additional obligations or significant risks requiring public disclosure.	Annual Report Sustainability Section (page 67)
B23	Should disclose its carbon credit data accumulated or bought in the reporting period.	X				Otokar regularly monitors export processes related to its product groups within the iron & steel and aluminum sectors, covered by the Carbon Border Adjustment Mechanism (CBAM), which was introduced by the EU as part of the European Green Deal, and continues to evaluate compliance with applicable legislation. As of 2025, these assessments have not revealed any additional obligations or significant risks requiring public disclosure.	Annual Report Sustainability Section (page 67)

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		COMPLIANCE STATUS				Explanation	Report/Link Where Related Information Is Disclosed Publicly
		Yes	No	Partial	N/A		
B24	If carbon pricing is applied in the corporation, it should disclose details relating thereto.	X				Otokar regularly monitors export processes related to its product groups within the iron & steel and aluminum sectors, covered by the Carbon Border Adjustment Mechanism (CBAM), which was introduced by the EU as part of the European Green Deal, and continues to evaluate compliance with applicable legislation. As of 2025, these assessments have not revealed any additional obligations or significant risks requiring public disclosure.	Annual Report Sustainability Section (page 67)
B25	Should disclose all mandatory and voluntary platforms where its environmental data are disclosed.	X				The annual Sustainability Reports are the primary channel for transparent disclosure of environmental performance. Environmental KPIs are also provided on the corporate website and in Annual Reports.	Annual Report Sustainability Section (pages 52-73) Sustainability Report https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu
C. Social Principles							
C1. Human Rights and Employee Rights							
C1.1	Should establish a Corporate Human Rights and Employee Rights Policy covering its commitment of full compliance with the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye, and legal framework and legislation regulating human rights and labor issues in Türkiye. Should disclose the aforesaid policy and the roles played and responsibilities assumed in the implementation of the policy.	X				These issues are disclosed in Otokar Human Rights Policy.	www.otokar.com.tr/etik-ilkeler-ve-uyum-politikalari/etik-ilkeler-ve-uyum-politikalari
C1.2	Should provide equal opportunities in recruitment processes. Includes fair labor, improvement of working standards, employment of women and social inclusion issues (such as nondiscrimination towards women, men, religious beliefs, language, race, ethnical origin, age, disablement, refugees, etc.) in its policies by also considering the supply and value chain effects.	X				These issues are disclosed in Otokar Human Rights Policy.	www.otokar.com.tr/etik-ilkeler-ve-uyum-politikalari/etik-ilkeler-ve-uyum-politikalari
C1.3	Should disclose measures taken along the value chain for the sake of supervision and protection of rights/equal opportunities for minorities or certain population segments vulnerable to particular economic, environmental and social factors (low-income segments, women, etc.).	X				Otokar's Code of Ethics is based on and aligned with Koç Holding Code of Ethics and Implementation Principles, and binding on all Otokar employees, suppliers and partners. Similarly, UN Global Compact, to which Koç Holding is a party on behalf of all Group companies, is binding on Otokar's entire value chain. Therefore, Otokar strives to spread the ethical principles. These issues are also disclosed in Otokar's Supply Chain Compliance Policy.	Annual Report Sustainability Section (pages 52-73) Sustainability Report (page 51,52) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu Policies https://www.otokar.com.tr/getmedia/6c9e6743-55ee-473e-bc55-4bc140d81c38/otokar-tedarik-zinciri-uyum-politikasi-2024 https://www.otokar.com.tr/etik-ilkeler-ve-uyum-politikalari/etik-ilkeler-ve-uyum-politikalari
C1.4	Should report developments relating to applications aiming to prevent and correct discrimination, inequality, breaches of human rights and forced labor, and disclose its regulations and measures aiming to prevent employment of child labor.	X				These issues are also disclosed in the Human Rights Policy and Supply Chain Compliance Policy.	Annual Report Sustainability Section (pages 52-73) Sustainability Report https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu Policies https://www.otokar.com.tr/etik-ilkeler-ve-uyum-politikalari/etik-ilkeler-ve-uyum-politikalari https://www.otokar.com.tr/getmedia/6c9e6743-55ee-473e-bc55-4bc140d81c38/otokar-tedarik

CORPORATE GOVERNANCE

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		COMPLIANCE STATUS				Explanation	Report/Link Where Related Information Is Disclosed Publicly
		Yes	No	Partial	N/A		
C1.5	Should disclose its policies regarding investments in employees (training and development policies), compensations, fringe benefits, unionization rights, work/life balance solutions and talent management.	X				These issues are also disclosed in Otokar's Code of Ethics and Human Rights Policy and available under the Human Resources tab on the website.	www.otokar.com.tr/surdurulebilirlik/ www.otokar.com.tr/etik-ilkeler-ve-uyum-politikalari www.otokar.com.tr/insan-kaynaklari-kariyer/
	Should determine dispute resolution processes through the establishment of mechanisms for resolution of employee complaints and disputes, and determine its dispute resolution processes.	X				These issues are addressed in Otokar's Whistleblowing Policy, Code of Ethics, and Human Rights Policy.	www.otokar.com.tr/surdurulebilirlik/ www.otokar.com.tr/etik-ilkeler-ve-uyum-politikalari etik-ilkeler-ve-uyum-politikalari
	Regularly declares its activities aimed at employee satisfaction.	X				Otokar believes that employees should pursue work-life balance and promotes a work environment where this can be possible through a number of practices. Accordingly, the company organizes various events and activities to support the social life of the employees and strengthen interpersonal communication. For this purpose, employee clubs also host various events that the employees may attend with their families.	https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu https://www.otokar.com.tr/etik-ilkeler-ve-uyum-politikalari
C1.6	Should formulate and disclose its occupational health and safety policies.	X				Otokar aims to protect the health and safety of its employees through maximum measures and practices. The occupational health and safety (OHS) activities are carried out in accordance with the OHSAS 18001 Standard and the OHS Policy, which is disclosed to the employees and other stakeholders through various communication channels.	https://www.otokar.com.tr/surdurulebilirlik/is-sagligi-ve-guvenligi-politikasi Sustainability Report (page 63-66) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu
	Should disclose actions and measures taken for protection of health and against occupational accidents, and occupational accident statistics.	X				OHS data is disclosed under the relevant heading on the "Sustainability" page of the Annual Report and in the Sustainability Report.	Annual Report Sustainability Section (pages 52-73) Sustainability Report (page 63) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu
C1.7	Should formulate and disclose to public its personal data protection and data security policies.	X				Protection of personal data is another topic that Otokar manages diligently. Otokar Personal Data Protection Policy provides an overview of the principles that the company adopts for processing personal data. Through this policy, Otokar informs the personal data subjects transparently. Processes regarding the protection of the employees' personal data are managed according to the Personal Data Protection and Processing Policy for Employees, which is published on the corporate website.	www.otokar.com.tr/etik-ilkeler-ve-uyum-politikalari
C1.8	Should formulate and disclose its ethics policy.	X				Otokar Code of Ethics is published on the corporate website.	www.otokar.com.tr/etik-ilkeler-ve-uyum-politikalari
C1.9	Should disclose initiatives focused on social investment, social responsibility, financial inclusion and access to finance.	X				Otokar recognizes that its operations impact its stakeholders, the environment and society as a whole, and takes responsibility for sustainable development. The Social Investment Policy demonstrates Otokar's commitment to contributing to the welfare of its communities and the sustainable development of the environment. The relevant policies are published on the corporate website	https://www.otokar.com.tr/getmedia/56472490-c34a-4aa5-8832-24a9d3c7bee0/otokar_toplumsal-yatirim-politikasi-28092021
C1.10	Should organize information meetings and training programs for employees with respect to ESG policies and applications.	X				Employees receive training on legal compliance, OHS and environmental policies and practices within the scope of ESG topics.	Annual Report Sustainability Section (pages 52-73) Sustainability Report (page 63) https://www.otokar.com.tr/getmedia/47eb9cea-1c36-49b7-84b9-d95db4985b5c/otokar-sr-2023-1

CORPORATE GOVERNANCE

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		COMPLIANCE STATUS				Explanation	Report/Link Where Related Information Is Disclosed Publicly
		Yes	No	Partial	N/A		
	C. Social Principles						
	C2. Stakeholders, International Standards and Initiatives						
C2.1	Should formulate and disclose its customer satisfaction policy dealing with management and resolution of customer complaints	X				<p>Otokar aims to establish long-term relations based on mutual trust with its customers while ensuring their unconditional satisfaction. Customer satisfaction is managed within the framework of Customer Satisfaction Policy and Quality Policy. Furthermore, Otokar has obtained ISO 10002 Customer Satisfaction Management System Standard and ISO 10001 Quality Management- Customer Satisfaction certifications for quality assurance of customer satisfaction.</p> <p>Product and service responsibility is a key component of customer satisfaction. For this purpose, Otokar continuously works to enhance the safety of its products and keeps the customers informed about the latest developments while considering social, environmental and economic impact across its production and service operations.</p>	<p>Annual Report Sustainability Section (pages 52-73)</p> <p>Sustainability Report (page 44-45) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu</p> <p>https://www.otokar.com.tr/surdurulebilirlik/musteri-memnuniyeti-politikasi</p>
C2.2	Should handle stakeholder communications continuously and transparently, and disclose with which stakeholders, for which purposes, on which issues and in which frequency it communicates.	X				<p>Otokar follows applicable laws and regulations and capital markets legislation in shareholder relations. Information about the company is disclosed to interested parties at the annual ordinary General Assembly Meetings and through Annual Reports, Sustainability Reports, annual and quarterly Earnings Releases, periodic analyses and information documents, corporate website, press releases, material event disclosures, meetings and interviews. In all its operations, Otokar aims to create value for all its stakeholders. Therefore, it seeks to understand stakeholder expectations and develop the right responses as a key part of the value creation process. Accordingly, Otokar engages in active communication with all relevant stakeholder groups. The method and frequency of communication is shaped according to stakeholder requirements and expectations. Communication with the stakeholders is always constructive, transparent and based on mutual trust and cooperation. As part of stakeholder communications, Otokar supports the activities of NGOs and platforms by becoming a member and taking responsibility in such organizations' management bodies.</p>	<p>Sustainability Report (page 29) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu</p>
C2.3	Should disclose international reporting standards it has adopted.	X				<p>GRI Standards are taken as basis in sustainability reporting. In addition to utilizing LSEG and SASB performance criteria, the report also provides information about the company's contribution to the UN SDGs.</p>	<p>Annual Report Sustainability Section (pages 52-73)</p> <p>Sustainability Report (page 2) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu</p>

CORPORATE GOVERNANCE

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		COMPLIANCE STATUS				Explanation	Report/Link Where Related Information Is Disclosed Publicly
		Yes	No	Partial	N/A		
C2.4	Should disclose the international organizations or principles it has signed or enrolled in and the international principles it has adopted.	X				Otokar attends the monthly meetings of the Koç Group Environmental Committee as a member, contributing to Group companies by sharing its best practices. Otokar also takes an active role in the Environmental Working Groups of OSD and TÜSIAD.	Sustainability Report (page 30, 80, 89) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu
C2.5	Should concretely endeavor to be included in the Borsa İstanbul Sustainability Index and international sustainability indices.	X				Otokar aims to create long-term value by combining economic, environmental and social factors with corporate governance principles. Since 2014, Otokar has been included in the BIST Sustainability Index, whose constituents are listed companies with the highest corporate sustainability performance, in recognition of its sustainability focused efforts. Through the Sustainability Index, Otokar discloses information on its environmental, social and corporate governance related activities as well as their performance results and relevant targets to its stakeholders. Otokar is also included in the ESG rating of the LSEG.	Sustainability Report (page 8, 31) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu
	D. Corporate Governance Principles						
D1	Should consult with stakeholders in determination of measures and strategies in sustainability field.	X				In 2024, opinions from 14 different stakeholder groups were included in the evaluation process for revising Otokar's material sustainability topics to be used in determining the Company's sustainability priorities and strategies.	Sustainability Report (page 28) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu
D2	Should endeavor to raise awareness on sustainability and the importance thereof through social responsibility projects, awareness activities and trainings.	X				Otokar aims to support the development and welfare of its communities, drawing from the motto of the late Vehbi Koç, the founder of Koç Holding, who said, 'I exist if my country exists.' Adopting a responsible corporate citizenship approach, Otokar also contributes to the social, environmental and economic development of society in line with the sustainable development goals. All the activities carried out for these purposes are guided by the principles defined in the Social Investment Policy, which forms an integral part of Otokar's Code of Ethics. Information on activities that support students' development and contribute to environmental initiatives is disclosed publicly through Annual Reports and Sustainability Reports.	Sustainability Report (page 87, 88, 89) https://www.otokar.com.tr/getmedia/f395f674-c3cf-4406-9907-397ff27146e4/otokar-2024-surdurulebilirlik-raporu

CORPORATE GOVERNANCE

RESPONSIBILITY STATEMENT FOR FINANCIAL STATEMENTS

RESPONSIBILITY STATEMENT PURSUANT TO CAPITAL MARKETS BOARD COMMUNIQUÉ II-14.1 ARTICLE 9 ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS

BOARD OF DIRECTORS' RESOLUTION ON APPROVAL OF FINANCIAL STATEMENTS

RESOLUTION DATE: 09.02.2026

RESOLUTION NUMBER: 2025/04

Regarding the consolidated financial statements for the period of 01.01.2025 - 31.12.2025, which were prepared by the company and independently audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. 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, include the consolidated statement of financial position, income statement, comprehensive income statement, statement of cash flow and statement of changes to equity as well as notes to year-end financial statements ("Financial Statements" as a whole), we hereby declare our responsibility for the following:

- We have examined the financial statements.
- Within the frame of information we hold in our fields of duty and responsibility in the company, the financial statements do not contain any untrue statement on material events or any deficiency, which may make them misleading as of the date of statement.
- Within the frame of information we hold in our fields of duty and responsibility in the company, the financial statements that are prepared pursuant to the Communiqué – together with those covered by consolidation, if any – fairly reflect the truth relating to assets, liabilities, financial statements, profits and losses of the company.

Sincerely,



Kamil Ömer BOZER
Audit Committee Chair



Fatma Füsün AKKAL BOZOK
Audit Committee Member



İbrahim Aykut ÖZÜNER
General Manager

CORPORATE GOVERNANCE

RESPONSIBILITY STATEMENT FOR ANNUAL REPORT

RESPONSIBILITY STATEMENT PURSUANT TO CAPITAL MARKETS BOARD COMMUNIQUÉ II-14.1 ARTICLE 9 ON PRINCIPLES OF FINANCIAL REPORTING IN CAPITAL MARKETS

BOARD OF DIRECTORS' RESOLUTION ON APPROVAL OF ANNUAL REPORT

RESOLUTION DATE: 13.02.2026

RESOLUTION NUMBER: 2026/10

The 2025 Annual Report, which was prepared by the company and independently audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. in compliance with the Turkish Commercial Code and Capital Markets Board's Communiqué on Principles of Financial Reporting in Capital Markets ("Communiqué") II.14.1 is hereby presented.

Within the frame of information we hold in our fields of duty and responsibility in the company, we have examined the Annual Report, which is prepared by the company and which includes the Corporate Governance Compliance Report, Corporate Governance Information Form, and CMB's Sustainability Principles Compliance Report.

In line with the CMB regulations, we hereby declare our responsibility for the following:

- We have examined the Annual Report.
- Within the frame of information we hold in our fields of duty and responsibility in the company, the Annual Report does not contain any untrue statement on material events or any deficiency, which may make it misleading as of the date of statement.
- Within the frame of information we hold in our fields of duty and responsibility in the company, the Annual Report prepared pursuant to the Communiqué fairly reflects the progress and performance of the business, and along with those covered by consolidation, the financial standing of the entity, together with material risks and uncertainties faced by the company.

Sincerely,



Kamil Ömer BOZER
Board Member
Audit Committee Chair



Fatma Füsün AKKAL BOZOK
Board Member
Audit Committee Member



İbrahim Aykut ÖZÜNER
Board Member
General Manager

REPORTS AND
FINANCIAL
STATEMENTS

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OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

AUDIT COMMITTEE REPORT

To the Board of Directors of Otokar Otomotiv ve Savunma Sanayi A.Ş.

We have convened to examine and express our opinion concerning the consolidated financial tables for the period from 1 January to 31 December 2025, prepared by the governing body of Otokar Otomotiv ve Savunma Sanayi A.Ş. in accordance with the formats defined by the Turkish Financial Reporting Standards (TFRS) pursuant to the provisions of the CMB's "Communiqué on Principles of Financial Reporting in Capital Markets" ("Communiqué") II.14.1, and pursuant to resolution dated 28.12.2023 on the implementation of inflation accounting and the independent auditor's report prepared by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi for the said financial statements.

We have evaluated the consolidated financial tables to be disclosed to the public in terms of accuracy and truth, and compliance with the accounting principles followed by the company. Where necessary, the views of the independent auditor and the company's relevant responsible executives were sought.

Within the scope of information provided to us and as a result of our evaluations, we have reached the opinion that the consolidated financial statements for the 1 January - 31 December 2025 period comply with the accounting principles that the company follows and are accurate and true. We hereby submit these financial statements to the Board of Directors for approval.

Sincerely,

09.02.2026

AUDIT COMMITTEE

Kamil Ömer BOZER
Chair



Fatma Füsün AKKAL BOZOK
Member



OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

INDEPENDENT AUDITOR'S REPORT

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)



INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi,

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Otokar Otomotiv ve Savunma Sanayi A.Ş. (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards ("TFRS").

2) Basis for Opinion

We conducted our audit in accordance with the Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA) and adopted within the framework of Capital Markets Board (CMB) regulations. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA and other ethical principles included in CMB legislation, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

INDEPENDENT AUDITOR'S REPORT

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Key audit matter	Audit procedures in relation to key audit matter
<p>Trade receivables recoverability and impairment</p> <p>Trade receivables are considered as a significant balance sheet item since they represent 24% of total assets in the statement of consolidated financial position. Furthermore, the collectability of trade receivables is a significant item of the Group's credit risk and working capital management and includes significant judgments and estimates of management.</p> <p>As of December 31, 2025, there is impairment amounting to TL 340.438 thousand on trade receivables amounting to TL 16.039.932 thousand in the statement of consolidated financial position.</p> <p>Due to the size of the amounts and the reasoning required in the assessment of collectability of trade receivables are complex and comprehensive; the existence and collectability of trade receivables are considered as the key audit matter.</p> <p>Explanations on trade receivables are disclosed in Note 9.</p>	<p>The following procedures have been applied to audit the amount of provision for trade receivables:</p> <ul style="list-style-type: none"> · Evaluation of the Group's trade receivable process related to collections, · Analytical analysis of the receivable aging tables and comparison of the trade receivable collection ratio with the previous year, · Testing of trade receivable balances by sending confirmation letters via sample, · Testing of subsequent collections made in the following period by sampling method, · Testing of the collaterals received for the receivables through sampling and evaluating of the convertible ability of cash, · Evaluation of the compliance of the accounting policies applied to the Group's past history performance, local and global practices, · Investigation of disputes and lawsuits related to receivables for the purpose of checking the appropriateness of specific provisions for trade receivables, and obtaining confirmation letter regarding the proceedings from legal counsel, · Evaluation of the adequacy of disclosures on impairment of trade receivables and trade receivables to TFRS.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

INDEPENDENT AUDITOR'S REPORT

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

Key audit matter	Audit procedures in relation to key audit matter
<p>Application of the hyperinflationary accounting</p> <p>As stated in 2.1 to the consolidated financial statements, the Group has continued to apply "TAS 29 Financial Reporting in Hyperinflation Economies" since the functional currency of the Group (Turkish Lira) is the currency of a hyperinflationary economy as per TAS 29 as of December 31, 2025.</p> <p>In accordance with TAS 29, consolidated financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish Lira and, as a result, are expressed in terms of purchasing power of Turkish Lira as of the reporting date.</p> <p>In accordance with the guidance in TAS 29, the Group utilized the Turkey consumer price indices to prepare inflation adjusted financial statements. The principles applied for inflation adjustment is explained in 2.1.</p> <p>Given the significance of the impact of TAS 29 on the reported result and financial position of the Group, we have assessed the hyperinflation accounting as a key audit matter.</p>	<p>Our audit procedures included the following;</p> <p>We inquired management responsible for financial reporting on the principles, which they have considered during the application of TAS 29, identification of non-monetary accounts and tested TAS 29 models designed,</p> <p>We have tested the inputs and indices used, to ensure completeness and accuracy of the calculations,</p> <p>We have audited the restatements of corresponding figures as required by TAS 29,</p> <p>We assessed the adequacy of the disclosures in inflation adjusted financial statements for compliance with TAS 29.</p>

Key audit matter	Audit procedures in relation to key audit matter
<p>Revenue from customer contracts</p> <p>Revenue is recognized in the financial statements based on the transaction price, in accordance with the provisions of TFRS 15 "Revenue from Customer Contracts". The transaction price is the consideration the Group expects to receive in exchange for delivering the goods it has undertaken to the customer. A significant portion of the Group's revenue is derived from obligations performed at a point in time.</p> <p>Revenue is the most important indicator in evaluating the Group's performance. Revenue is of critical importance for evaluating the results of strategies implemented during the year and for monitoring performance, and because it is the most important financial statement item for the profit or loss and comprehensive income statement for the accounting period ended on December 31, 2025, it has been identified as a key audit matter for our audit.</p> <p>The Group's accounting policies and related disclosures regarding revenue from customer contracts are included in Notes 2.5 and 20.</p>	<p>Our audit procedures included the following;</p> <ul style="list-style-type: none"> - Understanding the sales processes, - Identifying controls related to sales processes and conducting tests on the effectiveness of these controls, - Evaluating the compliance of the accounting policies applied by the Group management regarding the accounting of revenue with TFRS, - Conducting tests on the accuracy of sales invoices using a sampling method and matching these invoices with delivery notes, - Testing that the control over the products in the invoices selected using the sampling method has been transferred to the customer, - Testing the completeness of revenue by matching the selections made by sampling from the shipping documents with the accounting records and the relevant invoices, - Obtaining confirmation letters from customers for the trade receivables balances selected using the sampling method and checking the consistency of the responses with the accounting records, - Evaluation of whether the footnote disclosures made comply with the disclosures required under TFRS 15.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

INDEPENDENT AUDITOR'S REPORT

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

In an independent audit, our responsibilities as the auditors are:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

INDEPENDENT AUDITOR'S REPORT

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

- 1) Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on February 9, 2026.
- 2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period January 1 – December 31, 2025 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.
- 3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Cem Uçarlar.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Cem Uçarlar, Partner

February 9, 2026
İstanbul, Türkiye

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2025 AND 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

	Notes	(Audited) December 31, 2025	(Audited) (*) December 31, 2024
Assets			
Current assets			
Cash and cash equivalents	5	6.730.623	1.925.922
Trade receivables	9	15.821.940	15.561.725
Due from related parties	28	2.853.525	5.461.020
Due from other parties	9	12.968.415	10.100.705
Other receivables	10	4.615	6.401
Due from other parties		4.615	6.401
Inventories	11	16.229.975	15.657.946
Prepaid expenses	18	2.115.262	503.236
Other current assets	18	2.214.362	877.000
Total current assets		43.116.777	34.532.230
Non-current assets			
Financial investments	12	100.662	97.283
Trade receivables		217.992	276.449
Due from other parties	9	217.992	276.449
Other receivables		11.128	19.302
Due from other parties	10	11.128	19.302
Investments accounted by equity method	7	55.074	95.679
Property, plant and equipment	13	7.058.204	6.805.913
Right of use assets	13	83.717	83.808
Intangible assets	14	9.672.188	8.863.777
Goodwill		21.950	20.920
Other intangible assets	14	9.650.238	8.842.857
Prepaid expenses	18	2.942.483	29.842
Deferred income tax asset	26	1.941.673	1.427.848
Other non-current assets	18	384.842	--
Total non-current assets		22.467.963	17.699.901
Total assets		65.584.740	52.232.131

(*) Reclassified – Note 2.7

The accompanying notes, form an integral part of these consolidated financial statements.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2025 AND 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

	Notes	(Audited) December 31, 2025	(Audited) (*) December 31, 2024
Liabilities			
Short-term liabilities			
Short-term borrowings	6	7.989.272	8.997.256
Bank loans	6	7.952.411	8.912.736
Short-term lease liabilities	6	36.861	84.520
Short-term portion of long-term borrowings	6	11.984.405	3.190.996
Bank Loans	6	11.984.405	1.101.212
Issue of debt instruments	6	–	2.089.784
Trade Payables	9	7.477.844	6.856.668
Due to related parties	28	546.842	606.755
Due to other parties	9	6.931.002	6.249.913
Employee benefit obligations	18	721.056	874.749
Other payables	10	2.977.822	44.659
Due to other parties		2.977.822	44.659
Liabilities from customer contracts	18	7.592.674	2.021.208
Derivative instruments	8	–	10.031
Government incentives and grants	15	9.150	5.917
Short-term provisions	16	2.390.660	2.181.084
Provisions for employee benefits	17	147.522	183.579
Other provisions	16	2.243.138	1.997.505
Other short-term liabilities	18	225.446	447.503
Total current liabilities		41.368.329	24.630.071
Non-current liabilities			
Long-term borrowings	6	14.577.593	15.646.279
Bank loans	6	14.537.375	15.514.081
Long-term lease liabilities	6	40.218	132.198
Liabilities from customer contracts	18	417.476	660.360
Government incentives and grants	15	33.196	27.029
Long-term provisions	17	639.339	550.652
Provisions for employee benefits	17	639.339	550.652
Total long-term liabilities		15.667.604	16.884.320
Total liabilities		57.035.933	41.514.391
Equity			
Paid-in share capital	19	120.000	120.000
Inflation adjustment on share capital	19	2.365.255	2.365.255
Accumulated other comprehensive income and expense that will not be reclassified to statement of profit or loss	19	(906.383)	(825.530)
Defined benefit plans remeasurement losses		(906.383)	(825.530)
Accumulated other comprehensive income and expense that will be reclassified to statement of profit or loss		(1.656.480)	(1.027.359)
Currency translation differences		(1.656.480)	(1.027.359)
Restricted reserves	19	1.922.288	1.922.288
Retained earnings	19	8.163.086	12.226.535
Net loss for the period	19	(1.458.959)	(4.063.449)
Total equity		8.548.807	10.717.740
Total liabilities and equity		65.584.740	52.232.131

(*) Reclassified – Note 2.7

The accompanying notes, form an integral part of these consolidated financial statements.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIODS JANUARY 1 - DECEMBER 31, 2025 AND 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

	Notes	(Audited) December 31, 2025	(Audited) (*) December 31, 2024
Revenue	20	51.962.379	44.112.223
Cost of sales (-)	20	(42.024.307)	(37.129.846)
Gross profit		9.938.072	6.982.377
Marketing expenses (-)	21	(5.785.851)	(5.728.802)
General administrative expenses (-)	21	(2.584.758)	(2.724.564)
Research and development expenses (-)	21	(1.440.879)	(1.522.839)
Other operating income	23	5.481.975	9.297.315
Other operating expenses (-)	23	(3.504.023)	(7.222.748)
Operating profit (loss)		2.104.536	(919.261)
Expense from investing activities		(22.649)	(6.894)
Loss from investments accounted by equity method	7	(34.746)	(45.039)
Operating profit (loss) before financial income (expense)		2.047.141	(971.194)
Financial income	24	724.017	1.593.229
Financial expense (-)	25	(10.062.176)	(10.452.243)
Monetary gain	31	5.432.356	5.918.938
Loss before taxation from continuing operations		(1.858.662)	(3.911.270)
Income (expense) tax from continuing operations			
Current year tax expense / (income)	26	(87.172)	(44.531)
Deferred tax income (expense)	26	486.875	(107.648)
Profit/loss for the period		(1.458.959)	(4.063.449)
Items that will not be reclassified to profit or loss			
Defined benefit plans remeasurement gains (losses)	17	(107.803)	(258.055)
Defined benefit plans remeasurement gains, tax effect	26	26.950	64.514
Items that will be reclassified to profit or loss			
Currency translation differences		(623.262)	486.540
Currency translation differences of investments accounted by equity method	7	(5.859)	(20.589)
Other comprehensive income (expense)		(709.974)	272.410
Total comprehensive income (expense)		(2.168.933)	(3.791.039)
Losses per share (Kr)	27	(12,158)	(33,862)

(*) Reclassified – Note 2.7

The accompanying notes, form an integral part of these consolidated financial statements.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS JANUARY 1 - DECEMBER 31, 2025 AND 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

			Accumulated other comprehensive income and expense that will not be reclassified to statement of profit or loss	Accumulated other comprehensive income and expense that may be reclassified to statement of profit or loss				
	Paid in share capital	Inflation adjustments on share capital	Remeasurement profits on defined benefit plans	Currency translation differences	Restricted reserves	Retained earnings	Net loss for the period	Total equity
January 1, 2024	120.000	2.365.255	(631.989)	(1.493.310)	1.805.021	9.807.267	3.719.062	15.691.306
Transfers	--	--	--	--	117.267	3.601.795	(3.719.062)	--
Dividens paid	--	--	--	--	--	(1.182.527)	--	(1.182.527)
Total comprehensive income	--	--	(193.541)	465.951	--	--	(4.063.449)	(3.791.039)
December 31, 2024	120.000	2.365.255	(825.530)	(1.027.359)	1.922.288	12.226.535	(4.063.449)	10.717.740
January 1, 2025	120.000	2.365.255	(825.530)	(1.027.359)	1.922.288	12.226.535	(4.063.449)	10.717.740
Transfers	--	--	--	--	--	(4.063.449)	4.063.449	--
Total comprehensive income	--	--	(80.853)	(629.121)	--	--	(1.458.959)	(2.168.933)
December 31, 2025	120.000	2.365.255	(906.383)	(1.656.480)	1.922.288	8.163.086	(1.458.959)	8.548.807

The accompanying notes, form an integral part of these consolidated financial statements.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS JANUARY 1 - DECEMBER 31, 2025 AND 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

		(Audited)	(Audited)
	Notes	December 31, 2025	December 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		3.598.154	(272.518)
Net loss for the period		(1.458.959)	(4.063.449)
Adjustments to reconcile net profit (loss) for the period to cash flows from operating activities		5.475.946	8.337.374
Adjustments for depreciation and amortization	13, 14	2.026.709	1.986.169
Adjustments in relation to impairment		482.091	541.286
- Provision for inventories	11	482.091	541.286
Adjustments in relation to provision		2.235.247	896.549
- Provision for employee benefits	17	183.618	235.806
- Provision for warranty expenses	16	1.693.324	1.375.424
- Adjustments for other provisions		358.305	(714.681)
Adjustments in relation to interest income and expenses:		7.399.057	8.127.837
- Adjustment in relation to interest income	24	(386.698)	(1.119.778)
- Adjustment in relation to interest expense	25	7.785.755	9.247.615
Adjustments in relation to unrealised foreign exchange gains and losses		2.155.369	784.336
Adjustments in relation to fair value gains and losses		11.917	(21.352)
- Fair value losses/(gains) on financial assets		19.581	(43.070)
- Fair value losses/(gains) on financial derivative instruments		(7.664)	21.718
Adjustments for undistributed profits of investments accounted for using equity method		34.746	45.039
Adjustments for tax income/(expenses)		(399.703)	152.179
Adjustments in relation to gains or losses on sales of property, plant and equipment		22.649	6.894
- Losses / (gains) on sale of property, plant and equipment		(8.492.136)	(4.181.563)
Changes in net working capital		1.073.215	(3.035.445)
Adjustments for increase/decrease in trade receivables		(224.670)	(3.834.037)
Adjustments for increase/decrease in inventories		(1.054.120)	(2.157.434)
Adjustments for increase/decrease in trade payables		655.677	1.491.590
Adjustments for other increase (decrease) in working capital		1.696.328	1.464.436
- Increase/(decrease) in other assets related to activities		(6.324.083)	380.574
- Increase/(decrease) in other liabilities related to activities		8.020.411	1.083.862
Cash flows from operations		5.090.202	1.238.480
Payments in relation to employee benefits	17	(50.320)	(264.459)
Payments in relation to other provisions	16	(1.334.562)	(1.161.197)
Deductions/(payments) in relation to income tax		--	(39.816)
Other cash collections/(payments)		(107.166)	(45.526)
CASH FLOWS FROM INVESTMENT ACTIVITIES		(2.614.276)	(3.261.970)
Cash inflows due to sales of property, plant and equipment and intangible assets		74.720	8.660
- Sales of property, plant and equipment		74.720	8.660
Cash outflows due to purchase of property, plant and equipment and intangible assets		(3.070.367)	(4.509.963)
- Purchase of property, plant and equipment	13	(1.040.118)	(1.732.209)
- Purchase of intangible assets	14	(2.030.249)	(2.777.754)
Interest received		381.371	1.239.333
CASH FLOWS FROM FINANCING ACTIVITIES		4.791.108	(3.838.213)
Cash inflow from due to borrowings		29.654.064	32.741.117
- Proceeds from bank borrowings	6	29.654.064	32.741.117
Cash outflow due to repayment of borrowings		(17.184.754)	(26.172.561)
- Repayments of borrowings	6	(17.184.754)	(26.172.561)
Cash outflows related to loan payments arising from lease agreements	6	(109.352)	(126.141)
Dividends paid		--	(1.182.527)
Interest paid		(7.568.850)	(9.098.101)
Effect of monetary loss on cash and cash equivalents		(346.164)	(3.970.791)
Net decrease in cash and cash equivalents before the effect of currency translation differences		5.428.822	(11.343.492)
Effect of foreign currency translation differences on cash and cash equivalents		(629.448)	470.693
Net (decrease)/increase in cash and cash equivalents		4.799.374	(10.872.799)
Cash and cash equivalents at the beginning of the period		1.925.922	12.798.021
Cash and cash equivalents at the end of the period		6.725.296	1.925.222

The accompanying notes, form an integral part of these consolidated financial statements.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

NOTE 1 - GROUP'S ORGANIZATION AND NATURE OF OPERATIONS

Otokar Otomotiv ve Savunma Sanayi Anonim Şirketi ("Otokar" or the "Company") was founded in 1963, is registered in Istanbul, Türkiye, and operates under the provisions of the Turkish Commercial Code.

Otokar manufactures minibuses, midibuses, and buses for public transportation; light trucks for the transportation and logistics sector; and wheeled and tracked armored vehicles as well as turrets for the defense industry. In addition, in the last quarter of 2024, the Company began selling Foton Tunland brand pick-up type vehicles.

The registered addresses of the Company are as follows:

Head Office: Taşdelen Mahallesi, Sırrı Çelik Bulvarı No: 5 Çekmeköy/İstanbul

Plant: Atatürk Cad. No: 6 54580 Arifiye/Sakarya

Information related to subsidiary of the Company subject to consolidation is as follows:

Subsidiaries	Country	Main activity	Field 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 S.R.L.	Romania	Manufacturing, Sales and Marketing	Automotive and Defense Industry
Subsidiaries	Country	Main activity	Field of activity
Al Jasoor Heavy Vehicle Industry LLC	United Arab Emirates	Sales and Marketing	Automotive and Defense Industry
Sisteme de Apare Romania (Sarom) SRL	Romania	Manufacturing, Sales and Marketing	Automotive and Defense Industry

The Group founded Sucursala branch in Romania on August 20, 2024 in order to carry out the new projects in compliance with the Romanian legislation.

Otokar Central Asia Limited Company was established on November 5, 2019 in Astana International Financial Center (AIFC), a special-status region that accepts the principles of British Law in Kazakhstan, in order to increase its international sales and follow up export activities.

Since the financial activities of Otokar Central Asia Limited Company have not started yet, the investment was presented under financial investments in the consolidated financial statements.

Otokar and its subsidiaries will be referred as the 'Group' for the purpose of the preparation of this consolidated financial statements.

The end-period and the average number of personnel employed in the Group are as follows:

	December 31, 2025		December 31, 2024	
	Period end	Average	Period end	Average
White collar	903	928	900	974
Blue collar	2.730	2.773	2.809	2.754
Total	3.633	3.701	3.709	3.728
Temporary blue collar	26	176	63	434
Total	3.659	3.877	3.772	4.162

The consolidated financial statements for the year ended December 31, 2025 were authorized for issue and signed by the Board of Directors of Otokar on February 9, 2026. The accompanying consolidated financial statements may be amended by the General Assembly.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

NOTE 1 - GROUP'S ORGANIZATION AND NATURE OF OPERATIONS

Otokar is registered to the Capital Market Board ('CMB') and its shares are listed on the Borsa İstanbul A.Ş. ('BİST') since 1995. As of December 31, 2024, 27.81% of the shares are quoted on the BİST. As of December 31, 2025, the shareholders holding Otokar's shares and their share ratios are as follows:

	(%)
Koç Holding A.Ş.	47,38
Ünver Holding A.Ş.	24,81
Other	27,81
	100,00

Otokar Otomotiv ve Savunma Sanayi A.Ş. is controlled by Koç Holding A.Ş..

The parent company Koç Holding A.Ş., is controlled by Koç Family and the companies owned by Koç Family.

The shareholder, Ünver Holding A.Ş., is controlled by Ünver Family.

The Group conducts part of its business transactions with the Koç Holding A.Ş. and related parties. There are certain related parties, which are both customers and vendors of the Group.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Principles of preparation of consolidated financial statements

The consolidated financial statements of the Group have been prepared in accordance with the Turkish Accounting Standards/Turkish Financial Reporting Standards, ('TAS/TFRS') and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey ('POA') in line with the communiqué numbered II-14.1 'Communiqué on the Principles of Financial Reporting In Capital Markets' (the 'Communiqué') announced by the Capital Markets Board of Turkey ('CMB') on 13 June 2013 which is published on Official Gazette numbered 28676.

The consolidated financial statements are presented in accordance with the formats set out in the "Announcement on TAS Taxonomy" and the "Financial Statement Examples User Guide" published by the UPS on July 3, 2024.

The Company and its Subsidiaries registered in Turkey comply with the principles and conditions issued by the CMB, the Turkish Commercial Code ("TCC"), the tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance in keeping accounting records and preparing legal financial statements. The consolidated financial statements have been prepared on a historical cost basis, except for derivative instruments shown with their fair values, and have been prepared by reflecting the necessary corrections and classifications in order to make the correct presentation in accordance with the TAS in the statutory records.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

NOTE 2 - PRINCIPLES FOR THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Principles of preparation of consolidated financial statements (Continued)

Functional and presentation currency

Each item in the financial statements of subsidiaries and joint ventures is recognized using the currency applicable in the underlying economic environment in which they operate ("functional currency"). The interim condensed consolidated financial statements are presented using TL, the Company's functional and presenting currency.

Financial statements of subsidiaries, joint ventures and affiliates operating in foreign countries

Included in the financial statements of subsidiaries and business partnerships operating in foreign countries, prepared in accordance with the Group's accounting policies; Its assets and liabilities were converted into TL using the exchange rate on the balance sheet date, and its revenues and expenses were converted into TL using the average exchange rates. Exchange rate differences arising as a result of closing and average exchange rate usage are tracked under the item of foreign currency conversion differences in equity and are adjusted according to the changes in the purchasing power of the TL in order to comply with TFRS.

Financial reporting in high-inflation economies

Pursuant to the CMB's decision dated December 28, 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards will implement inflation accounting by applying the provisions of TAS 29, starting from their annual financial reports for the accounting periods ended as of December 31, 2023.

With the announcement made by the Public Oversight Accounting and Auditing Standards Authority (KGK) on November 23, 2023, enterprises implementing TFRSs have started to implement inflation accounting in accordance with TAS 29 Financial Reporting Standard in High Inflation Economies as of their financial statements for the annual reporting period ending on or after December 31, 2023.

TAS 29 is applied to the financial statements, including consolidated financial statements, of enterprises whose current currency is the currency of a high-inflation economy. TAS 29 applies to the financial statements, including consolidated financial statements, of entities whose functional currency is the currency of a hyperinflationary economy.

In accordance with this standard, financial statements prepared on the basis of the currency of a high-inflation economy are prepared in the purchasing power of this currency on the balance sheet date. For comparison purposes in the financial statements of the previous period, comparative information is expressed in terms of the current unit of measurement at the end of the reporting period. Therefore, the Group has submitted its consolidated financial statements for December 31, 2024 on a purchasing power basis as of December 31, 2025.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

NOTE 2 - PRINCIPLES FOR THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.1 Principles of preparation of consolidated financial statements (Continued)

Financial reporting in high-inflation economies (continued)

The revisions made pursuant to TAS 29 were made using the correction coefficient obtained from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute ("TurkStat"). As of December 31, 2025, the indices and correction coefficients used in the adjustment of the consolidated financial statements are as follows:

Date	Index	Correction coefficient	Three-year cumulative inflation rates
December 31, 2025	3.513,87	1,00000	%211
December 31, 2024	2.684,55	1,30892	%291
December 31, 2023	1.859,38	1,88981	%268

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

- The consolidated financial statements for the current period, prepared in TL, are expressed in terms of the purchasing power on the balance sheet date, 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 because they are expressed in terms of current purchasing power on the balance sheet date. In cases where the inflation-adjusted value of non-monetary items exceeds the recoverable amount or the net realizable value, the provisions of TAS 36 Impairment of Assets and TAS 2 Inventories 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 comprehensive income statement, except for those that have an effect on the comprehensive income statement of non-monetary items in the statement of financial position, are indexed with the coefficients calculated over the periods in which the income and expense accounts are first reflected in the financial statements.
- The impact of inflation on the Group's net monetary asset position in the current period, consolidated profit or net monetary position gains/(losses) are recorded in the net monetary position gains/(losses) account in the loss statement (Note 31).

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

NOTE 2 - PRINCIPLES FOR THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of December 31, 2025 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2025 and thereafter. The effects of these standards and interpretations on the the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as of January 1, 2025 are as follows:

Amendments to TAS 21 - Lack of exchangeability

In May 2024, POA issued amendments to TAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a significant impact on the financial position or performance of the Group.

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Group will wait until the final amendment to assess the impacts of the changes.

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2027 with the announcement made by the POA.

The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

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(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

NOTE 2 - PRINCIPLES FOR THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 The new standards, amendments and interpretations (Continued)

ii) Standards issued but not yet effective and not early adopted (continued)

Amendments to TFRS 9 and TFRS 7 – Classification and measurement of financial instruments

In August 2025, POA issued amendments to the classification and measurement of financial instruments (amendments to TFRS 9 and TFRS 7). The amendment clarifies that a financial liability is derecognised on the 'settlement date'. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in TFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment. The amendment will be effective for annual periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later. The new requirements will be applied retrospectively with an adjustment to opening retained earnings.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Annual Improvements to TFRSs – Volume 11

In September 2025, POA issued Annual Improvements to TFRSs – Volume 11, amending the followings:

- *TFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter:* These amendments are intended to address potential confusion arising from an inconsistency between the wording in TFRS 1 and the requirements for hedge accounting in TFRS 9.
- *TFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition:* The amendments update the language on unobservable inputs in the Standard and include a cross reference to TFRS 13.
- *TFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price:* TFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with TFRS 9, the lessee is required to apply derecognition requirement of TFRS 9 and recognise any resulting gain or loss in profit or loss. TFRS 9 has been also amended to remove the reference to 'transaction price'.
- *TFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent':* The amendments are intended to remove the inconsistencies between TFRS 10 paragraphs.
- *TAS 7 Statement of Cash Flows – Cost Method:* The amendments remove the term of "cost method" following the prior deletion of the definition of 'cost method'.

Improvements are effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted for all.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

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NOTE 2 - PRINCIPLES FOR THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 The new standards, amendments and interpretations (Continued)

ii) Standards issued but not yet effective and not early adopted (continued)

Amendments to TFRS 9 and TFRS 7 - Contracts Referencing Nature-dependent Electricity

In August 2025, POA issued Contracts Referencing Nature-dependent Electricity (Amendments to TFRS 9 and TFRS 7). The amendment clarifies the application of the "own use" requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The amendment will be effective for annual periods beginning on or after 1 January 2026. Early adoption is permitted but will need to be disclosed. The clarifications regarding the 'own use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.

The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

TFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

In May 2025, POA issued TFRS 18 which replaces TAS 1. TFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. TFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as TAS 7, TAS 8 and TAS 34. TFRS 18 and the related amendments are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted. TFRS 18 will be applied retrospectively.

The Group is in the process of assessing the impact of the standard on financial position or performance of the Group.

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NOTE 2 - PRINCIPLES FOR THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.2 The new standards, amendments and interpretations (Continued)

ii) Standards issued but not yet effective and not early adopted (continued)

TFRS 19 – The new Standard for Subsidiaries without Public Accountability: Disclosures

In August 2025, POA issued TFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other TFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply TFRS 19 will not need to apply the disclosure requirements in other TFRS accounting standards. An entity that is a subsidiary, does not have public accountability and has a parent (either ultimate or intermediate) which prepares consolidated financial statements, available for public use, which comply with TFRS accounting standards may elect to apply TFRS 19. TFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and earlier adoption is permitted. If an eligible entity chooses to apply the standard earlier, it is required to disclose that fact. An entity is required, during the first period (annual and interim) in which it applies the standard, to align the disclosures in the comparative period with the disclosures included in the current period under TFRS 19.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

iii) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following amendments to IAS 21 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments are issued and become effective under TFRS.

Amendments to IAS 21 - Translation to a Hyperinflationary Presentation

The amendments issued by the Board in November 2025 require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. Accordingly, if an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the end of the current reporting period. Furthermore, an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with IAS 29, to the foreign operation's comparative figures. The amendments also introduce certain additional disclosure requirements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

NOTE 2 - PRINCIPLES FOR THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 Changes and errors in accounting policies and estimates

Accounting policy changes resulting from the first application of a new standard are applied retrospectively or prospectively, if any, in accordance with transitional provisions. Changes where no transitional provisions exist, such as voluntary significant changes to accounting policy or identified accounting errors, are applied retrospectively, and the prior period's financial statements are restated. Changes in accounting estimates are applied in the current period in which the change is made if they relate to only one period, and both in the period in which the change is made and prospectively if they relate to future periods.

2.4 Significant accounting judgments and estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. Those estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the periods in which they become known.

Significant estimates used in the preparation of these consolidated financial statements and the significant judgments with the most significant effect on amounts recognized in the consolidated financial statements are as follows:

a) Deferred tax asset is recognised to the extent that taxable profit will be available against which the deductible temporary differences can be utilized. When taxable profit is probable, deferred tax asset is recognised for all deductible temporary differences. For the year ended December 31, 2024, since the Management believed the indicators demonstrating that the Group will have taxable profits in the foreseeable future- are reliable, deferred tax asset has been recognized.

b) The Group determines provision for warranty expense by considering the past warranty expenses and remaining warranty period per vehicle.

c) The Group has made certain important assumptions based on experiences of technical personnel in determining useful economic lives of property, plant and equipment and intangible assets.

d) The Group has made certain assumptions based on experiences of technical personnel in determining impairment for inventories.

e) The Group, recognised development expenditures on an individual project as an intangible asset when the Group can demonstrate below:

- existence of the technical feasibility of completing the intangible asset so that it will be available for use or sale,
- existence of the intention to complete the intangible asset and use or sell it,
- existence of the ability to use or sell the intangible asset,
- reliability of how the intangible asset will generate probable future economic benefits,
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset and existence of the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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NOTE 2 - PRINCIPLES FOR THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.4 Significant accounting judgments and estimates (Continued)

f) Creditworthiness of debtors, past payment in determining the impairment of trade receivables restructuring performances and in case of restructuring conditions are taken into account. The expected credit loss of trade receivables has been measured and a significant found to have no effect.

g) The cost of defined benefit plans is determined using actuarial valuations which involve making assumptions about discount rates, future salary increases and employee turnover. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

2.5 Summary of key accounting policies

Group accounting

The consolidated financial statements contain the financial statements of the parent company Otokar and its subsidiaries within the scope of the matters in the following paragraph. The financial statements of the companies included in the consolidation have been prepared in accordance with TFRS as of the dates of the interim condensed consolidated financial statements and in accordance with uniform accounting policies and practices.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group 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 fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group combines individual income and expenses, assets and liabilities and cash flows of subsidiaries on a line-by-line basis with similar items in the consolidated financial statements.

The booked values of the shares owned by Otokar and its subsidiaries are mutually exclusive net off with the related equities. Intercompany transactions, balances and unrealised gains/losses on transactions between group companies are eliminated on consolidation.

Disposal of a subsidiary

If the Group loses control of a subsidiary, it recognizes any investment retained in the former subsidiary at its fair value when control is lost and any difference between the fair value and net book value of investment is accounted for as gain or loss. That fair value shall be regarded as the fair value on initial recognition of a financial asset, when appropriate, the cost on initial recognition of an investment in an associate or joint venture. Additionally, assets and liabilities that were previously recognized as other comprehensive income attributable to that subsidiary are accounted for as if those were disposed the Group. This may result in a fact that these amounts previously recognized as other comprehensive income may be classified to profit or loss.

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NOTE 2 - PRINCIPLES FOR THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Summary of key accounting policies (Continued)

Group accounting (Continued)

The table below shows subsidiaries, joint ventures, shares owned, and shareholding ratios as of December 31, 2025 and December 31, 2024:

Subsidiaries	2025		2024	
	Owned Total Share (%)	Effetive Partnership Rate (%)	Owned Total Share (%)	Effetive Partnership Rate (%)
Otokar Europe SAS	100,00	100,00	100,00	100,00
Otokar Land Systems LLC	100,00	100,00	100,00	100,00
Otokar Europe Filiala Bucuresti SRL	100,00	100,00	100,00	100,00
Otokar Central Asia Limited	100,00	100,00	100,00	100,00
Otokar Italia S.R.L	100,00	100,00	100,00	100,00
Otokar Land Systems SRL (*)	100,00	100,00	-	-

(*) Otokar Land Systems SRL was established on March 24, 2025 in Romania for the purpose of carrying out manufacturing, sales, and marketing activities in the automotive and defense industries.

Partnerships

Business Partnerships are formed under a contract for the undertaking of an economic activity to be jointly managed by one or more entrepreneurial partners of Otokar and its subsidiaries. Otokar provides this joint control by making use of the shares it owns directly or indirectly.

According to the equity method, the joint venture investment is accounted for with the initial cost of acquisition. After the acquisition date, the investor's share in the profit or loss of the invested enterprise is reflected in the financial statements by increasing or decreasing the book value of the investment. The investor's share of the profit or loss of the invested entity is recognized as the investor's profit or loss. Distributions received from an invested business (dividend, etc.) reduce the book value of the investment. The book value of the invested entity must be adjusted in proportion to the investor's share of the changes in the other comprehensive profit of the enterprise. In the application of the equity method for Business Partnerships, Otokar's direct and indirect voting rights ratio were taken into account.

The table below shows the voting rights and effective partnership ratios of Business Partnerships as of December 31, 2025 and December 31, 2024:

Subsidiaries	2025		2024	
	Owned Total Share (%)	Effetive Partnership Rate (%)	Owned Total Share (%)	Effetive Partnership Rate (%)
Al Jasoore Heavy Vehicles Industry LLC (*)	49,00	49,00	49,00	49,00
Sisteme de Apare Romania (Sarom) SRL (**)	50,00	50,00	-	-

(*) Al Jasoore Heavy Vehicle Industry LLC, a 49% owned subsidiary of the Group, Otokar Land Systems Limited, was established on May 28, 2017 in the United Arab Emirates (UAE) to sell and market the automotive and defense industries.

(**) Sisteme de Apare Romania (Sarom) SRL, in which the Group's subsidiary Otokar Land Systems Limited holds a 50% ownership interest, was established on May 28, 2025 in Romania for the purpose of carrying out manufacturing, sales, and marketing activities in the automotive and defense industries

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

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NOTE 2 - PRINCIPLES FOR THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Summary of key accounting policies (Continued)

Revenue recognition

Group recognizes revenue when the goods or services is transferred to the customer and when performance obligation is fulfilled. Goods is counted to be transferred when the control belongs to the customer.

Group recognizes revenue based on the following main principles:

- (a) Identification of customer contracts,
- (b) Identification of performance obligations,
- (c) Determination of transaction price in the contract,
- (d) Allocation of price to performance obligations,
- (e) Recognition of revenue when the performance obligations are fulfilled.

Group recognized revenue from its customers only when all of the following criteria are met:

- (a) The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,
- (b) Group can identify each party's rights regarding the goods or services to be transferred,
- (c) Group can identify the payment terms for the goods or services to be transferred;
- (d) The contract has commercial substance,
- (e) It is probable that Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.

Service revenue is recognized in the period services given. Service revenue in the context of repair maintenance agreements for more than one year are recognized in equal installments during the agreement periods and amounts belonging to the following periods are booked as deferred revenue.

When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognized on an accrual basis as financial income.

Interest income is recognised using the effective interest rate until maturity and considering the effective interest rate.

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NOTE 2 - PRINCIPLES FOR THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Summary of key accounting policies (Continued)

Revenue recognition (Continued)

Revenue from sale of goods

Group recognizes revenue based on the production and sale of armored vehicles, bus and minibus. Revenue is recognized when the control of the goods is transferred to the customer. In addition, Group provides legal warranty commitment to its customers depending on the type of goods and the location of sale between 1-2 years. These legal warranty commitments are mandatory by regulations, have not a separate price apart from the good and are not separately sold. Therefore, they are not treated as a separate good or service apart from the sale of good.

For each performance obligation, the Group determines at the beginning of the contract whether it has fulfilled its performance obligation over time or whether it has fulfilled its performance obligation at a certain point in time. In maintenance package sales, the Group transfers the control of the service over time and thus fulfills its performance obligations over time and measures the progress towards the full fulfillment of this performance obligation and recognizes the revenue over time.

Advances received from customers within the scope of projects are recorded in the financial statements as obligations arising from customer contracts and are recorded as revenue when the related performance obligation is realized.

Transaction fees vary due to factors such as discounts and performance bonuses given to customers. The transaction fee is determined using the most likely amount method, especially in cases where a specific performance bonus is promised if the product sales reach a certain target. Additionally, penalties may apply depending on the nature of the work, and adjustments related to these penalties are deducted from revenue.

Revenue from sale of extended warranty

Group sells extended warranty to its customer for the period after the termination of legal warranty provided for all goods. The price of extended warranty is determined separately from the price of the goods and it is a separate performance obligation in the contract. Therefore, Group treats the service that will be provided due to the sale of extended warranty as a separate performance obligation.

Related parties

a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control over the reporting entity,
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

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NOTE 2 - PRINCIPLES FOR THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

Related Parties (Continued)

(b) In the existence of any instances stated below, the entities shall be considered as related parties to the Company:

- (i) Entity and Company are member of same group.
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost incurred in bringing each product to its present location and conditions are included in the cost of inventory.

Raw materials and merchandises - cost is determined on a weighted average basis over the costs net of imputed interest.

Finished goods and work-in progress -cost of direct materials and labor and a proportion of manufacturing overheads are (included based on normal operating capacity) using average cost method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale (Note 10).

Property, plant and equipment

All property and equipments are initially recorded at cost and then are carried at restated cost until December 31, 2004 with the index of the related purchase date. Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss.

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NOTE 2 - PRINCIPLES FOR THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

Property, plant and equipment (Continued)

The initial cost of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to income in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

The useful lives and depreciation methods are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Depreciation is provided on cost or revalued amount of property, plant and equipment on a straight line basis. Estimated useful lives are as follows:

Land improvements	25-30 years
Buildings	30 years
Machinery and equipment	3-15 years
Vehicles	4-9 years
Furniture and fixtures	5-15 years
Leasehold improvements	5 years

Land is not amortized since it has an unlimited economic life.

Gains and losses on sale of property, plant and equipment are included in investment activity income and expense.

Intangible assets

Intangible assets mainly comprise software rights, information systems, project costs related to new product development and computer software. Intangible assets are initially stated at cost and are restated until December 31, 2004 with the index of the related purchase date. Intangible assets are stated at cost less accumulated depreciation and accumulated impairment loss.

Intangible assets are amortized on a straight-line basis over the estimate of their useful lives, which is up to 5 years. Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise; and the cost of the asset can be measured reliably. Where the carrying amount of an intangible asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

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NOTE 2 - PRINCIPLES FOR THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

Research and development expenses

Research expenditures are recognized as an expense when they are incurred.

Intangible assets arising from in-house development activities (or the improvement phase of an intergroup project) are recognized when all of the following conditions are met:

- Existence of the technical feasibility of completing the intangible asset so that it will be available for use or sale,
- Existence of the intention to complete the intangible asset and use or sell it,
- Existence of the ability to use or sell the intangible asset,
- Reliability of how the intangible asset will generate probable future economic benefits,
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset and the existence of the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Other development expenditures are recognized as an expense as incurred. Development costs previously recognized as an expense are not capitalized as an asset in a subsequent period. Capitalized development expenses are amortized in expected useful life which is 5 years by straight-line method effective from the start of the production.

Investment, research and development incentives

Government grants are recognized where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systemic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is recorded as deferred income.

Investment and research and development incentives are recognized when the Group's incentive requests (applications) are approved by fiscal authorities.

Taxes calculated on corporate income

Income tax is the aggregate amount included in the determination of net profit or loss for the year in respect of current and deferred tax.

The current income tax charge is calculated in accordance with the tax laws enacted or substantively enacted at the balance sheet date in Turkey. Under the Turkish Tax Code, companies having head office or place of business in Turkey are subject to corporate tax. A provisional tax accrual is recognized in the financial statements for current taxation. Current tax charge is calculated over operational results considering the effects of disallowable and exemptions.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

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NOTE 2 - PRINCIPLES FOR THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

Taxes calculated on corporate income (Continued)

Furthermore, provisional corporate taxes are paid at 25% over profits declared for interim periods in order to be deducted from the final corporate tax.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for five years. Tax losses cannot retrospectively offset against the profits of previous years.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax assets are recognised for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred income tax assets is reviewed by the Company at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred tax assets and liabilities are presented net in the consolidated financial statements.

Employment termination benefits

In accordance with existing social legislation in Turkey, the Company is required to make lump-sum termination indemnities to each employee who has completed over one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

In the financial statements, the Company has recognized a liability using the 'Projected Method' based upon factors derived using the Company's experience of personnel terminating and being eligible to receive benefits, discounted by using the current market yield at the balance sheet date on government bonds. All actuarial gains and losses are recognized in the statement of other comprehensive income.

Foreign currency transactions

Transactions in foreign currencies during the year have been translated at the exchange rates prevailing at the dates of such transactions. Monetary balance sheet items denominated in foreign currencies have been translated at the Central Bank of the Republic of Türkiye exchange rates prevailing at the balance sheet date.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

NOTE 2 - PRINCIPLES FOR THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

Provisions (Continued)

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are revised at each balance sheet date and amended in order to reflect management's recent estimations.

Contingent liabilities and assets

Assets and liabilities that originate from past incidents and whose presence is not fully under the entity's control as it can only be confirmed through the realization of one or more indefinite incidents to take place in the future are not included in the financial statements and are considered as contingent liabilities and assets.

Contingent liabilities are not recognized in the financial statements. They are disclosed only, if the probability of outflow of resources embodying economic benefits is not highly probable. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is mostly probable.

Share capital and dividend

Ordinary shares are classified under share capital. Dividend distribution on ordinary shares is recognized as an appropriation of profit in the period in which they are declared.

Warranty expenses

Warranty expenses are recorded as a result of repair and maintenance expenses for products produced and sold, authorized services' labor and material costs for products under the scope of the warranty terms without any charge to the customers, initial maintenance costs and estimated costs based on statistical information for possible future warranty services and returns of products with respect to the products sold during the year.

Financial instruments

Financial assets

The Group classifies its financial assets in the following categories: amortised cost and fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets measured at amortised cost

Financial assets measured at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Trade receivables and cash and cash equivalents are classified in this category.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

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NOTE 2 - PRINCIPLES FOR THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

Financial assets (Continued)

Financial assets carried at fair value through profit or loss

Financial assets carried at fair value through profit or loss comprise of 'derivative instruments' in the statement of financial position. Derivative instruments are recognized as asset when the fair value of the instrument is positive, as liability when the fair value of the instrument is negative.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks and short-term highly liquid and the risk of value change is not material investments including time deposits generally having original maturities of three months or less.

Bank accounts consist of time and demand deposit accounts and the related interest accrued. The Turkish Lira balances are stated at face values and the foreign currency balances are translated into Turkish Lira at the foreign currency rate issued by the Central Bank of the Republic of Türkiye as at the report date. Time deposit accounts are stated as calculated by adding accrued interest as of balance sheet date on the principle amount.

Trade receivables

Trade receivables and notes and post-dated checks classified within trade receivables which are recognized at original invoice amount are measured at amortized cost using the effective interest rate method. Short term trade receivables without specified interest rate, are measured at invoice amount when the interest accrual effect is immaterial.

Group may enter into factoring agreement for its trade receivables and the amount provided from factoring companies is recorded as financial liability in the consolidated financial statements.

Post dated cheques received with maturity dates exceeding the balance sheet date are classified in trade receivables and are rediscounted using the interest rates determined for government debt securities by considering the interest levels arising in the stock exchanges or other organized markets.

Since the trade receivables accounted for at amortized cost in the consolidated financial statements do not contain a significant financing component, the Group chooses the simplified application for impairment calculations and uses the provision matrix. With this practice, the Group measures the expected credit loss allowance at an amount equal to lifetime expected credit losses. In the calculation of expected credit losses, the Group's forecasts for the future are taken into account along with the past experience of credit losses.

If a portion or the entire amount of a receivable is collected after provided for a provision, the collected amount is deducted from total provision and is recognized as an income in the comprehensive income statement.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

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NOTE 2 - PRINCIPLES FOR THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

Trade payables

Trade payables are recognized initially at fair value of and subsequently measured at amortized cost using the effective interest method.

Borrowings

Short and long term bank loans are stated at the value computed through addition of the principal amount and the interest expenses accrued as of the balance sheet date.

Borrowings are recognized initially at proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective yield method; any difference between the proceeds and redemption value is recognized in the comprehensive income statement over the period of the borrowings. Borrowing costs incurred for reasons other than financing the acquisition of qualifying assets is booked as an expense in the period in which it occurs.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently are re-measured at their fair value. The derivative instruments of the Company mainly consist of foreign exchange forward contracts and related transactions. These derivative transactions, even though providing effective economic hedges under the Company risk management position, do not generally qualify for hedge accounting, therefore treated as 'derivative financial instruments held for trading. Any gains or losses arising from changes in the fair value of such kind of financial instruments are recognized understatement of profit and loss.

Impairments in financial assets

Financial assets are assessed at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that had occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. For loans and receivables impairment loss has been incurred the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Except for trade receivables, which is reduced through the use of an allowance account, impairment on all other financial assets are directly written off in the related account. In case trade receivables cannot be collected, the related amount is written off from allowance account. The change in allowance account is accounted in the comprehensive income statement.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

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NOTE 2 - PRINCIPLES FOR THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

Recognition and derecognition of financial assets and liabilities

The Group recognizes a financial asset or financial liability in its balance sheet only when it becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial asset or a portion of it only when the control on rights under the contract is discharged. The Company derecognizes a financial liability when the obligation under the liability is discharged, cancelled or expires.

All regular way financial asset purchase and sales are recognized at the date of the transaction, the date the Group committed to purchase or sell. The mentioned purchases or sales are ones which require the delivery of the financial assets within the time interval identified with the established practices and regulations in the market.

Foreign currency transactions

Monetary balance sheet items denominated in foreign currencies have been translated to Turkish Lira at the Central Bank of the Republic of Türkiye exchange rates prevailing at the balance sheet date. Exchange gains or losses arising on translation of foreign currency denominated assets and liabilities are included in the comprehensive income statement.

Leases

The Group – as a lessee

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, The Group assess whether:

- a) The contract involved the use of an identified asset – this may be specified explicitly or implicitly.
- b) The asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified.
- c) The Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use; and
- d) The Group has the right to direct use of the asset. The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset. The Group has the right to direct use of asset if either:
 - i. The Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;
 - ii. The Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

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NOTE 2 - PRINCIPLES FOR THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Right of use asset

The right of use asset is initially recognized at cost comprising of:

- Amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date, less any lease incentives received;
- Any initial direct costs incurred by the Group; and
- An estimate of costs to be incurred by the lessee for restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories)

The Group measure the right of use asset:

- After netting-off depreciation and reducing impairment losses from right of use asset,
- adjusted for certain re-measurements of the lease liability recognized at the present value.

The Group applies the depreciation provisions in TAS 16 'Property, Plant and Equipment' while depreciating the right of use asset.

TAS 36 applies the 'Impairment of Assets' standard to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease liabilities are discounted to present value by using the interest rate implicit in the lease if readily determined or with the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date,
- Payments of penalties for terminating the lease if the lease term indicates that the tenant will use an option to terminate the lease.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

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NOTE 2 - PRINCIPLES FOR THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

Leases (Continued)

The Group - as a lessee (Continued)

After the actual lease commences, the Group measures the lease liability as follows:

- Increasing the carrying amount to reflect interest on lease liability,
- Reducing the carrying amount to reflect the lease payments made and
- Remeasures the ledger value to reflect re-evaluations and reconstructions, if any. The Group reflects the remeasurement amount of the lease liability as an adjustment to the right-of-use asset in its financial statements.

Extension and termination options

In determining the lease liability, the Group considers the extension and termination options. The majority of extension and termination options held are exercisable both by the group and by the respective lessor. Extension options are included in the lease term if the lease is reasonably certain to be extended. The group remeasures the lease term, if a significant event or a significant change in circumstances occurs which affects the initial assessment. If there is a significant change in the conditions, the evaluation made is reviewed by the management. As a result of the evaluations made in the current period, there is no lease obligation or asset usage right arising from the inclusion of the extension and early termination options in the lease term.

Variable lease payments

Lease payments arising from a portion of the Group's lease agreements consist of variable lease payments. These variable lease payments, which are not covered by the TFRS 16 standard, are recorded as rent expense in the income statement in the relevant period.

As the Lessor

The Group does not have any significant activity as the lessor.

Earnings per share

Basic earnings per share are calculated by dividing the net profit by the weighted average number of ordinary shares outstanding during the year.

The companies can increase their share capital by making a pro-rata distribution of shares ('Bonus Shares') to existing shareholders without consideration for amounts resolved to be transferred to share capital from retained earnings and share capital inflation adjustments. For the purpose of the earnings per share calculation such Bonus Share issues are regarded as stock dividends. Accordingly, the weighted average number of shares used in earnings per share calculation is derived by giving retroactive effect to the issue of such shares.

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NOTE 2 - PRINCIPLES FOR THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

Subsequent events

Subsequent events comprise all events occurred between the date of authorization of the financial statements for issuance and the balance sheet date.

The Group updates its financial statements and respective disclosures that relate to conditions that existed at the end of the reporting period to regarding any new information that they receive after the reporting period which require amendment. Non-adjusting events are solely disclosed if they are of such importance.

Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that carrying value of assets except financial assets and deferred tax assets is impaired or not. When an indicator of impairment exists, the Company estimates the recoverable values of such assets. When individual recoverable value of assets cannot be measured, recoverable value of cash generating unit of that asset is measured.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Recoverable amount is the higher of net selling price or value in use. Net selling price is determined by deducting any expenses to be incurred for the sale of an asset from the fair value of the asset. Value in use is calculated as the discounted value of the estimated future cash flows the entity expects to receive from the asset.

When recoverable amount of an asset (or a cash generating unit) is lower than its carrying value, the asset's carrying value is reduced to its recoverable amount. An impairment loss is recognized immediately in the comprehensive income statement.

An impairment loss recognized in prior periods for an asset is reversed if the subsequent increase in the asset's recoverable amount is caused by a specific event since the last impairment loss was recognized. Such a reversal amount cannot be higher than the previously recognized impairment and is recognized as income in the financial statements.

Borrowing costs

Borrowing costs comprise interest expense, foreign exchange losses arising from financing activities and other costs related with financing.

Borrowing costs directly attributable to the acquisition of qualifying assets are capitalised as part of the cost of the respective assets. Capitalization is ceased when the -operations to bring the qualifying asset ready for sale or use- are completed. Qualifying assets are those assets whose construction or production takes a substantial period of time to get ready for its intended use or sale. Borrowing costs that are not in this scope are recognised directly in the income statement.

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NOTE 2 - PRINCIPLES FOR THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.5 Summary of significant accounting policies (Continued)

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liabilities simultaneously.

2.6 Going concern

The Group has prepared its consolidated financial statements according to the going concern principle.

2.7 Comparative information and restatement of prior period financial statements

The consolidated financial statements of the Group are prepared comparatively with the prior period in order to enable the determination of the financial position and performance trends. Comparative figures are reclassified, where necessary, to conform to the presentation in the current period consolidated financial statements and significant changes are explained.

In accordance with TFRS 15 Revenue from Contracts with Customers, in the consolidated financial statements as of December 31, 2024, the Group made netting/reclassification adjustments relating to advances received that have been invoiced but are not yet due for payment, reclassifying (TL 3.292.239) from short-term trade receivables, TL (705.801) from Long-term trade receivables and TL 4.096.733 to Contract Liabilities, and with respect to advances paid that have been invoiced but are not yet due, reclassifying TL (2.229.330) from Inventories, TL 57.637 from Prepaid expenses, TL 329.429 from Other current assets, TL (2.073.001) from Trade payables and TL 329.429 to Other short-term liabilities; furthermore, domestic discount premium expenses amounting to TL 241.553 were reclassified from Marketing, selling and distribution expenses to revenue TL (241.553) in the consolidated financial statements as of December 31, 2024.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

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NOTE 3 – BUSINESS COMBINATIONS

A Group subsidiary, Otokar Europe SAS, has purchased all shares of MAURI Bus System S.R.L. (in Italy), a dealership of the company until September 12, 2023. The closing transactions of the Share Transfer Agreement signed on September 12, 2023, have been completed as of September 2023. The transaction price paid for the full acquisition of the shares is 2,355 thousand Euros. The initial payment of 1.344 thousand Euros was completed on the transfer date. The remaining payment of 1,011 thousand Euros will be paid in installments over 4 years.

As a result of this transaction, the company's title was changed to "Otokar Italia S.R.L." as of October 12, 2023, and the registration procedures related to changes in the company's title and board structure have been realized in the relevant country's registries.

The purchase price, the fair values of the acquired assets and liabilities provisionally used under TFRS 3 are summarized in the table below:

Cash and cash equivalents	132.726
Financial investments	11.892
Trade and other receivables	236.206
Inventories	121.917
Other current assets	53.151
Property, plant, and equipment	6.186
Intangible non-current assets (*)	79.877
Trade and other payables	(365.991)
Bank loans	(58.077)
Short and long-term provisions	(47.265)
Deferred tax liability	(22.163)
Other liabilities	(33.152)
Value of total identifiable net assets (100%)	115.307
Goodwill	20.920
Total purchase price	136.227

(*) Intangible assets consist of customer relations and their depreciation lives vary between 1-7 years.

The details of the cash outflow arising from the acquisition are as follows:

Total purchase price – cash	(136.227)
Cash and cash equivalents - acquired	132.726
Cash outflow from the acquisition (net)	(3.501)

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NOTE 4 - SEGMENT REPORTING

The Group does not prepare segment reporting and follows financial statements by one operating unit.

Since Chief Executive Decision Makers (composed of key management, board members, general manager and assistant general managers) do not monitor cost of sales, operating expenses and financial expenses, the products are only monitored based on revenue (Note 20). Thus, segment reporting is not performed.

NOTE 5 - CASH AND CASH EQUIVALENTS

	December 31, 2025	December 31, 2024
Banks		
- Time deposits	5.629.492	1.209.361
- Demand deposits	1.095.398	715.750
Other	406	111
Cash and cash equivalents in the cash flow statement	6.725.296	1.925.222
Interest accrual	5.327	700
	6.730.623	1.925.922

As of December 31, 2025, time deposits amounting to a total of TL 5.629.492 include TL 615.219 denominated in foreign currencies, bearing an effective annual interest rate of 1.80% with a maturity of 2 days. The remaining TL 5.014.273 bears an effective annual interest rate of 38.56% with a maturity of 2 days.

(As of December 31, 2024 time deposits amounting to a total of TL 1.209.361 included TL 681.287 denominated in foreign currencies, bearing an effective annual interest rate of 1.35% with a maturity of 2 days, while the remaining TL 528.074 bore an effective annual interest rate of 47.00% with a maturity of 2 days.)

As of December 31, 2025, the Group has blocked deposits amounting to TL 393 (December 31, 2024: TL 82).

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

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NOTE 6 – BORROWINGS

The details of the Group's borrowings as of December 31 are as follows:

	December 31, 2025	December 31, 2024
Short-term		
Short-term bank loans	7.952.411	8.912.736
Lease liabilities	36.861	84.520
Total short-term borrowings	7.989.272	8.997.256
Short-term portion of long-term borrowings		
Short-term portion of long-term loans	11.984.405	1.101.212
Issued debt instruments	–	2.089.784
Short-term portions of total long-term borrowings	11.984.405	3.190.996
Long-term		
Long-term bank loans	14.537.375	15.514.081
Lease liabilities	40.218	132.198
Total long-term borrowings	14.577.593	15.646.279
Total borrowings	34.551.270	27.834.531

The repayment terms of bank loans are as follows:

	December 31, 2025	December 31, 2024
Within 1 year	19.936.816	10.013.948
Within 1–2 years	14.537.375	15.514.081
Total bank loans	34.474.191	25.528.029

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

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NOT 6 – BORROWINGS (continued)

The foreign currency and interest rate details of the Group's bank borrowings as of December 31 are as follows:

	December 31, 2025			December 31, 2024		
	Effective interest rate (%)	Original currency	Equivalent in TL	Effective interest rate (%)	Original currency	Equivalent in TL
Short-term						
TL loans	36,26	4.002.314	4.002.314	35,77	5.341.864	5.341.863
EUR loans	5,35	40.330	2.034.797	6,49	86.883	3.192.322
USD loans (*)	4,88	44.685	1.915.300	5,54	10.747	378.551
Total short-term bank loans			7.952.411			8.912.736
Short-term portions of long-term loans						
TL loans	50,48	8.632.142	8.632.142	50,12	1.101.212	1.101.212
EUR loans	5,64	66.443	3.352.263	--	--	--
Total short-term portions of long-term loans			11.984.405			1.101.212
Long-term						
TL loans	43,92	10.554.134	10.554.134	53,66	12.369.294	12.369.294
EUR loans	5,64	78.949	3.983.241	5,65	85.589	3.144.787
Total long-term bank loans			14.537.375			15.514.081

(*) These are CNY rediscount loans. The amounts are presented in USD.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

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NOTE 6 – BORROWINGS (continued)

The foreign currency and interest rate details of the Group's lease liabilities as of December 31, are as follows:

	December 31, 2025			December 31, 2024		
	Effective interest rate (%)	Original currency	Equivalent in TRY	Effective interest rate (%)	Original currency	Equivalent in TRY
Short-term						
TL lease liabilities	26,37	28.662	28.662	34,49	65.720	65.721
EUR lease liabilities	2,31	163	8.199	2,02	512	18.799
Total short-term liabilities			36.861			84.520
Long-term						
TL lease liabilities	26,30	31.272	31.272	34,49	126.783	126.783
EUR lease liabilities	1,56	177	8.946	2,02	147	5.415
Total long-term liabilities			40.218			132.198

The details of the Group's issued debt instruments as of December 31 are as follows:

	December 31, 2025			December 31, 2024		
	Effective interest rate (%)	Original currency	Equivalent in TRY	Effective interest rate (%)	Original currency	Equivalent in TRY
TL Bonds (*)	--	--	--	40,50	2.089.784	2.089.784
Total issued debt instruments			--			2.089.784

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

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NOT 6 – BORROWINGS (continued)

(*) The Group issued a bond with a nominal value of TL 500.000, with a maturity of 740 days, bearing a fixed annual interest rate of 33% and paying coupons semi-annually, to be sold to qualified investors without a public offering in Turkey; the settlement date was March 3, 2023, and the bond was redeemed on March 12, 2025.

The Group issued a bond with a nominal value of TL 500.000, with a maturity of 752 days, bearing a fixed annual interest rate of 41.50% and paying coupons quarterly, to be sold to qualified investors without a public offering in Turkey; the settlement date was June 9, 2023, and the bond was redeemed on June 30, 2025.

The Group issued a bond with a nominal value of TL 500.000, with a maturity of 733 days, bearing a fixed annual interest rate of 47% and paying coupons semi-annually, to be sold to qualified investors without a public offering in Türkiye; the settlement date was October 18, 2023, and the bond was redeemed on October 20, 2025.

As of December 31, 2025, the Group has not provided any collateral for its borrowings (December 31, 2024: None)

The Group has no financial commitments arising from its borrowings.

Movements in borrowings for the years ended 31 December are as follows:

	2025	2024
1 January	27.834.531	30.487.246
Borrowing received during the period	29.654.064	32.741.117
Principal payments (-)	(17.184.754)	(26.172.561)
Changes in lease obligations	(81.434)	146.158
Cash outflows related to debt payments from leasing agreements	(109.352)	(126.141)
Change in interest accruals	216.905	149.514
Change in foreign exchange	2.155.369	784.336
Monetary gain/(loss)	(7.934.059)	(10.175.138)
31 December	34.551.270	27.834.531

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NOTE 7 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

As of December 31, 2025 and December 31, 2024, the carrying amounts of the Joint Ventures and the consolidation percentages applied under the equity method are as follows:

	2025		2024	
	(%)	Amount	(%)	Amount
Joint ventures				
Al Jasoor	49	55.074	49	95.679
		55.074		95.679

The summary of the financial statements of Al Jasoor as of December 31, 2025 and December 31, 2024 is as follows:

	2025	2024
January 1	95.679	161.307
Shares of profit/(loss)	(34.746)	(45.039)
Foreign currency exchange differences	(5.859)	(20.589)
December 31	55.074	95.679

The financial information regarding Al Jasoor Heavy Vehicle Industry LLC, which is valued using the equity method as of December 31, 2025 and December 31, 2024, is as follows:

	31 Aralık 2025	31 Aralık 2024
Total assets	197.567	280.588
Total liabilities	(85.170)	(85.324)
Net assets	112.397	195.264
Ownership of the Group	0,49	0,49
Net asset share of the Group	55.074	95.679

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NOTE 8 - DERIVATIVE FINANCIAL INSTRUMENTS

Derivative instruments consist of forward foreign exchange contracts entered into by the Group to hedge the foreign currency risk arising from its foreign currency denominated sales.

	Contract amount	Current period	Fair value liabilities
December 31, 2025			
Forward transactions	--	--	--
Short-term derivative financial instruments	--	--	--
Total derivative financial instruments	--		--

	Contract amount	Current period	Fair value liabilities
December 31, 2024			
Forward transactions	3.373.010	January 2025	10.031
Short-term derivative financial instruments	3.373.010		10.031
Total derivative financial instruments	3.373.010		10.031

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NOTE 9 - TRADE RECEIVABLES AND PAYABLES

Trade receivables

	December 31, 2025	December 31, 2024
Trade receivables from third parties	13.308.853	10.462.819
Trade receivables from related parties (Note 28)	2.853.525	5.461.020
Provisions for doubtful trade receivables (-)	(340.438)	(362.114)
Short-term trade receivables	15.821.940	15.561.725
Long-term trade receivables	217.992	276.449
Long-term trade receivables	217.992	276.449

As of December 31, 2025, the average maturity of trade receivables (excluding notes receivable) ranges between 30 and 60 days (December 31, 2024: 60 to 90 days).

As of December 31, 2025 and 2024, the fair values of the Group's trade receivables approximate their carrying amounts due to the short-term nature of their average collection periods.

Guarantees received for trade receivables

The Group's receivables mainly arise from sales to dealers of minibuses, small buses, buses, trucks, and pick ups, as well as from sales of defense industry vehicles and turrets.

As of December 31, 2025, domestic receivables from the Group's dealers, amounting to TL 3.001.477 after the provision for doubtful receivables (December 31, 2024: TL 2.990.836), are secured by guarantees totaling TL 3.001.477 (December 31, 2024: TL 2.990.836) and by the Direct Debit System ('DBS'). The Group manages the credit risk related to its remaining receivables through the methods described in the Credit Risk section of Note 29 to the consolidated financial statements.

The movements in the provision for doubtful trade receivables for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
1 January	362.114	433.140
Provisions recognized during the period (Note 23)	--	46.572
Collections	(44.589)	(77)
Currency translation differences	108.376	37.169
Monetary gain/ (loss)	(85.463)	(154.690)
December 31	340.438	362.114

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NOTE 9 - TRADE RECEIVABLES AND PAYABLES (Continued)

Trade payables

	December 31, 2025	December 31, 2024
Trade payables to third parties	6.931.002	6.249.913
Trade payables to related parties (Note 28)	546.842	606.755
Short-term trade payables	7.477.844	6.856.668

As of December 31, 2025, the average maturity of trade payables ranges between 45 and 60 days (December 31, 2024: between 45 and 60 days).

As of 31 December 2025 and 2024, the fair values of the Group's trade payables approximate their carrying amounts due to the short-term nature of their average settlement periods

NOTE 10 – OTHER RECEIVABLE AND PAYABLES

Other current receivables

	December 31, 2025	December 31, 2024
Receivables from personnel	269	2.388
Deposits and guarantees given	4.346	4.013
	4.615	6.401

Other non-current receivables

	December 31, 2025	December 31, 2024
Deposits and guarantees given	11.128	19.302
	11.128	19.302

Other current payables

	December 31, 2025	December 31, 2024
Contractual penalty payments and accruals	2.926.861	--
Other payables	50.961	44.659
	2.977.822	44.659

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NOTE 11 - INVENTORIES

	December 31, 2025	December 31, 2024
Raw material	7.494.788	6.898.793
Goods in transit	2.927.198	2.681.167
Finished goods	4.074.170	4.772.015
Merchandise goods	2.351.833	1.764.147
Semi-finished goods	808.167	485.914
Less: Impairment for inventories (*)	(1.426.181)	(944.090)
	16.229.975	15.657.946

(*)) Of the inventory impairment, TL 29.019 relates to finished goods (December 31, 2024: TL 51.664), TL 10.892 relates to merchandise (December 31, 2024: TL 10.525), TL 933.981 relates to raw materials (December 31, 2024: TL 619.617) and TL 452.289 relates to advances given for inventories (December 31, 2024: TL 262.284). The inventory impairment provision has been recognized under cost of goods sold.

The movements of impairment for inventories in 2025 and 2024 are as follows:

	2025	2024
January 1	(944.090)	(402.804)
Current year provisions	(482.091)	(541.286)
December 31	(1.426.181)	(944.090)

NOTE 12 - FINANCIAL INVESTMENTS

Otokar Central Asia Limited company was established on November 5, 2019 in Astana International Financial Center (AIFC), a special-status region that accepts the principles of British Law in Kazakhstan, in order to increase overseas sales and follow up export activities.

Financial investments comprise the capital contribution of TL 1.157 to Otokar Central Asia Limited and the investment of TL 99.505 in the Private Equity Investment Fund (December 31, 2024: comprise the capital contribution of TL 1.157 to Otokar Central Asia Limited and the investment of TL 96.126 in the Private Equity Investment Fund).

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NOTE 13 - PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

For the interim accounting periods ending December 31, 2025 and 2024, the distribution of current period depreciation and amortization expenses, consisting of property, plant and equipment, other intangible assets, and right-of-use assets, is as follows:

	2025	2024
Research and development expenses	1.166.850	1.183.115
Cost of goods sold	415.615	378.043
General administrative expenses	125.507	68.195
Developments projects in progress	116.477	109.708
Right-of-use assets	96.642	157.054
Depreciation on inventories	70.395	63.203
Selling and marketing expenses	35.223	26.851
Currency translation differences	13.666	4.792
	2.040.375	1.990.961

Right-of-use assets

The allocation of right of use assets for the periods ended December 31, 2025 and 2024 is as follows:

As of December 31, 2025	Buildings	Vehicles	Furniture and Fixtures	Total
Cost	178.659	509.511	239	688.409
Accumulated depreciation	(138.493)	(465.960)	(239)	(604.692)
	40.166	43.551	-	83.717
As of December 31, 2024	Buildings	Vehicles	Furniture and Fixtures	Total
Cost	208.188	313.577	9.183	530.948
Accumulated depreciation	(173.598)	(267.886)	(5.656)	(447.140)
	34.590	45.691	3.527	83.808

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NOTE 14 – OTHER INTANGIBLE ASSETS

The movements in intangible assets and the related amortization for the year ended December 31, 2025 are as follows:

	January 1, 2025	Addition	Disposal	Transfers	Currency translation differences	December 31, 2025
Cost						
Other intangible assets	614.694	15.538	--	--	119	630.351
Development costs	12.675.494	--	--	3.121.595	--	15.797.089
Developments projects in progress	5.167.224	2.014.711	--	(3.121.595)	--	4.060.340
Customer relations	79.877	--	--	--	--	79.877
	18.537.289	2.030.249	--	--	119	20.567.657
Accumulated amortizations						
Other intangible assets	(475.573)	(56.130)	--	--	(30)	(531.733)
Development costs	(9.192.171)	(1.165.331)	--	--	--	(10.357.502)
Customer relations	(26.688)	(1.496)	--	--	--	(28.184)
	(9.694.432)	(1.222.957)	--	--	(30)	(10.917.419)
Net book value	8.842.857					9.650.238

	January 1, 2024	Addition	Disposal	Transfers	Currency translation differences	December 31, 2025
Cost						
Other intangible assets	558.041	23.253	--	33.364	36	614.694
Development costs	12.093.659	23.812	--	558.023	--	12.675.494
Developments projects in progress	3.027.922	2.730.689	--	(591.387)	--	5.167.224
Customer relations	79.877	--	--	--	--	79.877
	15.759.499	2.777.754	--	--	36	18.537.289
Accumulated amortizations						
Other intangible assets	(418.420)	(57.153)	--	--	(1)	(475.574)
Development costs	(8.028.545)	(1.163.626)	--	--	--	(9.192.171)
Customer relations	(24.729)	(1.958)	--	--	--	(26.687)
	(8.471.694)	(1.222.737)	--	--	(1)	(9.694.432)
Net book value	7.287.805					8.842.857

NOTE 15 - GOVERNMENT GRANTS AND INCENTIVES

	December 31, 2025	December 31, 2024
Short-term	9.150	5.917
Long-term	33.196	27.029
	42.346	32.946

Government incentives have been originated from deferral of research and development incentive premiums provided to support research and development expenditures of the Group's various projects by the Scientific & Technological Research Council of Turkey (TUBITAK). The related balance will be recognized as income in line with the amortization of the respective R&D costs.

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NOTE 16 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short-term provisions

	December 31, 2025	December 31, 2024
Provision for warranty expenses	1.152.029	1.101.470
Employee benefits short-term provisions (Note 17)	147.522	183.579
Litigation provisions	51.929	50.194
Purchases costs provisions	37.793	83.406
Other provision	1.001.387	762.435
	2.390.660	2.181.084

Provision for warranty expenses

The Group provides standard warranty coverage for the vehicles it sells and, in line with customer requirements and tender specifications, also offers extended warranty options. Accordingly, as of the balance sheet date, provisions have been recognized for the estimated warranty expenses expected to be incurred in future periods for all vehicles covered under the various warranty types.

The movements of the provision for warranty expenses during the periods ending on December 31, 2025 is as follows:

	2025	2024
January 1	1.101.470	1.305.885
Additional provisions	1.693.324	1.375.424
Disposals/payments (-)	(1.334.562)	(1.161.197)
Monetary gain/(loss)	(308.203)	(418.642)
As of December 31	1.152.029	1.101.470

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NOTE 16 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

Commitments and contingencies

As of December 31 the tables which represent the position of guarantees, pledges and mortgages is as follows:

	December 31, 2025	December 31, 2024
a. Total amount of guarantees, pledges and mortgages given the name of legal entity	33.556.712	36.859.036
b. Total amount of guarantees, pledges and mortgages given in favour of the parties which are included in the scope of full consolidation	621.087	395.085
c. Total amount of guarantees, pledges and mortgages given to third parties for their liabilities in the purpose of conducting the ordinary operations	--	--
d. Total amount of other guarantees, pledges and mortgages	--	--
	34.177.799	37.254.121

The details of guarantees, pledges, and mortgages in terms of original currencies are as follows:

	December 31, 2025		December 31, 2024	
	Original currency	TL equivalent	Original currency	TL equivalent
TRY	4.910.641	4.910.641	10.691.644	10.691.644
USD	68.374	2.930.648	75.778	3.493.726
EUR	58.925	2.972.941	57.257	2.753.706
RON	2.348.880	23.127.778	2.086.962	20.054.308
GEL	1.430	22.783	11.817	194.407
CZK	34.690	211.530	34.690	66.330
CNY	242	1.478	-	-
	7.423.182	34.177.799	12.958.148	37.254.121

a) Guarantees given as of December 31, 2025 and December 31, 2025 are as follows:

	December 31, 2025	December 31, 2024
Bank letters of guarantee	34.177.799	37.254.121
	34.177.799	37.254.121

b) Guarantees received as of December 31, 2025 and December 31, 2024 are as follows:

	December 31, 2025	December 31, 2024
Bank letters of guarantee	5.883.781	5.970.884
Guarantee notes	2.523	2.404
	5.886.304	5.973.288

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NOTE 17 - EMPLOYEE BENEFITS

	December 31, 2025	December 31, 2024
Provision for employment termination benefits	639.339	550.652
Provision for unused vacation	147.522	183.579
	786.861	734.231

Employment termination benefits

The amount payable consists of one month's salary limited to a maximum of TRY 53.919,60 in full for each year of service as of December 31, 2025 (December 31, 2024: TRY 41.828,42 in full).

The reserve for employment termination benefits is not legally subject to any funding and there are no funding requirements.

Provision for employment termination benefits is calculated by estimating the present value of the probable obligation that the employees will have to pay in case of retirement.

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the real rate free of expected effects of inflation. The termination indemnity ceiling is revised semi-annually and the ceiling amounting to TRY 64.948,77 in full (January 1, 2025: TRY 46.665.43 in full), which is effective from January 1, 2026, has been taken into consideration in calculation of retirement benefit provision in the consulate.

Turkish Accounting Standards promulgated by POA require actuarial valuation methods to be developed to estimate the enterprises' obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability.

	December 31, 2025	December 31, 2024
Net discount rate (%)	3,65	3,41
Turnover rate to estimate the probability of retirement (%)	97,83	97,81

The movements of provision for employment termination benefits are as follows:

	2025	2024
January 1	550.652	633.091
Interest expense and charge for the period	170.667	173.170
Payments	(50.320)	(264.459)
Remeasurement differences	107.803	258.055
Monetary gain/ (loss)	(139.463)	(249.205)
As of December 31	639.339	550.652

As of December 31, 2025, the important factors used in the calculation of the provision for severance pay of the sensitivity analyzes of the assumptions are as follows:

Sensitivity level	Interest rate		Inflation rate	
	%0,25 increase	%0,25 decrease	%0,25 increase	%0,25 decrease
Change in employment termination benefit	22.025	(21.846)	(22.636)	22.836

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NOTE 17 - EMPLOYEE BENEFITS (Continued)

Provision for unused vacation

The movements of provision for unused vacation are as follows:

	2025	2024
January 1	183.579	206.248
Charge for the period, net	12.951	62.636
Monetary gain/ (loss)	(49.008)	(85.305)
December 31	147.522	183.579

NOTE 18 - PREPAID EXPENSES, DEFERRED REVENUE, OTHER ASSETS AND LIABILITIES

a) Prepaid expenses

Short- term prepaid expenses	December 31, 2025	December 31, 2024
Advances given	1.642.976	57.638
Prepaid expenses	472.286	445.598
	2.115.262	503.236

Long-term prepaid expenses	December 31, 2025	December 31, 2024
Advances given	2.784.079	21.957
Prepaid expenses	158.404	7.885
	2.942.483	29.842

b) Other current asset

Other current asset – short-term	December 31, 2025	December 31, 2024
Value added tax receivables	1.973.715	759.845
Other	240.647	117.155
	2.214.362	877.000

c) Other non-current asset

Other non-current asset	December 31, 2025	December 31, 2024
Value added tax receivables	384.842	--
	384.842	--

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NOTE 18 - PREPAID EXPENSES, DEFERRED REVENUE, OTHER ASSETS AND LIABILITIES (continued)

d) Liabilities arising from customer contracts

Liabilities arising from customer contracts – short term	December 31, 2025	December 31, 2024
Advances received	7.265.678	1.599.336
Deferred maintenance revenues	326.996	421.872
	7.592.674	2.021.208

Liabilities arising from customer contracts - long- term	December 31, 2025	December 31, 2024
Deferred maintenance revenues	417.476	660.360
	417.476	660.360

e) Employee benefits obligation

	December 31, 2025	December 31, 2024
Payables to employees	325.406	423.838
Social security payables	180.232	197.910
Other	215.418	253.001
	721.056	874.749

f) Other current liabilities

	December 31, 2025	December 31, 2024
Taxes and funds payable	225.446	447.503
	225.446	447.503

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NOTE 19 - EQUITY

Share capital

The Group's shareholders as of December 31, 2025 and December 31, 2024 and their shares in the capital are as follows, with historical values:

	December 31, 2025		December 31, 2024	
	TL	(%)	TL	(%)
Koç Holding A.Ş.	56.850	47.38	56.850	47.38
Ünver Holding A.Ş.	29.775	24.81	29.775	24.81
Other	33.375	27.81	33.375	27.81
Total capital	120.000	100.00	120.000	100.00
Capital adjustment differences	2.365.255		2.365.255	

Accumulated profits in the statutory books can be distributed, with the exception of the provision regarding statutory reserves mentioned below. Legal reserves according to the Turkish Commercial Code are divided into two as first and second group legal reserves. Legal reserves of the first group are allocated as 5% of the statutory net income until reaching 20% of the Group's paid-up capital according to the Turkish Commercial Code. Second group legal reserves, on the other hand, are 10% of the distributed profit exceeding 5% of the paid-up capital. According to the Turkish Commercial Code, legal reserves can only be used to offset losses as long as they do not exceed 50% of the paid-up capital, they cannot be used in any other way. Public companies make their dividend distributions according to the Profit Share Communiqué No II-19.1 of the CMB, which came into effect as of February 1, 2014.

Companies distribute their profits according to the profit distribution policies to be determined by their general assemblies and in compliance with the relevant legislation by the decision of the general assembly. Within the scope of the mentioned communiqué, no minimum distribution rate has been determined. Companies pay dividends in the manner determined in their articles of association or profit distribution policies. In addition, dividends can be paid in equal or different amounts of installments and may distribute cash dividend advances on the profit in the consolidated financial statements.

Unless the reserve funds required to be set aside in accordance with the Turkish Commercial Code and the dividend determined for the shareholders in the articles of association or profit distribution policy are set aside; It cannot be decided to allocate other reserve funds, transfer the profit to the following year, or distribute shares from the profits to the holders of dividend shares, members of the board of directors, partnership employees and persons other than shareholders, and no share of the profits can be distributed to these persons unless the dividend determined for the shareholders is paid in cash.

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NOTE 19 – EQUITY (continued)

As of December 31, 2025 and December 31, 2024, TFRS adjusted values and capital adjustment differences of the items shown above with their historical values are as follows:

December 31, 2025

	Historical value	Inflation adjustments on share capital	Indexed value
Capital	120.000	2.365.255	2.485.255
Restricted reserves	183.398	1.738.890	1.922.288
	303.398	4.104.145	4.407.543

December 31, 2024

	Historical value	Inflation adjustments on share capital	Indexed value
Capital	120.000	2.365.255	2.485.255
Restricted reserves	183.398	1.738.890	1.922.288
	303.398	4.104.145	4.407.543

The historical values of the legal and extraordinary reserves recorded in the Company's statutory books maintained in accordance with the Tax Procedure Law (VUK) are as follows.

	December 31, 2025	December 31, 2024
Legal reserves	1.922.288	1.922.288
Retained earning	8.163.086	12.226.535
	10.085.374	14.148.823

No dividends were distributed during the year ended December 31, 2025 (for the year ended December 31 2024, the dividend distributed per share amounted to 5.400 cents (the earnings per share as of the date of the Board of Directors' resolution was 6.000 cents)).

As of December 31, 2025, the Company's share capital is fully paid and consists of 12.000.000.000 shares, each with a nominal value of 1 cents.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

NOT 20 - REVENUE AND COST OF SALES

Net sales

	January 1 - December 31 2025	January 1 - December 31 2024
Domestic sales	18.672.142	16.027.156
Export sales (*)	37.361.213	28.687.201
Gross sales	56.033.355	44.714.357
Less: Contractual penalty charges and accruals (*)	(2.915.162)	--
Less: sales discount and returns	(1.155.814)	(602.134)
Net sales	51.962.379	44.112.223

(*) On 27.11.2024, Otokar signed a contract with C.N. Romtehnica S.A. ("Romtehnica"), a company of the Romanian Ministry of Defense, for the delivery of 1,059 Cobra II vehicles in total over a period of five years.

The contract includes the supply of vehicles produced at Otokar's facilities in Türkiye and a facility in Romania that has been equipped with the necessary capabilities. The contract contains penalty clauses in the event of non-compliance with the vehicle delivery plan and interim targets for local production preparations. For the reasons stated in the material event disclosure published on the Public Disclosure Platform (KAP) on 16.01.2026, C.N. Romtehnica S.A. has served Otokar an indemnity claim on December 17, 2025 for RON 191,848 (TL 1,877,289) and another claim on December 24, 2025 for RON 7,296 (TL 71,842), amounting to a total of TL 1,949,132.

Regarding the indemnity claim for RON 191,848 (TL 1,877,289), explained in the said material event disclosure, Otokar has publicly disclosed that it has filed a countersuit with the Romanian Court seeking cancellation of this claim and that the aforementioned delay and ongoing disputes could negatively impact the project's continuation and lead to additional indemnity claims.

On February 4, 2026, Romtehnica has served an additional indemnity claim for RON 4,315 (TL 23,286) due to the delayed delivery of 46 vehicles from the first batch produced at Otokar's facilities in Türkiye. Out of this indemnity claim, RON 2,365 (TL 23,286) corresponds to the progress payments in 2025 and has been reflected in contractual penalty payments and accruals. The remaining portion of this indemnity claim corresponds to the progress payments in 2026 will be accounted for in Otokar's financial statements for 2026.

In addition to the aforementioned indemnity claims, Otokar is highly likely to be served an indemnity claim for the delayed delivery of 38 vehicles from the batch produced at Otokar's facilities in Türkiye in an amount that could be partially associated with the progress payments in 2025. Accordingly, RON 1,954 (TL 19,237) has been recorded as an accrued amount.

Furthermore, Otokar is highly likely to be served an indemnity claim due to failure to meet the interim targets for local production preparations according to the contract schedule for vehicles to be produced in Romania in an amount that could be fully associated with the progress payments in 2025. Accordingly, RON 93,792 (TL 923,507) has been recorded as an accrued amount based on Otokar's most reasonable estimate to the extent of the information it possesses.

These accrued amounts are recorded under the Other Liabilities account on the balance sheet. In the event that the final indemnity claim amounts differ from the current accrued amounts, their effects could be traced in Otokar's financial statements for subsequent accounting periods.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

NOTE 20 - REVENUE AND COST OF SALES (continued)

Net sales (continued)

Sales of the Group for the years ended December 31, 2025 and 2024 in terms of the products are as follows:

	January 1 - December 31, 2025	January 1 - December 31, 2024
Commercial vehicle	33.056.388	30.257.741
Military vehicle	13.921.261	7.248.816
Other sales (*)	4.984.730	6.605.666
	51.962.379	44.112.223

(*) Consists of military tower, spare parts, service and other sales income.

Cost of sales

	January 1 - December 31, 2025	January 1 - December 31, 2024
Cost of finished goods sold	38.281.242	34.618.264
Cost of merchandise goods sold	3.743.065	2.511.582
	42.024.307	37.129.846

NOTE 21 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING AND GENERAL ADMINISTRATIVE EXPENSES

	January 1 - December 31, 2025	January 1 - December 31, 2024
Sales and marketing expenses	(5.785.851)	(5.728.802)
General administrative expenses	(2.584.758)	(2.724.564)
Research and development expenses	(1.440.879)	(1.522.839)
	(9.811.488)	(9.976.205)

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

NOTE 22 - EXPENSES BY NATURE

	January 1 - December 31, 2025	January 1 - December 31, 2024
Cost of raw material and consumption goods	(32.409.777)	(28.879.212)
Personnel expenses	(6.954.747)	(7.589.777)
Cost of merchandises sold	(3.743.065)	(1.821.476)
Depreciation and amortization expense	(1.839.837)	(1.813.258)
Warranty expenses	(1.693.324)	(1.387.533)
Administrative expenses	(1.384.306)	(1.454.845)
Sales, incentives and premiums	(1.237.682)	(1.236.472)
Operational expenses	(1.157.988)	(1.230.548)
Transportation, distribution and storage expenses	(615.176)	(622.314)
Advertising, promotion and promotion costs	(300.096)	(519.135)
R&D expenses	(192.635)	(241.902)
Other expenses	(307.162)	(309.579)
	(51.835.795)	(47.106.051)

The breakdown of personnel expenses for the years 2025 and 2024 is as follows:

	January 1 - December 31, 2025	January 1 - December 31, 2024
Based on the account:		
Cost of sales and inventories on hand	(4.417.485)	(4.737.924)
Capitalized development expenditures	(1.563.824)	(1.722.747)
General administrative expenses	(1.161.529)	(1.402.952)
Sales and marketing expenses	(1.306.464)	(1.353.948)
Research and development expenses	(69.269)	(94.953)
	(8.518.571)	(9.312.524)

	January 1 - December 31, 2025	January 1 - December 31, 2024
By nature		
Wages and salaries	(6.492.929)	(6.876.749)
Other social benefits	(965.879)	(1.184.261)
Social security premiums	(831.597)	(952.691)
Provision for employment termination benefits	(185.271)	(176.190)
Provision for unused vacation	(12.951)	(62.636)
Other	(29.944)	(59.997)
	(8.518.571)	(9.312.524)

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

NOTE 23 - OTHER OPERATING INCOME AND EXPENSES

Other operating income	January 1 - December 31, 2025	January 1 - December 31, 2024
Foreign exchange gains on operating activities	4.558.536	7.475.776
Income from charge of due date receivables	709.537	1.216.121
Gain on future transactions	17.629	418.230
Incentive income	8.582	4.336
Other income	187.691	182.852
	5.481.975	9.297.315
Other operating expenses	January 1 - December 31, 2025	January 1 - December 31, 2024
Foreign exchange loss on operating activities	3.472.479	6.531.478
Loss on future transactions	30.111	644.698
Doubtful provision	--	46.572
Other expenses	1.433	--
	3.504.023	7.222.748

NOTE 24 - FINANCIAL INCOME

	January 1 - December 31, 2025	January 1 - December 31, 2024
Interest income from time deposits	386.698	1.119.778
Foreign exchange gains on deposits	328.186	208.487
Foreign exchange gains on bank borrowings	9.133	264.964
	724.017	1.593.229

NOTE 25 - FINANCIAL EXPENSES

	January 1 - December 31, 2025	January 1 - December 31, 2024
Interest expense on bank borrowings	7.785.755	9.247.615
Foreign exchange losses on bank borrowings	2.164.501	1.049.297
Foreign exchange losses on deposits	94.320	142.269
Other	17.600	13.062
	10.062.176	10.452.243

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

NOTE 26 - TAX ASSETS AND LIABILITIES

The general corporate tax rate in Turkey is 25% (31.12.2024: 25%). Article 15 of Law No. 7351 published in the Official Gazette No. 31727 and dated January 22, 2022. Article 32 of the Corporate Tax Law No. 5520. The article has been amended, and the corporate tax rate has started to be applied with a discount of 1 point to the earnings of the exporting institutions exclusively from exports and the earnings of the institutions that have an industrial registration certificate and are actually engaged in production activities. Article 21 of Law No. 7456 published in the Official Gazette No. 32249 and dated July 15, 2023. With the article, the corporate tax discount rate to be applied to the earnings of institutions exclusively from exports has been increased to 5 points.

Corporate tax is declared until the evening of the last day of the fourth month following the end of the accounting period to which it relates and paid in a single installment. In accordance with the tax legislation, the earnings incurred as of quarterly periods are separated, and a provisional tax of 20% is calculated and paid on export earnings, 24% on manufacturing earnings arising from actual productions with an industrial registration certificate, and 25% on external earnings, and the amounts paid in this way are deducted from the tax calculated on annual earnings.

In Turkey, the corporate income tax rate is 25% as of 31 December 2025 (31 December 2024: 25%). The corporate income tax rate is applied to the taxable corporate profit, which is calculated by adding non-deductible expenses to the commercial profit in accordance with the tax legislation and deducting exemptions and allowances stipulated by the tax laws.

The Company, which holds an R&D Center certificate, is entitled to benefit from a 100% R&D deduction without any limitation on the tax base due to its R&D expenditures amounting to TRY 1.763.628 in 2025 (31 December 2024: TRY 1.762.988) and the amount of TRY 2.212.374 carried forward from 2024 (calculated by revaluing TRY 1.762.988 using the 25.49% revaluation rate applied in 2025).

The Group's application for an Investment Incentive Certificate submitted to the General Directorate of Incentive Implementation and Foreign Investment of the Ministry of Industry and Technology of the Republic of Türkiye has been approved, and Investment Incentive Certificate No. 512845 has been issued for the modernization investment planned to be carried out over a four-year period with a total amount of TRY 1.890.028. With the planning of additional investments and the application made in 2024, the validity period of the incentive certificate has been extended by an additional two years.

The breakdown of total tax expense for the years ended 31 December 2025 and 2024 is as follows:

	December 31, 2025	December 31, 2024
Current tax charge	(87.172)	(44.531)
Deferred tax income/expense	486.875	(107.648)
	399.703	(152.179)

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

NOTE 26 - TAX ASSETS AND LIABILITIES (Continued)

The reconciliation of profit before tax to total tax expense is as follows:

	December 31, 2025	December 31, 2024
Loss before tax	(1.858.662)	(3.911.270)
Tax rate	%25	%25
Income tax charge at effective tax rate	464.666	977.818
Disallowable expenses	(432.746)	(225.859)
Discounts and exceptions	442.568	219.376
Tax effect on gain on investments accounted for using the equity method	(8.687)	(11.259)
Net loss on which deferred tax is not calculated	98.752	–
Non taxable inflation adjustments	(164.850)	(1.112.255)
Total	399.703	(152.179)

In Turkey, the corporate tax rate is 25% as of December 31, 2025 (December 31, 2024: 25%). The corporate tax rate is applied to the net corporate income, which is determined by adding non-deductible expenses as per tax laws to the commercial profit, and deducting the exemptions and deductions specified in the tax laws. As of December 31, 2025, and 2024, the distribution of the net deferred tax liability calculated using temporary differences subject to deferred tax and effective tax rates is summarized below:

	Cumulative temporary differences		Deferred tax assets/(liability)	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
R&D incentive (*)	(3.976.003)	(2.307.610)	994.001	576.903
Deductible accumulated tax losses (**)	–	–	1.250.364	517.023
Investment allowance available for use	–	–	282.825	257.356
Provision for warranty expenses	(1.152.029)	(1.101.470)	288.007	275.368
Severance pay liability	(639.339)	(550.652)	159.835	137.663
Provision for unused vacation	(147.522)	(183.579)	36.881	45.895
Other provisions	(948.123)	(812.630)	237.031	203.157
Net difference between the carrying amounts and the tax bases of inventories	(238.728)	(849.191)	59.682	212.298
Deferred maintenance expenses	(503.896)	(991.811)	125.974	247.953
Property, plant and equipment and intangible assets	6.673.219	4.600.864	(1.668.305)	(1.150.216)
Contractual penalty charges and accruals	(966.030)	–	241.508	–
Other	264.515	(417.792)	(66.130)	104.448
Deferred tax assets, net			1.941.673	1.427.848

(*) The Company, which holds an R&D Center Certificate, is entitled to benefit from a 100% R&D deduction without withholding tax on its corporate tax base for its R&D expenditures amounting to TL 1.763.628 incurred in 2025 (31 December 2024: TL 1.762.988) and TL 2.212.374 carried forward from 2024 (which represents the revalued amount of TL 1.762.988 adjusted by the 2025 revaluation rate).

(**) The Group's deductible tax losses for which deferred tax assets have been recognized amount to TL 5.001.455 in total, of which TL 3.026.446 relates to 2025 and TL 1.975.010 relates to 2024.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

NOTE 26 - TAX ASSETS AND LIABILITIES (Continued)

Tax advantages obtained within the scope of investment incentive system:

Earnings from the Group's investments subject to incentive certificates are subject to corporate tax at reduced rates from the accounting period in which the investment starts to be operated partially or completely until the investment contribution amount is reached. In this context, as of December 31, 2025, the tax advantage amounting to TL 282.825 (December 31, 2024: 257.356) that the Group will benefit from in the foreseeable future is reflected in the consolidated financial statements as deferred tax asset. As a result of the recognition of the aforementioned tax advantage as of December 31, 2025. For the period January 1 - December 31, 2025, deferred tax income amounting to TL 282.825 has been recognised in the consolidated statement of profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deferred tax assets can be utilised. Where it is probable that taxable income will be available, deferred tax assets are recognised on deductible temporary differences, tax losses and tax benefits arising from investment incentives with indefinite useful lives that allow for the payment of reduced corporate income tax. 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 deferred tax assets related to such investment incentives at each balance sheet date based on business models including taxable profit forecasts. These deferred tax assets are expected to be recovered within 5 years from the balance sheet date.

As of December 31, 2025, in the sensitivity analysis performed, when the inputs in the basic macroeconomic and sectoral assumptions that make up the business plans are increased / decreased by 10%, there is no change in the recovery periods of deferred tax assets related to investment incentives, which are foreseen as 5 years.

The movement of deferred tax asset for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
January 1	1.427.848	1.470.982
Deferred tax income/(expense) reflected in profit or loss and other comprehensive income statement		
Charged to profit or loss for the period	486.875	(107.648)
Charged to other comprehensive income/expense	26.950	64.514
As of December 31	1.941.673	1.427.848

As of 2025, the inflation adjustment to be applied under the Tax Procedural Code (VUK) has been deferred for the fiscal years 2025, 2026, and 2027 pursuant to Law No. 7571. In this context, the Company revalued its depreciable assets in accordance with Article 298/Ç (repeated) of the Tax Procedural Code, and the revaluation increase has been recognized in the statutory records under the revaluation reserve fund. This practice is solely for tax purposes and has no impact on the carrying amounts of assets in the TFRS financial statements.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

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NOTE 27 – EARNINGS PER SHARE

Companies can increase their capital by distributing shares to existing shareholders in proportion to their shares from the accumulated profits. When calculating earnings per share, this issue of bonus shares is counted as issued shares. Therefore, the average of the weighted number of shares used in the calculation of earnings per share is obtained by retrospectively applying the issuance of shares free of charge.

Earnings/losses per share is calculated by dividing the net profit/(loss) of shareholders by the weighted average number of ordinary shares issued.

	December 31, 2025	December 31, 2024
Net loss for the period	(1.458.959)	(4.063.449)
Weighted average number of issued shares	12.000.000.000	12.000.000.000
Earnings per share (Kr)	(12,158)	(33,862)

NOTE 28 - RELATED PARTY DISCLOSURES

The balance of receivables from related parties and payables to related parties as of the end of the period, as well as the summary of transactions with related parties during the accounting period, are presented below:

As of December 31, 2025 and December 31, 2024, the receivables and payables from related parties are as follows:

Due from related parties	December 31, 2025	December 31, 2024
Ram Dış Ticaret A.Ş. (1) (*)	2.765.780	5.420.513
Al Jasoor Heavy Vehicles Industry LLC (3) (**)	33.996	--
Otokar Central Asia Limited (4)	26.516	21.271
Temel Ticaret A.Ş. (1)	18.259	--
Other (1)	8.974	19.236
	2.853.525	5.461.020

(*) Some of the overseas sales are carried out through Ram Dış Ticaret A.Ş. with export registration, and the balance consists of trade receivables arising from these transactions.

(**) Trade receivables arising from sales to Al Jasoor Heavy Vehicle Industry LLC, a joint venture of the Group.

(1) Related parties of the group parent partner

(2) Group shareholder

(3) Joint venture

(4) Financial investments

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

NOTE 28 - RELATED PARTY DISCLOSURES (Continued)

Due to related parties	December 31, 2025	December 31, 2024
Zer Merkezi Hizmetler A.Ş. (1)	178.294	106.363
Koç Holding A.Ş. (2)	88.273	93.095
Ark İnşaat A.Ş. (1)	49.909	25.646
Ram Dış Ticaret A.Ş. (1)	32.720	203.171
Entek Elektrik Üretimi A.Ş. (1)	30.171	--
Otokoç Otomotiv Tic. ve San. A.Ş. (1)	22.448	9.808
KoçSistem Bilgi ve İletişim Hizm. A.Ş. (1)	18.335	5.857
Opet Fuchs Madeni Yağ A.Ş. (1)	16.261	22.946
Setur Servis Turistik A.Ş. (1)	13.962	7.746
Divan Turizm İşletmeleri A.Ş. (1)	13.724	2.976
Ram Sigorta Aracılık Hz. A.Ş. (1)	13.361	--
Eltek Elektrik Enerji İth.İhr.Top.Tic. A.Ş. (1)	12.887	--
Other (1)	56.497	129.147
	546.842	606.755

Advances received from related parties	December 31, 2025	December 31, 2024
Ram Dış Ticaret A.Ş. (1)	35.504	887.305
	35.504	887.305

ii) Sales to related parties and purchases from related parties are as follows:

Sales of products and services	January 1 -December 31, 2025	January 1 -December 31, 2024
Ram Dış Ticaret A.Ş. (1) (*)	7.063.513	8.446.532
Al Jasoor Heavy Vehicles Industry LLC (3)	79.676	268.986
Other (1)	4.833	5.412
	7.148.022	8.720.930

(*) Sales made to Ram Dış Ticaret A.Ş. consist of export registered sales made to third parties.

(1) Related parties of the group parent partner

(2) Group shareholder

(3) Joint venture

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

NOTE 28 - RELATED PARTY DISCLOSURES (Continued)

Fixed asset purchases	January 1 - December 31, 2025	January 1 - December 31, 2024
Ark İnşaat A.Ş. (1)	121.661	51.306
KoçSistem Bilgi ve İletişim Hizm. A.Ş. (1)	92.877	125.292
Entek Elektrik Üretimi A.Ş. (1)	50.976	--
Zer Merkezi Hizmetler A.Ş. (1)	34.680	31.314
Other (1)	20.755	3.785
	320.949	211.697

Inventory purchases	January 1 -December 31, 2025	January 1 -December 31, 2024
Zer Merkezi Hizmetler A.Ş. (1)	891.548	935.420
Ram Dış Ticaret A.Ş. (1)	167.659	272.218
Wat Motor Sanayi ve Ticaret A.Ş. (1)	88.278	181.237
Opet Fuchs Madeni Yağ A.Ş. (1)	65.764	77.188
Ford Otosan A.Ş. (1)	54.943	29.745
Akpa Dayanıklı Tük.Paz. A.Ş. (1)	32.211	37.979
Opet Petrolcülük A.Ş. (1)	31.053	50.163
Düzey A.Ş. (1)	29.055	9.276
Other (1)	5.546	14.133
	1.366.057	1.607.359

(1) Related parties of the group parent partner

(2) Group shareholder

(3) Joint venture

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

NOTE 28 - RELATED PARTY DISCLOSURES (Continued)

Service purchases	January 1 - December 31, 2025	January 1 - December 31, 2024
Setur Servis Turistik A.Ş. (1)	198.651	189.737
Ram Sigorta Aracılık Hz. A.Ş (1)	171.993	208.574
Ram Dış Ticaret A.Ş. (1)	160.594	193.621
Otokoç Otomotiv Tic. ve San. A.Ş. (1)	140.809	93.773
Koç Holding A.Ş. (2)	135.011	135.410
Eltek Elektrik Enerji İth.İhr.Top.Tic. A.Ş. (1)	107.775	130.997
KoçSistem Bilgi ve İletişim Hizm. A.Ş. (1)	60.100	112.663
Divan Turizm İşletmeleri A.Ş. (1)	33.979	29.587
Token Finansal Teknolojileri A.Ş. (1)	32.172	38.264
Koçdigital Çözümler A.Ş. (1)	22.811	33.866
Ingage Dijital(1)	22.359	21.251
Other (1)	60.013	57.785
	1.146.267	1.245.528
Banks deposits	December 31, 2025	December 31, 2024
Yapı ve Kredi Bankası A.Ş. (1)		
- Demand deposits	1.555	3.584
- Time deposits	2.094.947	74.755
	2.096.502	78.339
Loans	December 31, 2025	December 31, 2024
Yapı ve Kredi Bankası A.Ş. (1)	5.790.002	671.362
	5.790.002	671.362

- (1) Related parties of the group parent partner
(2) Group shareholder
(3) Joint venture

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2025, unless otherwise indicated.)

NOTE 28 - RELATED PARTY DISCLOSURES (Continued)

Other income and expenses from principal activities related to related parties as of the periods ending December 31, 2025 and 2024:

	January 1 - December 31, 2025	January 1 - December 31, 2024
Trade receivables and payables		
foreign exchange gains		
Ram Dış Ticaret A.Ş. (1)	746.423	5.758.972
Other (1)	1.894	2.491
	748.317	5.761.463

	January 1 - December 31, 2025	January 1 - December 31, 2024
Trade receivables and payables		
foreign exchange expenses		
Ram Dış Ticaret A.Ş. (1)	488.357	5.727.670
Other (1)	21.351	14.336
	509.708	5.742.006

Financial income and expenses related to related parties as of the periods ending December 31, 2025 and 2024:

	January 1 - December 31, 2025	January 1 - December 31, 2024
Interest income		
Yapı ve Kredi Bankası A.Ş. (1)	137.350	35.170
	137.350	35.170

	January 1 - December 31, 2025	January 1 - December 31, 2024
Interest expense		
Yapı ve Kredi Bankası A.Ş. (1)	575.587	182.295
	575.587	182.295

	January 1 - December 31, 2025	January 1 - December 31, 2024
Foreign exchange gains		
Yapı ve Kredi Bankası A.Ş. (1)	83.125	46.887
	83.125	46.887

- (1) Related parties of the group parent partner
(2) Group shareholder
(3) Joint venture

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2025

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NOTE 28 - RELATED PARTY DISCLOSURES (Continued)

	January 1 - December 31, 2025	January 1 - December 31, 2024
Foreign exchange expenses		
Yapı ve Kredi Bankası A.Ş. (1)	33.074	28.984
	33.074	28.984

- (1) Related parties of the group parent partner
(2) Group shareholder
(3) Joint venture

Benefits for senior executives

The total benefits provided by the Group to its senior executives in the year ended December 31, 2025 is 308.786 TL, and 95.596 TL of this amount is related to payments made due to termination of employment (December 31, 2024: The total benefits provided by the Group to its senior executives is 491.948 TL, of which 288.713 TL is related to payments made due to termination of employment.) Senior executives consist of board members, general manager, and deputy general managers.

NOTE 29 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Group is exposed to various financial risks due to its operations, including the effects of changes in debt and capital market prices, exchange rates, and interest rates. These risks are market risk (including currency risk and interest rate risk), credit risk, and liquidity risk. The Group's overall risk management program focuses on the unpredictability and volatility of financial markets and aims to minimize the potential negative effects on the Group's financial performance.

Credit Risk

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are monitored by limiting the aggregate risk from any individual counterparty (excluding related parties) and by receiving guarantees from customers when considered necessary. Credit risk of the Group mainly arises from trade receivables. The Group manages this risk that may arise from its dealers or from other customers by restricting the credit limits determined for the dealers according to the amount of guarantees received, by receiving advance payments or by receiving the pledge of ownership of the vehicles sold. Credit limits are regularly monitored by the Group and the customers' credit quality are regularly evaluated by considering the customer's financial position, past experiences and other factors. All foreign sales are made after receiving confirmed letters of credit. Military vehicle sales are made to domestic or foreign governmental institutions or to companies acting as agents to these institutions; accordingly, the Group does not anticipate any collection risk related to military vehicle sales. Trade receivables are evaluated by management based on their past experiences and current economic condition, and are presented in financial statements net of provision for doubtful receivables (Note 9).

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NOTE 29 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

December 31, 2025	Trade receivables	Other receivables	Bank deposit
Maximum credit risk exposure as of reporting date (A+B+C+D+E) (1)	15.821.940	4.615	6.724.890
-Maximum risk secured by guarantee (2)	3.482.292	--	--
A. Net book value of financial assets neither overdue nor impaired	15.821.940	4.615	6.724.890
B. Net book value of financial assets of which conditions are negotiated, otherwise considered as impaired or overdue	--	--	--
C. Net book value of assets overdue but not impaired	--	--	--
D. Net book value of impaired assets	--	--	--
- Overdue (gross book value)	--	--	--
- Impairment (-) (Note 9)	--	--	--
- Net value under guarantee	--	--	--
- Not overdue (gross book value)	340.438	--	--
- Impairment (-)	(340.438)	--	--
- Net value under guarantee	--	--	--
E. Off- balance sheet items having credit risk	--	--	--

December 31, 2024	Trade receivables	Other receivables	Bank deposit
Maximum credit risk exposure as of reporting date (A+B+C+D+E) (1)	15.561.725	6.401	1.925.111
-Maximum risk secured by guarantee (2)	3.535.889	--	--
A. Net book value of financial assets neither overdue nor impaired	15.561.725	6.401	1.925.111
B. Net book value of financial assets of which conditions are negotiated, otherwise considered as impaired or overdue	--	--	--
C. Net book value of assets overdue but not impaired	--	--	--
D. Net book value of impaired assets	--	--	--
- Overdue (gross book value)	--	--	--
- Impairment (-) (Note 9)	--	--	--
- Net value under guarantee	--	--	--
- Not overdue (gross book value)	362.114	--	--
- Impairment (-)	(362.114)	--	--
- Net value under guarantee	--	--	--
E. Off- balance sheet items having credit risk	--	--	--

- (1) Guarantees received and factors increasing the loan reliability are not considered when determining this amount.
(2) Guarantees consist of guarantee notes, guarantee checks, mortgages and car pledges received from customers.

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

The ability to fund existing and prospective debt requirements are managed by maintaining the availability of adequate committed funding lines from high quality lenders.

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NOTE 29 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

As of December 31, 2025 and 2024, maturities of gross trade payables and financial liabilities are as follows:

December 31, 2025

Maturity per agreements	Book value	Total cash outflow per agreements (=I+II+III+IV)	Less than 3 month (I)	Between 3-12 month (II)	Between 1-5 years (III)
Non-derivative financial liabilities					
Bank loans	34.474.191	44.210.768	7.591.837	14.377.211	22.241.720
Lease liabilities	77.079	93.191	13.878	30.731	48.582
Trade payables	7.477.844	7.477.844	7.477.844	--	--

Expected maturity

Non-derivative financial liabilities					
Other payables	2.977.822	2.977.822	2.977.822	--	--
Other short-term liabilities	225.446	225.446	225.446	--	--

December 31, 2024

Maturity per agreements	Book value	Total cash outflow per agreements (=I+II+III+IV)	Less than 3 month (I)	Between 3-12 month (II)	Between 1-5 years (III)
Non-derivative financial liabilities					
Bank loans	27.617.813	35.916.976	4.336.554	7.875.988	23.704.434
Lease liabilities	216.718	283.602	33.464	74.103	176.035
Trade payables	6.856.668	6.856.668	6.856.668	--	--

Expected maturity

Non-derivative financial liabilities					
Other payables	44.659	44.659	44.659	--	--
Other short-term liabilities	447.503	447.503	447.503	--	--

Expected (or maturity per agreement)

Derivative financial liabilities					
Derivative cash inflows	1.683.274	1.683.274	1.683.274	--	--
Derivative cash outflows	(1.693.305)	(1.693.305)	(1.693.305)	--	--

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

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NOTE 29 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Market Risk

a) Foreign currency risk and related sensitivity analysis

The Group is exposed to the foreign exchange risk through the rate changes at the translation of foreign currency denominated liabilities to local currency. These risks are monitored and limited by analyzing the foreign currency position. Currency risk is monitored and limited by analyzing the foreign currency position. The Group follows a policy of diversifying its foreign currency position in order to manage the foreign currency risk that may arise due to future operations and recognized assets and liabilities.

The accompanying table represents the foreign currency risk of the assets and liabilities of the Group in the original currencies:

December 31, 2025		TRY equivalent (functional currency)	USD	EUR	GBP
1.	Trade receivables	13.407.185	133.286	152.503	--
2a.	Monetary financial assets (including cash, bank accounts)	618.473	418	11.903	--
2b.	Non-monetary financial assets	--	--	--	--
3.	Other	113.368	1.339	1.109	--
4.	Current assets (1+2+3)	14.139.026	135.043	165.515	--
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)	14.139.026	135.043	165.515	--
10.	Trade payables	(3.051.170)	(24.007)	(40.066)	(12)
11.	Financial liabilities	(7.285.766)	(44.685)	(106.445)	--
12a.	Monetary other liabilities	(87.115)	(1.931)	(86)	--
12b.	Non-monetary other liabilities	--	--	--	--
13.	Current liabilities (10+11+12)	(10.424.051)	(70.623)	(146.597)	(12)
14.	Trade payables	--	--	--	--
15.	Financial liabilities	(3.983.241)	--	(78.949)	--
16a.	Monetary other liabilities	--	--	--	--
16b.	Non-monetary other liabilities	--	--	--	--
17.	Non-current liabilities (14+15+16)	(3.983.241)	--	(78.949)	--
18.	Total liabilities (13+17)	(14.407.292)	(70.623)	(225.546)	(12)
19.	Net asset/(liability) position of off-balance sheet derivative instruments(19a-19b)	--	--	--	--
19a.	Hedged total assets amount	--	--	--	--
19b.	Hedged total liabilities amount	--	--	--	--
20.	Net foreign currency asset/(liability) position (9+18+19)	(268.266)	64.420	(60.031)	(12)
21.	Net foreign currency asset/(liability) position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a)	(381.634)	63.080	(61.140)	(12)
22.	Total fair value of financial instruments used for foreign currency hedging	--	--	--	--
23.	Export	35.155.760	164.127	552.038	268.833
24.	Import	32.336.808	520.003	199.178	552

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

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NOTE 29 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

December 31, 2024	TRY equivalent (functional currency)	USD	EUR	GBP
1. Trade receivables	10.651.863	124.224	102.396	--
2a. Monetary financial assets (including cash, bank accounts)	793.117	1.664	14.895	--
2b. Non-monetary financial assets	--	--	--	--
3. Other	83	2	--	--
4. Current assets (1+2+3)	11.445.063	125.890	117.291	--
5. Trade receivables	--	--	--	--
6a. Monetary financial assets	--	--	--	--
6b. Non-monetary financial assets	--	--	--	--
7. Other	165	--	3	--
8. Non-current assets (5+6+7)	165	--	3	--
9. Total assets (4+8)	11.445.228	125.890	117.294	--
10. Trade payables	(3.324.061)	(36.542)	(33.967)	(99)
11. Financial liabilities	(3.544.324)	(8.211)	(65.825)	--
12a. Monetary other liabilities	(1.570.908)	(7.065)	(25.890)	--
12b. Non-monetary other liabilities	--	--	--	--
13. Current liabilities (10+11+12)	(8.439.293)	(51.818)	(125.682)	(99)
14. Trade payables	--	--	--	--
15. Financial liabilities	(3.144.788)	--	(65.389)	--
16a. Monetary other liabilities	--	--	--	--
16b. Non-monetary other liabilities	--	--	--	--
17. Non-current liabilities (14+15+16)	(3.144.788)	--	(65.389)	--
18. Total liabilities (13+17)	(11.584.081)	(51.818)	(191.071)	(99)
19. Net asset/(liability) position of off-balance sheet derivative instruments(19a-19b)	(6.456)	(36.650)	35.000	--
19a. Hedged total assets amount	1.683.273	--	35.000	--
19b. Hedged total liabilities amount	(1.689.729)	(36.650)	--	--
20. Net foreign currency asset/(liability) position (9+18+19)	(145.309)	37.422	(38.777)	(99)
21. Net foreign currency asset/(liability) position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a)	(139.102)	177.706	308.362	99
22. Total fair value of financial instruments used for foreign currency hedging	10.032	10.032	--	--
23. Export	28.259.647	123.560	431.804	31.011
24. Import	11.895.288	92.477	155.575	2.582

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NOTE 29 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The following table demonstrates the sensitivity to a possible change of 10% in the USD, Euro and GBP exchange rates, with all other variables held constant, on the Group's income before tax as of December 31, 2025 and 2024:

	Profit before tax Appreciation of foreign currency	Profit before tax Depreciation of foreign currency
December 31, 2025		
In case 10% appreciation of USD against TRY		
1- USD net asset/liability	276.120	(276.120)
2- Amount hedged for USD risk (-)	--	--
3- USD net effect (1+2)	276.120	(276.120)
	--	--
In case 10% appreciation of EUR against TRY:		
4- EUR net asset/liability	(302.879)	302.879
5- Amount hedged for EUR risk (-)	--	--
6- EUR net effect (4+5)	(302.879)	302.879
	--	--
In case 10% appreciation of GBP against TRY		
7- GBP net asset/liability	(68)	68
8- Amount hedged for GBP risk (-)	--	--
9- GBP net effect (7+8)	(68)	68
	--	--
Total (3+6+9)	(26.827)	26.827
	--	--
	Profit before tax Appreciation of foreign currency	Profit before tax Depreciation of foreign currency
December 31, 2024		
In case 10% appreciation of USD against TRY		
1- USD net asset/liability	172.532	(172.532)
2- Amount hedged for USD risk (-)	--	--
3- USD net effect (1+2)	172.532	(172.532)
	--	--
In case 10% appreciation of EUR against TRY:		
4- EUR net asset/liability	(186.492)	186.492
5- Amount hedged for EUR risk (-)	--	--
6- EUR net effect (4+5)	(186.492)	186.492
	--	--
In case 10% appreciation of GBP against TRY		
7- GBP net asset/liability	(570)	570
8- Amount hedged for GBP risk (-)	--	--
9- GBP net effect (7+8)	(570)	570
	--	--
Total (3+6+9)	(14.530)	14.530

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NOTE 29 - NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

b) Interest position table and related sensitivity analysis

Interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are not substantially subject to changes in market interest rates.

The Group's interest rate risk arises from short-term borrowings and time deposits. The Group has obtained fixed rate bearing borrowings and time deposits. However the borrowings and time deposits that the Group is going to obtain in future will be affected from future interest rates.

As of December 31, 2025 and 2024, the financial liabilities of the Group are consisted of fixed rate bank borrowings.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with other companies in the industry, the Company monitors capital on the basis of the gearing factor. This factor is calculated as net financial liability divided by total capital. Net financial liability is calculated as total borrowings (including borrowings as shown in balance sheet) less cash and cash equivalents.

	December 31, 2025	December 31, 2024
Total financial debt (Note 6)	34.551.270	27.834.531
Less: Cash and cash equivalents (Note 5)	(6.730.623)	(1.925.922)
Net financial debt	27.820.647	25.908.609
Total equity	8.548.807	10.717.740
Financial debt/shareholders' equity factor	% 325	% 242

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

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NOTE 30 - FINANCIAL INSTRUMENTS

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1),
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2),
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's assets that are measured at fair value at December 31, 2025 and 2024:

December 31, 2025				
Liabilities	Level 1	Level 2	Level 3	Total
Derivative financial instruments	--	--	--	--
	--	--	--	--
December 31, 2024				
Assets	Level 1	Level 2	Level 3	Total
Derivative financial instruments	--	10.031	--	--
	--	10.031	--	--

Fair value is the amount for which a financial instrument could be exchanged between willing parties in an arm's length transaction, other than in a forced sale or liquidation, and is best determined, if available, by reference to a quoted market price.

The estimated fair values of the financial instruments have been determined by the Group using available market information and appropriate valuation methodologies. Estimates are used in interpreting market data and in the fair value estimation process. Accordingly, the estimates presented herein may not necessarily represent the amounts that the Group could realize in a current market transaction.

The Group considers that the carrying amounts of its financial instruments approximate their fair values.

Financial assets – It is assumed that the fair values of financial assets approximate their carrying amounts due to their short-term nature and the insignificance of credit losses.

Financial liabilities – It is assumed that the fair values of trade payables and other monetary liabilities approximate their carrying amounts due to their short-term nature. The fair value of long-term fixed-interest bank borrowings, when evaluated using the prevailing fixed interest rates as of the reporting date, has been determined to approximate their carrying amounts. Short-term borrowings are also assumed to reflect their fair values due to their short maturities.

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NOTE 31 – EXPLANATIONS ON NET MONETARY POSITION GAINS/(LOSSES)

Non-monetary items	December 31, 2025	December 31, 2024
Statement of financial position items	4.253.405	4.876.516
Inventories	2.884.874	3.305.155
Property, plant and equipment and intangible assets	4.550.369	4.223.991
Deferred tax assets	337.226	452.148
Contract liabilities	(1.073.045)	(339.630)
Capital adjustment differences	(586.555)	(749.575)
Restricted reserves	(453.687)	(578.634)
Other comprehensive expenses not to be reclassified to profit or loss	207.948	452.314
Other comprehensive income to be reclassified to profit or loss	352.438	398.649
Retained earnings	(1.956.453)	(2.270.027)
Other	(9.710)	(17.875)
Statement of profit or loss items	1.178.951	1.042.423
Revenue	(4.330.952)	(3.308.798)
Cost of sales	3.559.066	2.719.086
Research and development expenses	471.484	216.252
Marketing, selling and distribution expenses	458.590	617.130
General administrative expenses	187.276	187.854
Other operating income/expenses	255.857	195.472
Income from investing activities	41.207	5.606
Financial income/expense	536.423	409.821
Net monetary gain/(loss)	5.432.356	5.918.939

NOTE 32 – FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITORS

The Group's disclosure regarding the fees for services provided by independent audit firms, which has been prepared in accordance with the Board Decision published by the Public Oversight Authority (KGK) in the duplicate Official Gazette dated 30 March 2021, and based on the KGK letter dated 19 August 2021 setting out the preparation principles, is presented below:

	January 1 - December 31, 2025	January 1 - December 31, 2024
Independent audit fee for the reporting period	9.710	7.936
Fee for other assurance services	599	105
Fees for services other than independent auditing	828	902
	11.137	8.943

The fees above have been determined by including statutory audit and other related service fees of all subsidiaries, and the fees of foreign subsidiaries denominated in foreign currencies have been translated into TL using the annual average exchange rates of the respective years. In order to present the information in accordance with TFRS, the amounts have been adjusted for changes in the purchasing power of TL.

NOTE 33 – SUBSEQUENT EVENTS

The Company has signed a memorandum of understanding with the shareholders of Automecanica S.A., a defense industry company operating in Romania, setting out the main principles for the acquisition of shares representing 96.77% of its share capital. The transaction value is expected to be determined based on an enterprise value of approximately EUR 87.8 million and will be subject to net debt and working capital closing adjustments. Completion of the transaction is contingent upon the satisfactory outcome of the due diligence process, the execution of the Share Purchase Agreement, and obtaining the necessary approvals from the relevant authorities in Romania. The closing is targeted to be finalized by the end of April 2026, and the Company may transfer its rights and obligations under the transaction to its wholly owned subsidiary, Otokar Land Systems SRL.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

INFORMATION DOCUMENT CONCERNING THE GENERAL ASSEMBLY TO CONVENE ON 10.03.2026 TO REVIEW 2025 ACTIVITIES

1. INVITATION TO THE ORDINARY GENERAL ASSEMBLY ON 10.03.2026

The Ordinary General Assembly of Otokar Otomotiv ve Savunma Sanayi A.Ş. will convene to review the activities of the company in 2025 and to discuss the agenda detailed below at 2:30 p.m. on Tuesday, 10.03.2026 at the Divan İstanbul Hotel, Asker Ocağı Cad. No: 1, Elmadağ, Şişli, İstanbul (Phone: 0 212 315 55 00).

The Annual Report, which includes Financial Statements related to the 2025 fiscal year, Independent Audit Report prepared by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., Dividend Distribution Proposal, Corporate Governance and Sustainability Principles Compliance Reports; the TSRS-Compliant Sustainability Report for 2024, containing our disclosures pursuant to the Turkish Sustainability Reporting Standards, published by the Public Oversight, Accounting & Auditing Standards Authority (POA); and the detailed Information Document that includes these agenda items and the required disclosures for compliance with the Capital Markets Board Regulations will be made available for the shareholders to view within the legal period of three weeks, excluding the announcement and meeting dates, before the Annual General Assembly Meeting at the company headquarters, on the corporate website www.otokar.com.tr, and the Public Disclosure Platform, and the Electronic Annual General Meeting System of Central Registry Agency.

Shareholders who will not be able to attend the Annual General Assembly Meeting in person, without prejudice to the rights and obligations of shareholders who will participate electronically, must submit their powers of attorney – bearing their notarized signatures – to the company according to the form available or provide a copy of the power of attorney through Yapı Kredi Yatırım Menkul Değerler A.Ş. (Yapı Kredi Plaza / Levent - İstanbul), relevant departments of the company or the corporate website at www.otokar.com.tr, by also fulfilling the conditions stipulated in “Communiqué on Voting by Proxy and Proxy Solicitation”, No. II-30.1, published in the Official Gazette No. 28816 on 24.12.2013. **The Proxy who is assigned electronically via the Electronic General Meeting System is not required to submit a printed power of attorney document. The powers of attorney that do not conform with the conditions stipulated by the Communiqué and the form annexed to the invitation will definitely not be accepted due to our legal obligations.**

Shareholders intending to vote via the Electronic General Meeting System are requested to obtain information from the Central Registry Agency, our company's website at www.otokar.com.tr or from the company headquarters (Phone: 0 216 489 29 50) to ensure that they comply with the provisions of the applicable regulations and communiqués.

Pursuant to article 415 clause 4 of the New Turkish Commercial Code No. 6102 and article 30 clause 1 of the Capital Markets Law, the right to participate and vote in the Annual General Assembly Meeting is not dependent on the condition to deposit the shares. Accordingly, shareholders who wish to attend the General Assembly Meeting are not required to block their shares.

In accordance with Law No. 6698 on Protection of Personal Data, detailed information on processing your personal data by our company is provided in the Personal Data Protection and Processing Policy of Otokar Otomotiv ve Savunma Sanayi A.Ş., which is available on www.otokar.com.tr.

At the Ordinary General Assembly Meeting, the voters will use open voting system by a show of hands, without prejudice to the provisions of electronic voting regarding the voting of each item on the agenda.

All shareholders, stakeholders, and members of the media are invited to attend the General Assembly Meeting.

Pursuant to the Capital Markets Law, shareholders holding registered shares that are traded on the stock exchange will not receive a separate registered invitation letter for the meeting.

Submitted to the esteemed shareholders with due respect.

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş. BOARD OF DIRECTORS

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ ANONİM ŞİRKETİ

INFORMATION DOCUMENT CONCERNING THE GENERAL ASSEMBLY TO CONVENE ON 10.03.2026 TO REVIEW 2025 ACTIVITIES

OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş.

Headquarters Address: Taşdelen Mahallesi Sırrı Çelik Bulvarı No. 5 34788 Çekmeköy - İstanbul

Trade Registry and Number: İstanbul - 83467

Mersis No: 0649001827200034

2. ADDITIONAL DISCLOSURES PER CMB REGULATIONS

Pursuant to Capital Market Board's (CMB) Corporate Governance Communiqué II-17.1, the additional required disclosures regarding the agenda topics are provided in the relevant item below and other mandatory general disclosures in this section:

2.1 Shareholding Structure and Voting Rights

There are no distinctions in terms of privileged share groups at Otokar. The voting rights of the shareholders at the time this document is made public are provided in the table below:

Shareholder	Share (TL)	Share (%)	Votes	Votes (%)
Koç Holding A.Ş.	56,850,123	47.38	5,685,012,277	47.38
Ünver Holding A.Ş.	29,774,719	24.81	2,977,471,915	24.81
Free Float	33,375,158	27.81	3,337,515,808	27.81
Total	120,000,000	100.00	12,000,000,000	100.00

The main shareholder Koç Holding A.Ş. is controlled by Koç Family and companies that Koç Family owns. The shareholder Ünver Holding A.Ş. is controlled by Ünver Family.

2.2. Changes in the Management and Operations of the Company that may Materially Affect the Activities of the Company and the Subsidiaries

In terms of the strategic goals of Otokar Otomotiv ve Savunma Sanayi A.Ş., there were no changes in the management or operations in 2025 that could materially affect the activities of the company or its subsidiaries. No material changes are planned in management and operations for upcoming accounting periods. Material disclosures made by our company according to applicable legislation can be found at www.kap.org.tr.

2.3. Information on Shareholders' Requests for Inclusion of a Topic in the Agenda

Information on shareholders' written requests submitted to the Investor Relations Department for inclusion of a topic in the agenda, rejected requests and the reasons thereof in the event that the Board of Directors did not accept such requests are provided below:

No such requests were received for the Ordinary General Assembly where the 2025 activities will be discussed.

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3. REMARKS ON THE AGENDA TOPICS OF THE ORDINARY GENERAL ASSEMBLY ON 10.03.2026

1. Opening and election of the chairman to preside over the meeting.

The election of the Chairman to preside over the Ordinary General Assembly will be carried out in accordance with the provisions of the Turkish Commercial Code No. 6102 ("TCC") and the Regulation on the Procedures and Principles Applicable to Ordinary General Assemblies of Joint Stock Companies and the Representatives of the Ministry of Customs and Commerce to Attend Ordinary General Assembly (the "Regulation" or the "General Assembly Regulation"), and article 7 of the General Assembly Internal Directive. The Chairman of the General Assembly will appoint at least one Secretary to record the minutes of the meeting in accordance with the General Assembly Internal Directive. The Chairman may also select sufficient number of vote collectors.

2. Presentation of the 2025 Annual Report, prepared by the Board of Directors, for discussion and approval.

Information on the 2025 Annual Report, made available for shareholders to review at the company's Headquarters, on the Electronic General Assembly portal of the Central Registry Agency and on our company's website at www.otokar.com.tr for three weeks preceding the Ordinary General Assembly, in accordance with the TCC, the Regulation and the regulations under the Capital Markets Law will be provided, and the 2025 Annual Report will be presented for discussion by and approval of the shareholders.

3. Presentation of the Summary Independent Audit Report for the 2025 fiscal year.

Information concerning the Independent Auditor's Report, prepared pursuant to the regulations of the Capital Markets Board and the TCC and made available three weeks prior to the General Assembly meeting at the company's Headquarters, on the Electronic General Assembly portal of the Central Registry Agency and on our company's website at www.otokar.com.tr, will be presented to the General Assembly.

4. Presentation, discussion and approval of the company's Financial Statements for the 2025 fiscal year.

Information on our financial statements and statutory financial statements issued in accordance with the Tax Procedure Law that were made available for shareholders to review at the company's Headquarters, on the Electronic General Assembly portal of the Central Registry Agency and on our company's website at www.otokar.com.tr for three weeks preceding the Ordinary General Assembly pursuant to the TCC, the Regulation and the regulations concerning the Capital Markets Law will be presented for discussion and approval of the shareholders.

5. Presentation of the 2024 TSRS-Compliant Sustainability Report for discussion and approval.

Information on the 2024 TSRS-Compliant Sustainability Report, made available for shareholders to review at the company's Headquarters, on the Electronic General Assembly portal of the Central Registry Agency and on our company's website at www.otokar.com.tr for three weeks preceding the Ordinary General Assembly, and assured by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. as a requirement, will be presented for discussion and approval of the shareholders.

6. Release of each member of the Board of Directors individually for the affairs of the company in 2025.

Release of the members of the Board of Directors individually with respect to the activities, transactions and accounts in 2025 according to the provisions of the TCC and the Regulation will be submitted to the General Assembly for approval.

7. Approval, approval with modifications or refusal of the Board of Directors' proposal pertaining to when and how the profit of 2025 will be distributed in accordance with the company's dividend policy.

According to the financial statements for the accounting period of 01.01.2025-31.12.2025, prepared by the company in accordance with the provisions of the Turkish Commercial Code and the Capital Markets Law and audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi, the corporation has reported a Consolidated Net Loss for the Period amounting to TL 1,458,959,089.

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The table showing our dividend distribution proposal, which was prepared by taking into account our Dividend Policy, long-term strategies, investment and financing policies, and the profitability and cash position in line with the Communiqué on Dividends II-19.1 and the Profit Distribution Guidelines announced in accordance with this Communiqué is provided in **ATTACHMENT/1**.

8. Determining the number of members of the Board of Directors and their terms of office, election in accordance with the resolved number, and election of the independent members of the Board of Directors.

New members will be elected to replace the existing members of the Board of Directors whose term has ended in accordance with the principles regarding the election of Board members or as set forth in the company's Articles of Association pursuant to CMB regulations, the TCC and the Regulation. In addition, independent member(s) will be elected to the Board to ensure compliance with the CMB's Corporate Governance Communiqué II-17.1.

Pursuant to article 11 of the Articles of Association, the company is managed by a Board of Directors composed of minimum five (5) members who are elected for a maximum term of 3 years by the General Assembly as per the provisions of the Turkish Commercial Code. The General Assembly may resolve to renew the Board of Directors even if its term has not yet ended.

Three of the nominees for the Board of Directors, which is proposed to consist of nine members, are required to meet the criteria for independency as defined in CMB's mandatory Corporate Governance Principles.

Upon the proposal of the Corporate Governance Committee, which has evaluated the candidates presented to it, Ms. Fatma Füsün Akkal Bozok, Mr. Kamil Ömer Bozer, and Mr. Ahmet Turul have been nominated by the Board of Directors as Independent Members in the Board of Directors. The company has applied to the CMB for approval, and unless a negative opinion is expressed, the nominated Independent Board Members will be presented to the General Assembly for approval.

The résumés of the nominees for the Board of Directors and the declarations of independence of the independent members are provided in **ATTACHMENT/2**.

9. Presentation of the Remuneration Policy for Senior Executives and Members of the Board of Directors, and payments made thereof pursuant to the Corporate Governance Principles to the shareholders for approval.

Pursuant to CMB's mandatory Corporate Governance Principle 4.6.2, principles applicable for remuneration of the members of the Board of Directors and the senior management must be in writing and presented to the shareholders under a separate agenda topic, and the shareholders must be given the opportunity to express their views. The revised remuneration policy prepared for this purpose is provided in **ATTACHMENT/3**. Otokar Otomotiv ve Savunma Sanayi A.Ş. has disclosed information about the benefits provided to the Board Members and Senior Executives in 2025 in note 28 to the financial statements for the 2025 fiscal year.

10. Resolution of the annual gross salaries to be paid to the members of the Board of Directors.

The amount of the annual gross salaries to be paid to the members of the Board of Directors during the 2026 fiscal year in accordance with the Remuneration Policy, presented to the approval of the shareholders in the agenda item 9, will be determined by the shareholders.

11. Approval of the appointment of the independent audit firm selected by the Board of Directors pursuant to the provisions of the Turkish Commercial Code and the Capital Markets Board and the Public Oversight, Accounting and Auditing Standards Authority regulations.

Pursuant to the provisions of the Turkish Commercial Code and the Capital Markets Board and the Public Oversight, Accounting and Auditing Standards Authority (POA) regulations, the Board of Directors, in its resolution dated 9.02.2026, has decided upon consultation with the Audit Committee, to appoint Güney Bağımsız Denetim ve Serbest

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Muhasebeci Mali Müşavirlik Anonim Şirketi to audit the financial statements of the company for the 2025 accounting period; and provided that it is authorized by POA to conduct independent sustainability auditing, to perform other tasks, including but not limited to mandatory sustainability assurance audits on the disclosures to be issued in accordance with the Turkish Sustainability Reporting Standards issued by POA. This appointment will be presented to the General Assembly for approval.

12. Providing information to the shareholders regarding the donations made by the company in 2025 in accordance with the Donation and Sponsorship Policy and determining an upper limit for donations to be made in 2026.

Otokar Otomotiv ve Savunma Sanayi A.Ş.'s Donation and Sponsorship Policy, approved by the Board of Directors on March 3, 2021 and disclosed to the public, was submitted to and confirmed by the shareholders at the General Assembly Meeting on March 17, 2021 as per Corporate Governance Principle 1.3.10, which states "Donation and aid policy is created and submitted to the General Assembly for approval."

According to article 6 of the Capital Market Board's Communiqué on Dividends II-19.1, the limit of donations should be determined at the Ordinary General Assembly in cases when it is not addressed in the Articles of Association. Donations and payments made should be presented to the shareholders at the Ordinary General Assembly. The donations made to foundations and associations in 2024 per the company's Donation and Sponsorship Policy amounted to TL29,948,801 (corresponding to TL 35,189,865 based on the purchasing power on December 31, 2025). Of this nominal amount, TL 17,634,600 was donated to the Sakarya Metropolitan Municipality, TL 5,100,984 to Koç University, TL 3,000,240 to Kuzeydoğa Association, TL 2,481,777 to Arifiye Municipality, TL 950,000 to Vehbi Koç Foundation, and the remainder to various other institutions and organizations. These other donations are each lower than TL 700,000 and are not materially significant for the investors. The upper limit for donations in 2026 will be determined by the General Assembly.

13. Pursuant to Capital Markets Board regulations, informing the shareholders about the income or benefits obtained in 2025 through guarantees, pledges, liens, and sureties extended by the company and its subsidiaries to third parties.

Pursuant to Article 12 of the Corporate Governance Communiqué No. II-17.1 of the Capital Markets Board, the topic of income or benefits obtained through guarantees, pledges, liens and sureties given by the company and its subsidiaries to third parties should be included as a separate agenda item of the Ordinary Annual General Assembly Meeting. This is mentioned in note 16 to the Financial Statements dated 31.12.2025.

14. Authorizing the shareholders with management control, the members of the Board of Directors, the senior executives and their spouses and relatives related by blood or affinity up to the second degree pursuant to Articles 395 and 396 of the Turkish Commercial Code and CMB regulations; and advising the shareholders about the transactions carried out thereof in 2025 according to the Corporate Governance Communiqué of the Capital Markets Board.

According to the first paragraph of article 395, "Ban on Execution of Transactions with the company and on Borrowing from the company", and article 396, "Ban on Competition" of the TCC, the relevant transactions by members of the Board of Directors can only be possible with the approval of the General Assembly.

Pursuant to CMB's mandatory Corporate Governance Principle 1.3.6, in the event that the shareholders with management control, members of the Board of Directors, senior executives with administrative authority, and their spouses and blood relatives up to the second degree engage in transactions that may result in a significant conflict of interest due to their affiliations or related partnerships, and/or perform a transaction on their own or others' behalf in an area that has the same commercial business as the parent company or its subsidiaries and affiliates, the said transactions will be presented to the General Assembly under a separate agenda topic and recorded in the minutes of

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the Ordinary General Assembly. In order to fulfill the requirements of these regulations, the aforementioned permission will be presented to the shareholders for approval at the General Assembly.

Additionally, the shareholders will be advised about the transactions of this nature during the year, and that some of the shareholders, members of the Board of Directors, executives with administrative responsibilities and their spouses, blood relatives up to the second degree, can be engaged in other activities including those with similar activities to the company's, and that they may serve as a Board member or executive at Koç Group or Ünver Group companies. In 2025, there was no materially significant transaction requiring disclosure within the scope of the principle 1.3.6 of the Corporate Governance Communiqué.

15. Wishes and Opinions.

ATTACHMENTS

- | | |
|---------------------|--|
| ATTACHMENT/1 | The Board of Directors' Dividend Proposal for the Profit of 2025 and Dividend Proposal Table (See page 37) |
| ATTACHMENT/2 | Résumés of the Candidates for the Board of Directors and the Declarations of Independence of the Independent Member Candidates (see pages 38-41) |
| ATTACHMENT/3 | Remuneration Policy for Senior Management and the Members of the Board of Directors (See page 42) |

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CORPORATE GOVERNANCE COMPLIANCE REPORT

I. CORPORATE GOVERNANCE COMPLIANCE REPORT (URF)

	Yes	Partial	No	Exempt	N/A	Explanation
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2. Up-to-date information and disclosures, which may affect the exercise of shareholder rights, are available to investors on the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1. Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2. The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7. Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	No such transaction has been reported.
1.3.8. Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10. The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.		X				Donations made by the company are provided in a separate item on the General Assembly agenda and the details of the donations with the highest amounts are included in the General Assembly information document. The remaining amount, not detailed in the information document, consists of various donations, each lower than TL 700,000 made to various institutions and organizations and that are not of material significance for investors. Donations lower than this amount are not followed by the investors and the company has plans to continue disclosing this materiality limit in the coming years.
1.3.11. The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					
1.4. VOTING RIGHTS						
1.4.1. There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2. The company does not have shares that carry privileged voting rights.	X					
1.4.3. The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	Otokar Otomotiv ve Savunma Sanayi A.Ş. does not have any cross-ownership associated with a controlling relationship.

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CORPORATE GOVERNANCE COMPLIANCE REPORT

	Yes	Partial	No	Exempt	N/A	Explanation
1.5. MINORITY RIGHTS						
1.5.1. The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2. The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Minority rights for shareholders holding less than one twentieth of the capital have not been defined in the articles of association, and the rights have been defined within the frame of general provisions in the legislation. The investors have not expressed any interest in this matter while the company follows the best practices and does not foresee any changes in the near future.
1.6. DIVIDEND RIGHT						
1.6.1. The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2. The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3. The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4. The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1. There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1. The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2. The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4. The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT						
2.2.1. The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2. The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					

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CORPORATE GOVERNANCE COMPLIANCE REPORT

	Yes	Partial	No	Exempt	N/A	Explanation
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1. The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3. Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4. A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5. The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1. The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
3.2.2. Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1. The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2. Recruitment criteria are documented.	X					
3.3.3. The company has a policy on human resources development, and organizes trainings for employees.	X					
3.3.4. Meetings have been organized to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5. Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6. Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7. Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8. The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9. A safe working environment for employees is maintained.	X					

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	Yes	Partial	No	Exempt	N/A	Explanation
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1. The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2. Customers are notified of any delays in handling their requests.	X					
3.4.3. The company complied with the quality standards with respect to its products and services.	X					
3.4.4. The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1. The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2. The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1. The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2. The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1. The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2. Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3. The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4. Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5. The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7. The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8. The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					

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	Yes	Partial	No	Exempt	N/A	Explanation
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9. The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	X					
4.3.10. At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1. Each board member attended the majority of the board meetings in person.	X					
4.4.2. The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3. The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	Even though expressing an opinion in writing is possible, Board members who were unable to attend the meetings have not communicated such a request.
4.4.4. Each member of the board has one vote.	X					
4.4.5. The board has a charter/written internal rules defining the meeting procedures of the board.	X					

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	Yes	Partial	No	Exempt	N/A	Explanation
4.4.6. Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7. There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				Considering that Board members contribute significantly to the Board with their business experience and industry knowledge, they are not restricted in terms of assuming other duties outside the company. The résumé of each Board member and their external duties are provided in the annual report. Given the effective functioning of the Board, no changes to the current practice are anticipated in the near future since no negative consequence has been observed in terms of corporate governance.
4.5. BOARD COMMITTEES						
4.5.5. Board members serve in only one of the Board's committees.			X			Committees are formed by considering the knowledge and experience of the Board members in compliance with the applicable regulations and some Board members serve on multiple committees. Board members serving on more than one committee facilitate communication and increase the opportunities for cooperation between committees handling related subjects. Considering the efficient work of the Board members with their wealth of knowledge and experience, the current committee structure is deemed effective and no changes are anticipated in the near future.

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	Yes	Partial	No	Exempt	N/A	Explanation
4.5.6. Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7. If external consultancy services are used, the independence of the provider is stated in the annual report.					X	Such a consultancy service has not been procured.
4.5.8. Minutes of all committee meetings are kept and reported to board members.	X					

4.6. FINANCIAL BENEFITS EXTENDED TO BOARD MEMBERS AND SENIOR EXECUTIVES

4.6.1. The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
4.6.4. The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favor of them.	X					
4.6.5. The individual remuneration of board members and executives is disclosed in the annual report.			X			Remunerations provided to the Board members and executives with administrative responsibilities are provided in the notes to the financial statements and disclosed to the public as a total figure. Given that this matter is important due to the privacy of personal data, practices in the market are followed with plans to act in line with the wide-spread preferences.

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CORPORATE GOVERNANCE COMPLIANCE REPORT

II. CORPORATE GOVERNANCE INFORMATION FORM (KYBF)

1. SHAREHOLDERS

1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organized by the company during the year	In 2025, 24 online and 2 in-person investor conferences, 4 in-person investor meetings, and 57 teleconferences were held.
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	-
The number of special audit requests that were accepted at the General Shareholders' Meeting	-
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/tr/Bildirim/1396363
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Yes, provided.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There is no such transaction.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	There is no such transaction.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	Material disclosure regarding common and continuous transactions can be found at https://www.kap.org.tr/tr/Bildirim/1396359
The name of the section on the corporate website that demonstrates the donation policy of the company	The Donation and Sponsorship Policy is available on the corporate website under Investor Relations/Corporate Governance.
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/tr/Bildirim/918881
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Article 15-a
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	General Assembly Meeting was open to the public, including stakeholders and the media without speaking rights.
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares	-
The percentage of ownership of the largest shareholder	47.38%
1.5. Minority Rights	
Whether minority rights have been expanded (in terms of content or ratio) in the company's Articles of Association	No
If minority rights have been expanded in terms of content and ratio, indicate the number of the relevant article of the Articles of Association.	-
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Investor Relations/Corporate Governance/Dividend Policy

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<p>Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend</p>	<p>The motion of the Board of Directors regarding dividend distribution for 2024 was read out and opened for deliberations. Given that the financial statements prepared by the company for the accounting period of January 1-December 31, 2024, in accordance with Turkish Financial Reporting Standards (TFRS) and audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. resulted in a net consolidated loss of TL 3,104,429,028, and the statutory financial statements prepared according to the Tax Procedure Law (TPL) resulted in a current year loss of TL 3,218,613,701, the Board of Directors proposed the following:</p> <ul style="list-style-type: none"> • Not to allocate 5% first rank legal reserve for 2024 required by Article 519 of the Turkish Commercial Code since the amount of first rank legal reserve has already reached 20% of share capital in tax books as of December 31, 2024. • Within the framework of Capital Markets legislation, Article 19 of the Company's Articles of Association, and the Dividend Policy approved by the General Assembly on March 28, 2014, not to distribute profit due to the fact that both the financial statements prepared according to TFRS and the statutory financial statements prepared pursuant Tax Procedure Law (TPL) resulted in loss. • To transfer the current year loss of TL 3,218,613,701 according to the TPL records to the retained losses account and to transfer the net consolidated period loss of TL 3,104,429,028 according to TFRS records to the retained losses account. The Board of Directors' proposal, detailed above, was approved by the majority of the votes, with ayes corresponding to TL 94,463,143.09 against nays corresponding to TL 2,243.
<p>PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends</p>	<p>https://www.kap.org.tr/tr/Bildirim/1410796</p>
<p>General Assembly Meetings</p>	
<p>General Meeting Date</p>	<p>24.03.2025</p>
<p>The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting</p>	<p>-</p>
<p>Shareholder participation rate to the General Shareholders' Meeting</p>	<p>78.72%</p>
<p>Percentage of shares directly present at the GSM</p>	<p>0.03%</p>
<p>Percentage of shares represented by proxy</p>	<p>78.69%</p>
<p>Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against</p>	<p>Investor Relations – General Assembly Meetings</p>
<p>Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them</p>	<p>Investor Relations – General Assembly Meetings</p>
<p>The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions</p>	<p>-</p>
<p>The number of declarations by insiders received by the board of directors</p>	<p>0</p>
<p>The link to the related PDP general shareholder meeting notification</p>	<p>https://www.kap.org.tr/tr/Bildirim/1410796</p>
<p>2. DISCLOSURE AND TRANSPARENCY</p>	
<p>2.1. Corporate Website</p>	
<p>Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.</p>	<p>Investor Relations</p>
<p>If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares</p>	<p>Investor Relations- Corporate Information – Shareholder Structure</p>
<p>List of languages for which the website is available</p>	<p>Turkish and English</p>

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2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	General Assembly and Corporate Governance Practices
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Corporate Governance Practices Section
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Corporate Governance Practices Section
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	Legal Disclosures Section
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Legal Disclosures Section
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	Legal Disclosures Section
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	Legal Disclosures Section
h) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Sustainability and Human Resources
3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	https://www.otokar.com.tr/yatirim-iliskileri/kurumsal-yonetim/tazminat-uygulama-esaslari
The number of definitive convictions the company was subject to in relation to breach of employee rights	16
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Internal Audit Department and Ethics Board
The contact detail of the company alert mechanism	https://www.otokar.com.tr/iletisim/iletisim-formu
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	Internal regulations do not have publicly accessible links.

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<p>Corporate bodies where employees are actually represented</p>	<p>Otokar employees engage with the management through various means and express their views. Employee representatives serve on Occupational Health and Safety, Discipline and Annual Leave Committees. The teams also hold routine check-in meetings at the beginning and end of shifts on all lines to exchange information.</p> <p>All employees are able to communicate their ideas on development areas via the electronic suggestion system.</p> <p>The annual Employee Loyalty Survey is conducted with open-ended questions to obtain the opinions of each employee anonymously.</p> <p>Furthermore, there are practices that enable the employees to instantly communicate their requests and suggestions regarding OHS and Employee Experience via the mobile application.</p> <p>Using the Otokar Chatbot app, employees can receive up-to-date answers to their questions and opinions on various HR-related topics.</p> <p>During business partnership meetings with individual departments, employees' thoughts and requests on various issues are also addressed in a face-to-face meeting environment.</p> <p>In addition to all these communication channels, insights are obtained from the employees through structured methodology such as pulse-keeping surveys, field visits, workshops, and focus groups throughout the year, and the planned actions are implemented.</p>
<p>3.3. Human Resources Policy</p>	
<p>The role of the board on developing and ensuring that the company has a succession plan for the key management positions</p>	<p>There are succession plans in place for all key executive positions. The succession plans are finalized upon the General Manager's approval.</p>
<p>The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.</p>	<p>Otokar has been a signatory of Women's Empowerment Principles (WEPs), a joint initiative of UN Women and (UN Global Compact) since 2017.</p> <p>The required qualifications are specified in each job posting. The Code of Ethics and the Human Rights Policy both emphasize equal opportunity in recruitment.</p> <p>https://www.otokar.com.tr/getmedia/75e24879-2d82-46e4-8070-46f2a20f18d2/yk21-22-uyum-politikalar-ek-etik-%C4%B1keler-17092021</p> <p>https://www.otokar.com.tr/getmedia/a415c390-c32d-4fa3-9880-d9bc6d27e7bb/otokar-%C4%B1nsan-haklari-politikasi_07052021</p>
<p>Whether the company provides an employee stock ownership programme</p>	<p>No stock option is offered for employees</p>
<p>The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.</p>	<p>Anti-discrimination</p> <p>Otokar upholds a zero tolerance policy against discrimination as the fundamental principle in all recruitment, promotion, appointment and training processes. Otokar expects all its employees to act with the same sensitivity toward each other. Otokar ensures that all employees are provided equal rights and opportunities. No form of discrimination or disrespect based on race, gender, skin color, nationality, religion, age, disability, sexual orientation and political opinion will be allowed.</p> <p>https://www.otokar.com.tr/getmedia/a415c390-c32d-4fa3-9880-d9bc6d27e7bb/otokar-%C4%B1nsan-haklari-politikasi_07052021</p>
<p>The number of definitive convictions the company is subject to in relation to health and safety measures</p>	<p>2</p>
<p>3.5. Ethical Rules and Social Responsibility</p>	
<p>The name of the section on the corporate website that demonstrates the code of ethics</p>	<p>Code of Ethics and Compliance Policies</p>
<p>The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.</p>	<p>Sustainability/Corporate Social Responsibility</p> <p>https://www.otokar.com.tr/surdurulebilirlik/kurumsal-sosyal-sorumluluk</p>
<p>Any measures combating any kind of corruption including embezzlement and bribery</p>	<p>Principles on these topics are covered in the Otokar Code of Ethics and the Anti-bribery and Anti-corruption Policy.</p>

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CORPORATE GOVERNANCE COMPLIANCE REPORT

4. BOARD OF DIRECTORS - I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	31.12.2025
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	No delegation was made among the board members.
Number of reports presented by internal auditors to the audit committee or any relevant committee	Internal audit department presents aggregate information to the audit committee regarding the operations within the year.
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Corporate Governance/Internal Control System and Internal Audit
Name of the Chairman	Yıldırım Ali Koç
Name of the CEO	İbrahim Aykut Özüner
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	-
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	-
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	Investor Relations/Corporate Governance/ Board of Directors Diversity Policy
The number and ratio of female directors within the Board of Directors	2 (22%)

Composition of Board of Directors

Name, Surname of Board Member	Whether Executive Director or Not	Whether Independent Director or Not	The First Election Date To Board	Link to PDP Notification That Includes The Independence Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/ He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience on Audit, Accounting and/or Finance
Yıldırım Ali Koç	Non-executive	Not independent	26.03.2015				
Selin Ayla Ünver	Non-executive	Not independent	22.10.2018				
Levent Çakıroğlu	Non-executive	Not independent	26.03.2015				
Haydar Yenigün	Non-executive	Not independent	21.03.2022				
İbrahim Aykut Özüner	Executive	Not independent	24.03.2025				
Ahmet Serdar Görgüç	Non-executive	Not independent	20.04.2006				
Ali İhsan İlkbahar	Non-executive	Independent	16.03.2020	https://www.kap.org.tr/tr/Bildirim/1438616	Considered	No	Yes
Fatma Füsün Akkal Bozok	Non-executive	Independent	27.03.2024	https://www.kap.org.tr/tr/Bildirim/1438616	Considered	No	Yes
Kamil Ömer Bozer	Non-executive	Independent	27.03.2024	https://www.kap.org.tr/tr/Bildirim/1438616	Considered	No	Yes

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CORPORATE GOVERNANCE COMPLIANCE REPORT

4. BOARD OF DIRECTORS -II	
4.4. Meeting Procedures of the Board of Directors	
Number of physical board meetings in the reporting period (meetings in person)	3
Director average attendance rate at board meetings	92.60%
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	One week before the meeting
The name of the section on the corporate website that demonstrates information about the board charter	Although there is an internal company regulation on the subject (Otokar Board of Directors Working Principles), it is not a publicly available document.
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	There is no such practice.
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented	Members of the Board of Directors and Members of the Committees section
Link(s) to the PDP announcement(s) with the board committee charters	For the Audit Committee: https://www.kap.org.tr/tr/Bildirim/1024148 ; for the Risk Management Committee and Corporate Governance Committee operating principles: https://www.kap.org.tr/tr/Bildirim/1448299

Composition of Board Committees - I

Names of the Board Committees	Name of Committees Defined as "Other" in the First Column	Name-Surname of Committee Members	Whether Committee Chair or Not	Whether Board Member or Not
Audit Committee	-	Kamil Ömer Bozer	Chair	Board Member
Audit Committee	-	Fatma Füsün Akkal Bozok	Member	Board Member
Corporate Governance Committee	-	Ali İhsan İlkbahar	Chair	Board Member
Corporate Governance Committee	-	Levent Çakıroğlu	Member	Board Member
Corporate Governance Committee	-	Başak Tekin Özden	Member	Not Board Member
Risk Management Committee	-	Fatma Füsün Akkal Bozok	Chair	Board Member
Risk Management Committee	-	Haydar Yenigün	Member	Board Member

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4. BOARD OF DIRECTORS -III

4.5. Board Committees II

Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Corporate Governance Practices – Committees under the Board
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Corporate Governance Practices – Committees under the Board
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	There is no nomination committee. Corporate governance committee is tasked with its duties.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Corporate Governance Practices – Committees under the Board
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	There is no remuneration committee. Corporate governance committee is tasked with its duties.

4.6. Financial Benefits Extended to Board Members and Senior Executives

Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Board of Directors' Annual Report
Specify the section of website where remuneration policy for executive and non-executive directors are presented	Investor Relations – Corporate Governance
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	General Assembly Section – Remuneration Policy

Composition of Board Committees-II

Names of the Board Committees	Name of Committees Defined as "Other" in the First Column	The Percentage of Non-executive Directors	The Percentage of Independent Directors in the Committee	The Number of Meetings Held in Person	The Number of Reports on its Activities Submitted to the Board
Audit Committee	-	100%	100%	8	8
Corporate Governance Committee	-	67%	33%	7	7
Risk Management Committee	-	100%	50%	6	6

GLOSSARY

ACEA: The European Automobile Manufacturers' Association

AEO: Authorized Economic Operator Certificate

AGASSI: Artificial Intelligence Assisted Smart Manufacturing

AQAP: Allied Quality Assurance Publications

A.Ş.: Joint Stock Company

BIST: Istanbul Stock Exchange (Borsa Istanbul)

BSI: British Standards Institution

CAD: Computer Aided Design

CGCR: The Corporate Governance Compliance Report

CGIN: Corporate Governance Information Note

CMB: Capital Markets Board

CNG: Compressed Natural Gas

CoP: Conformity of Production

CSMS: Cyber Security Management System

EBITDA: Earnings Before Interest Taxes Depreciation and Amortization (FAVÖK)

EFrag: European Financial Reporting Advisory Group

ESG: Environmental, Social and Corporate Governance

EU: European Union

GHG: Greenhouse Gases

GPU: Graphics Processing Unit

GRI: Global Reporting Initiative

IAVC: International Armoured Vehicles Conference

ILO: International Labour Organization

IPCC: Intergovernmental Panel on Climate Change

ISO: International Standardization Organization

ITL: Income Tax Law

İSO: Istanbul Chamber of Industry

İŞKUR: Turkish Employment Agency

KGK: Public Oversight, Accounting, and Auditing Standards Authority (Kamu Gözetimi Muhasebe ve Denetim Standartları Kurumu)

KPIs: Key Performance Indicators

KUHyTech: Koç University Hydrogen Technologies Center

KWORKS: Koç University Entrepreneurship Research Center

LCA: Life Cycle Assessment

LLM: Large Language Model

LSEG: London Stock Exchange Group

MESS: Turkish Employers' Association of Metal Industries (Türkiye Metal Sanayicileri Derneği)

MND: Ministry of National Defence

NATO: North Atlantic Treaty Organization

NGO: Non-governmental Organization

NPS: Net Promoter Score

OHS: Occupational Health and Safety

OHSAS: Occupational Health and Safety Management Systems

OKR: Objective Key & Results

OSD: The Automotive Manufacturers Association (Otomotiv Sanayii Derneği)

PDP: Public Disclosure Platform (KAP)

R&D: Research & Development

RPA: Robotic Process Automation

SAROM: SISTEME DE APARARE ROMANIA

SASB: Sustainability Accounting Standards Board

SATSO: Sakarya Chamber of Commerce and Industry

SDG: Sustainable Development Goals

SIPRI: Stockholm International Peace Research Institute

SPP: Solar Power Plant

STEM: Science, Technology, Engineering, Mathematics

TAİK: Türkiye-U.S. Business Council

TASTI: Application-Tailored Synthetic Image Generation

TFCFD: Task Force on Climate Related Financial Disclosures

TFRS: Turkish Financial Reporting Standards

TİSK: Turkish Confederation of Employer Associations

TSB: Insurance Association of Türkiye

TSRS: Turkish Sustainability Reporting Standards

TTK: Turkish Commercial Code (Türk Ticaret Kanunu)

TURKSTAT: Turkish Statistical Institute

TÜBİTAK: The Scientific and Technological Research Council of Türkiye

TÜSİAD: Turkish Industry and Business Association

UAE: United Arab Emirates

UN: United Nations

URAK: National Competition Research Committee

USA: United States of America

WEPS: Women's Empowerment Principles

Otokar Otomotiv ve Savunma Sanayi A.Ş.

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