

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

**Convenience translation into English of condensed consolidated financial
statements for the interim period 1 January – 31 March 2025**

(Originally issued in Turkish)

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Interim condensed consolidated financial statements for the interim period 1 January - 31 March 2025

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Tofaş Türk Otomobil Fabrikası Anonim Şirketi**Condensed Consolidated statement of financial position as of 31 March 2025**

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

		Unaudited	Audited
	Notes	31 March 2025	31 December 2024
ASSETS:			
Current assets:			
Cash and cash equivalents	3	26,525,843	21,699,777
Financial investments		79,643	89,365
Trade receivables		20,856,335	22,986,700
<i>Trade receivables from related parties</i>	20	10,813,124	13,323,668
<i>Trade receivables from third parties</i>	5	10,043,211	9,663,032
Receivables from finance sector operations	7	13,147,960	13,504,084
Other receivables		22,433	1,616
Inventories	8	11,307,080	9,576,800
Prepaid expenses	12	464,783	248,914
Current tax assets		742,059	674,311
Other current assets		79,895	245,549
Total Current Assets		73,226,031	69,027,116
Non-Current Assets:			
Receivables from finance sector operations	7	4,946,178	5,076,382
Other receivables		1,062	1,133
Investment properties		258,603	258,603
Property, plant and equipment	9	16,033,715	15,942,012
Right-of-Use Assets		37,470	41,598
Intangible assets	10	4,013,233	4,581,871
Prepaid expenses	12	1,698,914	1,979,728
Deferred tax asset	18	4,388,847	3,975,070
Total Non-Current Assets		31,378,022	31,856,397
Total Assets		104,604,053	100,883,513

The consolidated financial statements for the interim accounting period between 1 January - 31 March 2025 were approved at the Board of Directors meeting dated 28 April 2025.

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

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Condensed Consolidated statement of financial position as of 31 March 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

		Unaudited	Audited
	Notes	31 March 2025	31 December 2024
Current liabilities:			
Short-term portion of long-term borrowings	4	12,053,820	12,037,683
Trade payables		18,147,990	12,483,157
<i>Trade payables to related parties</i>	20	8,311,932	4,248,645
<i>Trade payables to third parties</i>	5	9,836,058	8,234,512
Payables related to employee benefits		930,382	1,009,699
Other payables	6	6,068,795	105,088
Liabilities arising from customer contracts		269,579	267,076
Deferred income		538,164	379,862
Short-term provisions	11	2,701,938	2,833,029
Other current liabilities		220,537	68,631
Total current liabilities		40,931,205	29,184,225
Non-current liabilities:			
Long-term borrowings	4	17,603,396	18,670,883
Long-term provisions		1,114,609	1,187,065
<i>Long-term provisions for employee benefits</i>		1,114,609	1,187,065
Total non-current liabilities		18,718,005	19,857,948
Total liabilities		59,649,210	49,042,173
Equity:			
Share capital	13	500,000	500,000
Capital adjustment differences	13	21,479,462	21,479,462
Accumulated other comprehensive income or expenses not to be reclassified to profit or loss		(239,305)	(265,463)
<i>Loss on remeasurement of defined benefit plans</i>		(239,305)	(265,463)
Accumulated other comprehensive income or expenses to be reclassified to profit or loss		(797,458)	(18,354)
<i>Cash flow hedge losses</i>		(797,458)	(18,354)
Restricted reserves appropriated from profit	13	6,139,550	5,542,050
Prior years' profit		18,013,048	18,856,785
Net profit for the period		(140,454)	5,746,860
Total equity		44,954,843	51,841,340
Total liabilities and equity		104,604,053	100,883,513

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

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Condensed Consolidated statements of profit or loss for the interim accounting periods ended 31 March 2025 and 2024

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

		Unaudited	Unaudited
	Notes	1 January - 31 March 2025	1 January - 31 March 2024
Revenue	14	24,204,042	46,484,998
Cost of sales (-)	14	(23,175,340)	(39,390,905)
Gross profit from operations		1,028,702	7,094,093
Revenue from finance sector operations		2,469,467	2,225,538
Expenses from finance sector operations (-)		(1,999,549)	(1,856,857)
Gross profit from finance sector operations		469,918	368,681
Gross profit		1,498,620	7,462,774
Marketing expenses (-)	15	(1,174,527)	(1,522,856)
General administrative expenses (-)	15	(889,338)	(1,182,619)
Research and development expenses (-)	15	(394,622)	(579,464)
Other income from operating activities	16	2,528,188	2,532,792
Other expenses from operating activities (-)	16	(2,443,073)	(2,232,893)
Operating profit		(874,752)	4,477,734
Income from investing activities		211,152	1,019
Expenses from investing activities (-)		-	(9,816)
Operating profit before financial expense		(663,600)	4,468,937
Finance income	17	2,814,476	3,570,705
Finance expenses(-)	17	(1,003,607)	(1,236,988)
Net monetary position losses	23	(1,335,717)	(2,724,691)
Profit before tax from continuing operations		(188,448)	4,077,963
Tax income for the period		47,994	(202,747)
Tax expense for the period	18	(117,102)	(1,768,926)
Deferred tax income	18	165,096	1,566,179
Net profit for the period		(140,454)	3,875,216
Distribution of net profit for the period:			
Equity holders of the parent		(140,454)	3,875,216
Earnings per share (Kır)	19	(0.28)	7.75

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

Tofaş Türk Otomobil Fabrikası Anonim Şirketi**Condensed Consolidated statements of other comprehensive income for the interim periods ended 31 March 2025 and 2024**

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

	1 January - 31 March 2025	1 January - 31 March 2024
Net profit for the period	(140,454)	3,875,216
Other comprehensive income:		
Items not to be reclassified to profit or loss		
Remeasurement losses of defined benefit plans	34,877	473,559
Remeasurement losses of defined benefit plans, tax effect	(8,719)	(118,390)
Items to be reclassified to profit or loss		
Other comprehensive income/(expense) related to cash flow hedges	(1,029,601)	446,251
Other comprehensive income/(expense) related to cash flow hedges, tax effect	257,400	(111,563)
Other comprehensive (expense)/income (after tax)	(746,043)	689,857
Total comprehensive income	(886,497)	4,565,073
Distribution of total comprehensive income:		
Equity holders of the parent	(886,497)	4,565,073

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

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Condensed Consolidated statements of changes in equity for the interim periods ended 31 March 2025 and 2024

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

			Accumulated other comprehensive income and expenses not to be reclassified to profit or loss	Accumulated other comprehensive income and expenses to be reclassified to profit or loss			Retained earnings	
	Paid-in Capital	Capital Adjustment Differences	Remeasurement losses of defined benefit plans	Cash Flow Hedge Losses	Restricted reserves appropriated from profit	Prior years' profit	Net profit for the period	Total equity
Balance as of 1 January 2024	500,000	21,479,462	(249,214)	(3,877,565)	4,206,917	12,576,059	23,968,681	58,604,340
Transfers	-	-	-	512,713	1,377,586	22,078,382	(23,968,681)	-
Total comprehensive income	-	-	355,169	334,688	-	-	3,875,216	4,565,073
Dividends	-	-	-	-	-	(13,810,383)	-	(13,810,383)
Balance as of 31 March 2024	500,000	21,479,462	105,955	(3,030,164)	5,584,503	20,844,058	3,875,216	49,359,030
Balance as of 1 January 2025	500,000	21,479,462	(265,463)	(18,354)	5,542,050	18,856,785	5,746,860	51,841,340
Transfers	-	-	-	(6,903)	597,500	5,156,263	(5,746,860)	-
Total comprehensive income	-	-	26,158	(772,201)	-	-	(140,454)	(886,497)
Dividends	-	-	-	-	-	(6,000,000)	-	(6,000,000)
Balance as of 31 March 2025	500,000	21,479,462	(239,305)	(797,458)	6,139,550	18,013,048	(140,454)	44,954,843

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

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Condensed Consolidated statements of changes in equity for the interim periods ended 31 March 2025 and 2024

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

	Notes	Unaudited Current Period 31 March 2025	Unaudited Prior Period 31 March 2024
A. Cash flows from operating activities		5,078,426	(1,945,861)
Profit for the period		(140,454)	3,875,216
Adjustments to reconcile net profit for the period		1,703,794	5,060,846
- Adjustments related to depreciation and amortization expenses	14.15	1,658,811	2,023,698
- Adjustments related to impairment of receivables	5.7	87,921	61,603
- Adjustments related to interest income	17	(1,843,335)	(2,199,077)
- Adjustments related to inventory impairment, net	8	88,144	104,535
- Adjustments related to gains arising from the disposal of property, plant and equipment		(211,152)	(21,544)
- Adjustments related to employment termination benefits		91,080	541,023
- Adjustments related to guarantee provisions	11	447,803	578,285
- Adjustments related to other provisions		10,514	(67,043)
- Adjustments related to interest expenses	17	138,941	24,555
- Adjustments related to tax expense / (income)	18	(47,994)	202,747
- Deferred finance income from forward purchases and sales, net		(78,229)	(850,562)
- Adjustments related to unrealised foreign currency translation differences		4,284	642,826
- Adjustments related to monetary (gain)/loss		1,357,006	4,019,800
Changes in working capital		3,993,487	(10,137,071)
- Adjustments related to decrease / (increase) in inventories		(1,765,615)	(1,338,259)
- Decrease / (increase) in trade receivables from third parties		(1,155,222)	(1,626,537)
- Decrease / (increase) in trade receivables from related parties		1,292,394	(3,617,091)
- Decrease / (increase) in other receivables from operating activities		(20,998)	6,001
- Increase / (decrease) in trade payables to third parties		2,354,407	1,473,818
- Increase / (decrease) in trade payables to related parties		4,421,535	(309,373)
- Adjustments related to increase in liabilities arising from customer contracts		2,503	(16,904)
- Decrease / (increase) in receivables from finance sector operations		(1,300,359)	(5,201,940)
- (Increase)/decrease in prepaid expenses		(211,261)	1,135,850
- Increase / (decrease) in deferred income		158,302	135,972
- (Decrease) in government incentives and aid		-	(11,008)
- Decrease / (increase) in other operating assets		79,584	(328,930)
- Increase in other operating liabilities		138,217	(438,670)
Cash flows generated from operations		5,556,827	(1,201,009)
- Tax payments		(117,102)	(421,534)
- Employment termination benefits paid		(8,954)	(72,619)
- Other cash outflows		(352,345)	(250,699)
B. Cash flows generated from investing activities		(737,604)	(2,196,745)
- Cash outflows from purchase of property, plant and equipment	9, 10	(1,487,921)	(304,557)
- Cash inflows from sale of property, plant and equipment		464,389	-
- Change in cash advance given		276,206	(1,901,695)
- Decrease / (increase) in financial investments		9,722	9,507
C. Cash flows from financing activities		2,189,797	8,445,478
- Cash inflows from borrowing	4	2,425,461	7,455,150
- Cash outflows related to debt payments	4	(1,997,120)	(1,276,977)
- Cash outflows related to debt payments arising from lease agreements	4	(1,203)	(16,552)
- Interest paid		(94,975)	(23,279)
- Other cash inflows / outflows (Blocked deposit change)		72,441	(161,232)
- Interest received		1,785,193	2,468,368
D. Effect of foreign currency translation differences on cash and cash equivalents		293,703	511,945
Net Increase/Decrease in Cash and Cash Equivalents		6,824,322	4,814,817
E. Cash and Cash Equivalents at the Beginning of the Period		20,780,152	38,456,602
F. Inflation Effect on Cash and Cash Equivalents		(1,983,957)	(5,162,472)
Cash and Cash Equivalents at the End of the Period	3	25,620,517	38,108,947

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

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Notes to the condensed consolidated interim financial statements for the interim period ended 31 March 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

NOTE 1 - ORGANISATION AND OPERATIONS OF THE COMPANY

Tofaş Türk Otomobil Fabrikası A.Ş. (the "Company" or "Tofaş") was established in 1968 as a Turkish-Italian cooperation venture. The core business of the Company is manufacturing, exporting and selling passenger cars and light commercial vehicles. Tofaş, which is a joint venture of Koç Holding A.Ş. ("Koç Holding") and FCA Italy S.p.A (Stellantis), also produces various automotive spare parts used in its automobiles. The Company's head office is located at Büyükdere Cad. No: 145 Zincirlikuyu Şişli, İstanbul. The manufacturing facilities are located at Bursa. Tofaş is registered with the Capital Markets Board ("CMB") and listed on the Istanbul Stock Exchange ("ISE") in 1991 and its shares are currently traded on the Borsa İstanbul A.Ş. ("BIST").

Fiat Chrysler Automobiles signed a merger agreement with the PSA Group at the end of 2019, in which both companies will have a 50% share. Stellantis N.V. was established by merger in January 2021.

Framework Agreement on Fundamental Principles regarding commercial activities between Stellantis Group and the Company, acquisition of the shares of Stellantis Otomotiv Pazarlama A.Ş. and The Company's cooperation and partnership relations with Stellantis Group and Koç Group has been signed on 2023. Detailed explanations regarding developments after this date are provided in Note 24.

The Company conducts a significant portion of its business activities with Koç Holding and Stellantis Group Companies (Note 20).

The Company's subsidiaries as of 31 March 2025 and 2024 which are subject to consolidation are as follows:

Company	Field of activity	Rate of ownership of the Company (%)	
		2025	2024
Koç Fiat Kredi Finansman A.Ş. ("KFK")	Consumer financing	100	100
Fer Mas Oto Ticaret A.Ş.	Trading of automobile and spare parts	100	100
Koç Fiat Sigorta Aracılık Hizmetleri A.Ş.	Insurance services	100	100

For the purpose of interim consolidated financial statements, Tofaş and its consolidated subsidiaries are referred to as the "Group".

The number of personnel employed during the period by categories of the Group is as follows:

	Average		End of Period	
	31 March 2025	31 March 2024	31 March 2025	31 December 2024
Hourly-rated	2,993	4,312	2,988	2,996
Monthly-rated	1,530	1,637	1,524	1,506
Total	4,523	5,949	4,512	4,502

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Financial reporting standards applied

The accompanying consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which was published in the Official Gazette No:28676 on 13 June 2013. The accompanying financial statements are prepared based on the Turkish Financial Reporting Standards ("TFRS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué. In addition, it is also presented in accordance with the TAS taxonomy published by POA on 4 October 2022.

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Notes to the condensed consolidated interim financial statements for the interim period ended 31 March 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

2.1.1 Financial reporting standards applied (cont'd)

The Company and Subsidiaries in Turkey maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and principles issued by CMB. These consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the TFRS.

2.1.2 Financial reporting in high inflation economies

With the announcement made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023, entities that apply TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies for the financial statements for the annual reporting period ending on or after 31 December 2023. In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on 31 December 2023.

TAS 29 is applied to the financial statements, including the consolidated financial statements, of entities whose functional currency is the currency of a hyperinflationary economy. In accordance with the standard, financial statements prepared in the currency of a hyperinflationary economy are stated in terms of the purchasing power of that currency at the balance sheet date. In the prior period financial statements, comparative information is expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Group has presented the consolidated financial statements as of 31 March 2024 and 31 December 2024 on the basis of purchasing power as of 31 March 2025.

The restatement in accordance with TAS 29 has been made by using the adjustment factor derived from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute ("TURKSTAT"). As of 31 March 2025, the indices and adjustment factors used in the restatement of the consolidated financial statements are as follows:

Date	Index	Adjustment Coefficient	Three-year cumulative inflation rates
31.03.2025	2,954.69	1.00000	250%
31.12.2024	2,684.55	1.10063	291%
31.03.2024	2,139.47	1.38104	309%

2.1.3 Comparative information

The financial statements of the Group include comparative financial information to enable the determination of the financial position and performance trends. In order to comply with the presentation of the current period financial statements, comparative information is reclassified, and significant changes are disclosed if necessary.

2.1.4 Functional and reporting currency

The Group's functional and reporting currency is Turkish Lira ("TRY"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Assets and liabilities in foreign currencies are translated at the exchange rate prevailing at the balance sheet date. Foreign exchange gains and losses from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss.

**Notes to the condensed consolidated interim financial statements
for the interim period ended 31 March 2025**

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

2.1.5 Basis of consolidation

Subsidiaries are entities on 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 consolidated from the date on which the control is transferred to the Group and are no longer consolidated from the date that control ceases. All gains and losses, inter-group transactions, balances and unrealized gains on transactions between Group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

2.1.6 Significant accounting judgments, estimates and assumptions

In the preparation of the consolidated financial statements, the Group management must make assumptions and estimates that will affect the assets and liabilities reported as of the balance sheet date and determine the liabilities and commitments likely to occur as of the balance sheet date and the income and expense amounts as of the reporting period. Actual results may differ from the assumptions. Estimates are regularly reviewed, necessary adjustments are made and reflected in the profit or loss statement of the period they occur.

Comments that may have significant impact on the amounts reflected in the consolidated financial statements and the significant assumptions and evaluations made by taking into consideration the main sources of the estimates that occurred or may occur in the balance sheet date are as follows:

- a) The Company determines warranty provision by considering the past warranty expenses and remaining warranty period per vehicle. In calculation of the warranty provision; vehicle quantity, warranty period and the historical warranty claims incurred are considered. As of 31 March 2025 the amount of guarantee expense is TL 447,803 (31 March 2024: TL 578,285) (Note 11).
- b) The Group's subsidiary KFK management, as a result of the evaluations made on the loans given, allocates a certain provision for the losses that may arise from the receivables whose collection is deemed doubtful. Impairment and uncollectibility risk are calculated separately for each individually significant loan. In the condensed consolidated financial statements as of 31 March 2024, there is a general loan loss provision amounting to TL 209,429 for receivables from finance sector operations (31 December 2024: 166,284) (Note 7).
- c) 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.
- d) When allocating provisions for lawsuits, the probability of losing the lawsuits and the liabilities that will arise in case of loss are evaluated by the Group management by taking the opinions of the Group Legal Counsel and experts. The Group management determines the amount of provision for litigation based on the best estimates.
- e) The data in the discounted price list are used to calculate inventory impairment. If expected net realizable value is less than cost, the Group allocates provisions for inventory impairment.
- f) Group management has made assumptions based on the experience of the technical staff in determining the useful life of property, plant and equipment and intangible assets.
- g) Deferred tax assets and liabilities are recognized for temporary differences between the carrying amounts of assets and liabilities in the financial statements using substantially enacted tax rates. Based on the available evidence, it has been assessed that it is probable that some or all of the deferred tax assets may or may not be realized in cash. The main factors considered include the potential for future income, accumulated losses from prior years, tax planning strategies to be implemented if necessary, and the nature of the income that can be used to convert the deferred tax asset into cash.

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Notes to the condensed consolidated interim financial statements for the interim period ended 31 March 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

2.1.6 Significant accounting judgments, estimates and assumptions (cont'd)

- h) The Group capitalizes ongoing development expenditures and assesses annually whether there is any impairment on these capitalized assets. As at 31 March 2025 and 31 December 2024, no impairment has been identified for capitalized development expenditures.

2.2 New and Amended Turkish Financial Reporting Standards

- a) Amendments that are mandatorily effective from 2025

Amendments to TAS 21

Lack of Exchangeability

Amendments to TAS 21 *Lack of Exchangeability*

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Amendments are effective from annual reporting periods beginning on or after 1 January 2025.

- b) The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements. New and revised TFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

TFRS 17

Insurance Contracts

Amendments to TFRS 17

Initial Application of TFRS 17 and TFRS 9 — Comparative Information

TFRS 17 *Insurance Contracts*

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 has been deferred for insurance, reinsurance and pension companies for a further year and will replace TFRS 4 *Insurance Contracts* on 1 January 2026.

Amendments to TFRS 17 *Insurance Contracts* and *Initial Application of TFRS 17 and TFRS 9 — Comparative Information*

Amendments have been made in TFRS 17 in order to reduce the implementation costs, to explain the results and to facilitate the initial application.

The amendment permits entities that first apply TFRS 17 and TFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of TFRS 9 had been applied to that financial asset before. Amendments are effective with the first application of TFRS 17.

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Notes to the condensed consolidated interim financial statements for the interim period ended 31 March 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira (“TL”) as of 31 March 2025, unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (cont’d)

2.3 Summary of significant accounting policies

Interim condensed consolidated financial statements for the period ending 31 March 2025 have been prepared in accordance with TAS 34 standard for the preparation of interim financial statements of TMS/IFRS.

The accounting policies used in the preparation of these condensed interim consolidated financial statements as of and for the period ended 31 March 2025 are consistent with those used in the preparation of annual consolidated financial statements as of and for the year ended 31 December 2024. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements as of and for the year ended 31 December 2024.

2.4 Changes in significant accounting policies

The accounting policy changes arising from the first-time adoption of a new standard are applied retrospectively or prospectively in accordance with the transitional provisions, if any. Changes with no transition provisions, significant voluntary changes in accounting policy or accounting errors detected are applied retrospectively and prior period financial statements are restated. If changes in accounting estimates are related to only one period, they are recognized in the period when changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and future periods prospectively.

Tofaş Türk Otomobil Fabrikası Anonim Şirketi**Notes to the condensed consolidated interim financial statements
for the interim period ended 31 March 2025**

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

NOTE 3 - CASH AND CASH EQUIVALENTS

	31 March 2025	31 December 2024
Cash at banks		
-Demand deposits	20,125,006	20,409,179
-Time deposits	5,569,778	387,098
-Demand blocked deposit	830,940	903,478
-Time blocked deposit	119	22
	26,525,843	21,699,777

The breakdown of time deposits as of 31 March 2025 and 31 December 2024 is as follows:

	31 March 2025		31 December 2024	
	Amount	Annual interest rate (%)	Amount	Annual interest rate (%)
EUR	5,190,391	%0,4-%4,00	6,849,515	%0,4-%1,25
TL	14,934,615	%35,00-%47,25	13,559,664	%46,5-%48,75
	20,125,006		20,409,179	

As of 31 March 2025, the maturities of time deposits vary between 5 and 34 days (31 December 2024: 2 days).

As at 31 March 2025, time and demand deposits amounting to TL 4,091,035 (31 December 2024: 2,005,781) are held at the bank which is a related party (Note 20).

As of 31 March 2025 and 2024, the reserves of cash and cash equivalent in cash flow statement:

	31 March 2025	31 March 2024
Cash on hand and banks	26,525,843	38,977,875
Less: interest accruals	(74,267)	(1,653)
Less: blocked deposits	(831,059)	(867,275)
	25,620,517	38,108,947

As of 31 March 2025, there are blocked deposits amounting to TL 831,059 (31 December 2024: 903,500 TL). TL 830,940 of this amount consists of the reserve requirement of the Central Bank of the Republic of Turkey (31 December 2024: TL 903,478).

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Notes to the condensed consolidated interim financial statements for the interim period ended 31 March 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

NOTE 4 - FINANCIAL LIABILITIES

a) Short-term portion of long-term financial liabilities

	31 March 2025			31 December 2024		
	Foreign currency amount (thousand)	TL equivalent	Annual interest rate (%)	Foreign currency amount (thousand)	TL equivalent	Annual interest rate (%)
TL loans (*)	-	8,105,585	45,23-74,34	-	8,204,663	45,72-74,34
EUR loans	47,551	1,935,421	3,26 -6,8	34,718	1,404,027	3,26 -6,8
Bonds issued (1,2,3,4,5,6)	-	1,981,232	43,50-54,37	-	2,409,843	35,98-54,37
Short-term portions of long-term lease liabilities	-	31,582	-	-	19,150	-
	47,551	12,053,820		34,718	12,037,683	

b) Long-term financial liabilities

	31 March 2025			31 December 2024		
	Foreign currency amount (thousand)	TL equivalent	Annual interest rate (%)	Foreign currency amount (thousand)	TL equivalent	Annual interest rate (%)
EUR loans	242,299	9,862,011	3,26 -6,8	249,928	10,107,167	3,26 -6,8
TL loans (*)	-	7,013,451	45,23-74,34	-	7,743,405	45,72-74,34
Bonds issued (1,2,3,4,5,6)	-	722,198	39,00-52,85	-	797,666	39,00-52,85
Long-term lease liabilities	-	5,736	-	-	22,645	-
	242,299	17,603,396		249,928	18,670,883	

(*) The whole short-term and long-term bank borrowings amounting to TL 15,119,036 (31 December 2024: TL 15,948,068) which are denominated in TL comprise bank borrowings obtained by KFK, consolidated subsidiary, to finance consumer financing loans as of 31 March 2025.

Tofaş Türk Otomobil Fabrikası Anonim Şirketi**Notes to the condensed consolidated interim financial statements
for the interim period ended 31 March 2025****(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)****NOTE 4 - FINANCIAL LIABILITIES (cont'd)**

- (1) The Group issued a bond with a nominal payment of TL 290,000 with a nominal interest rate of 52.85% and a maturity of 24 months on 7 September 2023.
- (2) The Group issued a bond with a nominal payment of TL 650,000 with a nominal interest rate of 48.50% and a maturity of 24 months on 7 December 2023.
- (3) The Group issued a 13-month maturity bond with a nominal interest rate of 48.75% and a nominal payment of 400,000 TL on 6 August 2024.
- (4) The Group issued a bond with a nominal payment of TL 350,000 with a nominal interest rate of 46.50% and a maturity of 15 months on 26 November 2024.
- (5) The Group issued a bond with a nominal payment of TL 360,000 with a nominal interest rate of 48.80% and a maturity of 18 months on 25 December 2024.
- (6) The Group issued a bond with a nominal payment of TL 300,000 with a nominal interest rate of 45.50% and a maturity of 15 months on 7 January 2025.

As at 31 March 2025, the interest rate on TL loans is fixed and the interest rate on EUR loans is variable.

As of 31 March 2025, TL 1,458,524 (31 December 2024: TL : 1,415,349) of short-term and long-term financial liabilities are obtained through banks which are related parties of the Group (Note 20).

The redemption schedule of the long-term bank borrowings and bonds as of 31 March 2025 and 31 December 2024 is as follows:

	31 March 2025	31 December 2024
Between 1-2 years	9,141,036	9,761,477
Between 2-3 years	1,405,122	1,956,049
Between 3-4 years	1,405,386	1,385,735
Between 4-5 years	1,405,386	1,386,026
More than 5 years	4,240,730	4,158,951
	17,597,660	18,648,238
The movement of financial liabilities as of 31 March 2025 and 31 March 2024 is as follows:		
	2025	2024
1 January	30,708,566	18,799,983
Effect of cash flows, net	428,341	6,178,173
Unrealized foreign exchange differences	1,327,588	196,576
Cash flows on payments arising from TFRS 16 lease agreements	(1,203)	(16,552)
Change in accrual of interest	43,966	1,276
Inflation Effect	(2,850,042)	(2,680,221)
	29,657,216	22,479,235

Tofaş Türk Otomobil Fabrikası Anonim Şirketi**Notes to the condensed consolidated interim financial statements
for the interim period ended 31 March 2025**

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

NOTE 5 - TRADE RECEIVABLES AND PAYABLES**a) Trade receivables from third parties**

	31 March 2025	31 December 2024
Buyers	10,149,995	9,870,404
Doubtful trade receivables	17,758	19,545
Less: provision for doubtful receivables	(16,118)	(17,740)
Less: unearned finance income from forward sales	(108,424)	(209,177)
	10,043,211	9,663,032

The movement of provision for doubtful receivables is as follows:

	31 March 2025	31 March 2024
1 January	17,740	19,524
Change during the period, net	-	4,631
Inflation Effect	(1,622)	(1,895)
	16,118	22,260

Collaterals received related with trade receivables

As of 31 March 2025, the Group has letters of guarantee amounting to TL 449,108 guarantee cheques amounting to TL 2,224, mortgages amounting to TL 1,832, direct borrowing system limit (payment guarantee limit granted by the bank to its customer according to the transaction volume) amounting to TL 6,488,381. (31 December 2024: Letter of guarantee amounting to TL 514,568, guarantee cheques amounting to TL 2,248 mortgage amounting to TL 2,072, direct borrowing system limit amounting to TL 5,419,836).

b) Trade payables to third parties

	31 March 2025	31 December 2024
Trade payables	9,866,253	8,270,110
Less: unrealised finance expense on credit purchases	(30,195)	(35,598)
	9,836,058	8,234,512

Tofaş Türk Otomobil Fabrikası Anonim Şirketi**Notes to the condensed consolidated interim financial statements
for the interim period ended 31 March 2025**

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

NOTE 6 – OTHER PAYABLES

	31 March 2025	31 December 2024
Dividend payables to shareholders	6,000,000	-
Taxes and payables	57,832	93,311
Other	10,963	11,777
	6,068,795	105,088

NOTE 7 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS

	31 March 2025	31 December 2024
Short-term consumer finance loans	13,031,595	13,386,853
Doubtful loans	432,608	411,727
	13,464,203	13,798,580
Special provisions	(166,913)	(176,297)
General provisions	(149,330)	(118,199)
	13,147,960	13,504,084
Long-term consumer finance loans	5,006,277	5,124,467
General provisions	(60,099)	(48,085)
	4,946,178	5,076,382

As of 31 March 2025, interest rates on loans to consumers are fixed and range between 0.01% - 8.96% (31 December 2024: 0.01% - 8.96%) per month for TL loans.

The maturities of long-term consumer financing loans are as follows:

	31 March 2025	31 December 2024
Between 1-2 years	3,992,514	4,118,739
Between 2-3 years	915,383	957,643
Between 3-4 years	38,281	-
	4,946,178	5,076,382

Tofaş Türk Otomobil Fabrikası Anonim Şirketi**Notes to the condensed consolidated interim financial statements
for the interim period ended 31 March 2025**

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

NOTE 7 - RECEIVABLES FROM FINANCE SECTOR OPERATIONS (cont'd)

Movements in the allowance for loan impairment are as follows:

	31 March 2025	31 March 2024
1 January	176,961	188,879
Provision allocated during the period	87,921	61,607
Collected during the year (-)	(21,267)	(1,648)
Inflation Effect	132,727	(26,792)
	376,342	222,046

The Group has obtained pledge rights as a guarantee for its consumer financing loans. up to total amount of receivables. depending on the agreement between the Group and the consumers. As of 31 March 2025, the fair value of guarantees obtained for the consumer loans amounting to TL 24,559,856 (31 December 2024: TL 25,796,443). Furthermore, the Group obtains mortgage guarantees where necessary. The Group has mortgage guarantee on vehicles for all consumer financing loans that Group booked special provision amounting to TL 240,203 (31 December 2024: TL 218,976) as of 31 March 2025.

NOTE 8 – INVENTORIES

	31 March 2025	31 December 2024
Raw materials	4,175,135	2,491,096
Work-in-progress	429,778	2,304,324
Goods	542,727	535,822
Imported vehicles	1,857,191	1,970,212
Spare parts	1,139,795	1,085,672
Goods in transit	3,542,522	1,481,599
Provision for inventory impairment (-)	(380,068)	(291,925)
	11,307,080	9,576,800

Movements in the provision for impairment on inventory are as follows:

	31 March 2025	31 March 2024
1 January	291,924	208,851
Movements during the period, net	88,144	83,310
	380,068	292,161

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Notes to the condensed consolidated interim financial statements for the interim period ended 31 March 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

The movement of property, plant and equipment and the accumulated depreciation for three months period ended 31 March 2025 is as follows:

	Land, land improvements and buildings	Machinery and equipments	Furniture and fixtures	Vehicles	Leasehold improvements	Construction in progress	Total
As of 1 January							
Cost	10,157,930	92,126,985	10,577,288	1,940,547	270,027	949,004	116,021,781
Accumulated depreciation	(6,940,817)	(83,011,217)	(9,183,333)	(747,232)	(197,170)	-	(100,079,769)
Net book value	3,217,113	9,115,768	1,393,955	1,193,315	72,857	949,004	15,942,012
1 January 2025, net book value							
Additions	-	465	283	-	-	1,209,703	1,210,451
Disposal cost	-	(9,648)	(40,677)	(360,349)	-	-	(410,674)
Depreciation of disposals	-	9,648	40,533	107,256	-	-	157,437
Transfers	3,981	555,865	89,042	75,606	-	(724,494)	-
Depreciation expense	(44,860)	(630,615)	(106,075)	(81,547)	(2,414)	-	(865,511)
31 March 2025, net book value	3,176,234	9,041,483	1,377,061	934,281	70,443	1,434,213	16,033,715
As of 1 January							
Cost	10,161,911	92,673,667	10,625,936	1,655,804	270,027	1,434,213	116,821,558
Accumulated depreciation	(6,985,677)	(83,632,184)	(9,248,875)	(721,523)	(199,584)	-	(100,787,843)
31 March 2025, net book value	3,176,234	9,041,483	1,377,061	934,281	70,443	1,434,213	16,033,715

As of 31 March 2025, there are no pledges or collaterals on property, plant and equipment (31 March 2024: None).

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Notes to the condensed consolidated interim financial statements for the interim period ended 31 March 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (cont'd)

The movement of property, plant and equipment and the accumulated depreciation for three months period ended 31 March 2024 is as follows:

	Land, land improvements and buildings	Machinery and equipments	Furniture and fixtures	Vehicles	Leasehold improvements	Construction in progress	Total
As of 1 January							
Cost	10,082,770	89,790,003	10,312,700	1,769,769	267,301	896,816	113,119,359
Accumulated depreciation	(6,769,568)	(82,486,898)	(8,960,337)	(705,461)	(187,834)	-	(99,110,098)
Net book value	3,313,202	7,303,105	1,352,363	1,064,308	79,467	896,816	14,009,261
1 January 2024, net book value							
Additions	-	1,280	726	-	-	530,437	532,443
Disposal cost	(1,508)	(419,785)	(108,253)	(128,620)	-	-	(658,166)
Depreciation of disposals	1,284	241,444	39,358	16,717	-	-	298,803
Transfers	10,639	58,817	39,670	378,519	-	(487,645)	-
Depreciation expense	(44,045)	(620,390)	(109,464)	(98,171)	(2,429)	-	(874,499)
31 March 2024, net book value	3,279,572	6,564,471	1,214,400	1,232,753	77,038	939,608	13,307,842
As of 31 March							
Cost	10,091,901	89,430,315	10,244,843	2,019,668	267,301	939,608	112,993,636
Accumulated depreciation	(6,812,329)	(82,865,844)	(9,030,443)	(786,915)	(190,263)	-	(99,685,794)
31 March 2024, net book value	3,279,572	6,564,471	1,214,400	1,232,753	77,038	939,608	13,307,842

Tofaş Türk Otomobil Fabrikası Anonim Şirketi**Notes to the condensed consolidated interim financial statements
for the interim period ended 31 March 2025**

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NOTE 10 – INTANGIBLE ASSETS

The movement table of intangible assets for the interim periods ending as of 31 March 2025 and 2024 is as follows:

	Licenses and development costs	Other	Total
As of 1 January			
Cost	59,886,724	6,274,818	66,161,542
Accumulated amortization	(55,710,596)	(5,869,075)	(61,579,671)
Net book value	4,176,128	405,743	4,581,871
1 January 2025, net book value			
Additions	268,233	9,237	277,470
Amortization expense	(816,104)	(30,004)	(846,108)
31 March 2025, net book value	3,628,257	384,976	4,013,233
As of 31 March			
Cost	60,154,957	6,284,055	66,439,012
Accumulated amortization	(56,526,700)	(5,899,079)	(62,425,779)
31 March 2025, net book value	3,628,257	384,976	4,013,233
	Licenses and development costs	Other	Total
As of 1 January			
Cost	58,469,840	6,134,663	64,604,503
Accumulated amortization	(52,078,051)	(5,753,589)	(57,831,640)
Net book value	6,391,789	381,074	6,772,863
1 January 2024, net book value			
Additions	139,877	13,143	153,020
Amortization expense	(1,120,544)	(28,654)	(1,149,198)
31 March 2024, net book value	5,411,122	365,563	5,776,685
As of 31 March			
Additions	58,609,717	6,147,806	64,757,523
Accumulated amortization	(53,198,595)	(5,782,243)	(58,980,838)
31 March 2024, net book value	5,411,122	365,563	5,776,685

(*) It consists of development costs made within the scope of increasing the efficiency and quality of automobile production and reducing costs. The aforementioned amount has been capitalized within the scope of TMS 38 and is recognized within intangible assets.

Tofaş Türk Otomobil Fabrikası Anonim Şirketi**Notes to the condensed consolidated interim financial statements
for the interim period ended 31 March 2025**

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

NOTE 11 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**Short-term debt provisions:**

	31 March 2025	31 December 2024
Provision for warranty claims	2,329,064	2,460,860
Provision for legal cases	97,479	107,288
Other	275,395	264,881
	2,701,938	2,833,029

Movement table of the warranty provision is as follows:

	31 March 2025	31 March 2024
1 January	2,460,860	2,766,303
Paid during the period	(352,345)	(250,699)
Increase during the year (Note:15)	447,803	578,285
Inflation Effect	(227,254)	(376,925)
	2,329,064	2,716,964

Movement table of the provision for litigation is as follows:

	31 March 2025	31 March 2024
1 January	107,288	27,832
Inflation Effect	(9,809)	(3,644)
	97,479	24,188

Litigations against the Group

As of 31 March 2025, the total amount of outstanding legal claims brought against the Group is TL 31,027 (31 December 2024: TL 34,149). The Group has reflected a reserve amounting to TL 97,479 (31 December 2024: TL 107,288) in the financial statements.

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

Notes to the condensed consolidated interim financial statements for the interim period ended 31 March 2025

(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

NOTE 11 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

Guarantees, pledges, mortgages and sureties:

As at 31 March 2025 and 31 December 2024, guarantees, pledges, mortgages and sureties ("GPMs") given by the Group are as follows in original currencies:

	31 March 2025			31 December 2024		
	TL			TL		
	Equivalent	EUR	TL	Equivalent	EUR	TL
A. Total Amount of CPM Given for Its Own Legal Entity	524,434	2,000	443,030	740,059	2,000	659,178
B. Total Amount of CPM Given on Behalf of the Fully Consolidated Entities	-	-	-	-	-	-
C. Total Amount of CPM Given on Behalf of Third Parties Debts for Cont Their Economic Activities	-	-	-	-	-	-
D. Total Other CPM Given	-	-	-	-	-	-
i. Total CPM Given on Behalf of the Parent Company	-	-	-	-	-	-
B ve C maddeleri kapsamında	-	-	-	-	-	-
ii. Total CPM Given on Behalf of Other Group Companies which are not	-	-	-	-	-	-
iii. Total CPM Given on Behalf of Third Parties which are not included in the Scope of Items C	-	-	-	-	-	-
Total	671,213	2,000	443,030	740,059	2,000	659,178

As of 31 March 2025 and 31 December 2024, the ratio of other GPMs given by the Group to the Group's equity is zero.

Other

Within the scope of the export incentive certificate dated 04 March 2021 and numbered 2021/D1-01051, which provides an export commitment of full 3,288,142,000 USD to be realized until 30 April 2024, full 2,918,148,554 USD has been exported. Within the scope of the export incentive certificate, which provides an import commitment of full 1,950,184,800 USD, full 1,491,043,569 USD has been imported.

Within the scope of the export incentive certificate dated 21 February 2023 and numbered 2023/D1-01035, which provides an export commitment of full 2,070,948,000 USD to be realized by 05 April 2025, full 852,579,230 USD has been exported. Within the scope of the export incentive certificate, which provides an import commitment of full 955,230,840 USD, full 289,331,265 USD has been imported.

Within the scope of the export incentive certificate dated 22 November 2024 and numbered 2024/D1-06175, which provides an export commitment of full 1,748,667,200 USD to be realized by 22 November 2025, full 5,013,410 USD of export has been realized. Within the scope of the export incentive certificate, which provides an import commitment of full 1,127,480,951 USD, full 15,513,325 USD has been imported.

Tofaş Türk Otomobil Fabrikası Anonim Şirketi**Notes to the condensed consolidated interim financial statements
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(Amounts are expressed in thousands of TL based on the purchasing power of Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

NOTE 12 - PREPAID EXPENSES AND INCOME, OTHER ASSETS AND LIABILITIES**a) Short-term prepaid expenses**

	31 March 2025	31 December 2024
Order advances given	100,438	39,260
Prepaid insurance and dealer expenses	364,345	209,654
	464,783	248,914

b) Long-term prepaid expenses

As of 31 March 2025, long term prepaid expenses amounting to TL 1,698,914 (31 December 2024: TL 1,979,728) consist of advances given for the purchase of property, plant and equipment amounting to TL 1,688,382 (31 December 2024: TL 1,964,588).

NOTE 13 SHAREHOLDER'S EQUITY**Share capital/adjustments to share capital and equity investments**

Registered capital ceiling of the Company is 2,500,000,000 (exact TL). The Company's historical authorized and issued share capital as of 31 March 2025 and 31 December 2024 is KTL 500,000,000 (exact TL) and consists of 50 billion shares with TL 0.01 (exact TL) par value each. As of 31 March 2025 and 31 December 2024, the breakdown of issued share capital of the Company is as follows:

	Share Group	31 March 2025		31 December 2024	
		Amount (historical)	Amount (%)	Amount (historical)	Amount (%)
Stellantis Europe SPA	D	189,280	37.856	189,280	37.856
Koç Holding A.Ş.	A	188,115	37.623	188,115	37.623
Koç Topluluğu Companies ve Koç Family	A	1,166	0.233	1,166	0.233
Other, including publicly traded shares	E	121,439	24.288	121,439	24.288
Total		500,000	100.000	500,000	100.000

Half of the Board of Directors' ("BoD") members are required to be elected from the nominees of A group shareholders, while the remaining half is to be nominated by D group shareholders. The General Assembly is authorized for determining the number and election of BoD members. At least one nominee from both A and D type of shareholders have to fulfill the requirements of an independent member as prescribed by the CMB legislation.

The historical values and inflation adjustment effects of the following equity accounts under the Company's balance sheet, in accordance with IFRS and Tax Law financial statements, as of March 31, 2025, are as follows:

31 March 2025 (IFRS)	Historical Value	Inflation adjustment effect	Indexed value
Capital	500,000	21,479,462	21,979,462
Restricted reserves appropriated from profit	2,608,081	3,531,469	6,139,550

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NOTE 13 SHAREHOLDER'S EQUITY (cont'd)**Share capital/adjustments to share capital and equity investments (cont'd)**

31 March 2025 (TAS)	Historical Value	Inflation adjustment effect	Indexed value
Capital	500,000	15,621,312	16,121,312
Restricted reserves appropriated from profit	2,608,081	3,777,458	6,385,539

NOTE 14 - SALES AND COST OF SALES**a) Net sales**

	1 January - 31 March 2025	1 January - 31 March 2024
Domestic sales	19,174,787	32,851,791
Foreign sales	4,066,080	11,323,151
Other	963,175	2,310,056
Total	24,204,042	46,484,998

The amount of sales discounts is TL 2,057,825 (31 March 2024: TL 2,805,175).

b) Production and sales quantities

	Production		Sales	
	March 2025	March 2024	March 2025	March 2024
Manufactured vehicles				
Egea	11,352	25,300	11,118	22,624
K0 Scudo	8,358	-	8,046	-
Egea Hatchback	6,945	11,229	6,821	10,084
Egea Stationwagon	-	1,737	-	1,733
MCV	-	17,592	4	17,674
Yeni Doblo	-	-	-	1
Total	26,655	55,858	25,989	52,116

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NOTE 14 - SALES AND COST OF SALES (cont'd)

b) Production and sales quantities (cont'd)

	Import		Sales	
	March 2025	March 2024	March 2025	March 2024
Imported vehicles				
Doblo	4,284	3,094	3,866	2,942
Ducato	2,120	1,698	2,056	1,928
Jeep	360	820	525	1,037
Alfa Romeo	237	157	259	271
Scudo	132	333	129	269
Fiat 600	75	2	2	2
Transit	6	-	6	-
Ferrari	4	8	4	7
Maserati	1	105	11	71
Fiat Topolino	-	132	68	45
Ulysse	-	263	1	194
Panda Futura	-	91	-	71
Fiat 500	-	47	78	106
Total	7,219	6,750	7,005	6,943

c) Cost of sales

	1 January - 31 March 2025	1 January - 31 March 2024
Direct material expenses	(12,192,519)	(25,971,697)
Depreciation and amortization expense	(1,409,737)	(1,645,326)
Direct labor expense	(354,851)	(606,180)
Other production expenses	(791,764)	(1,000,376)
Total cost of production	(14,748,871)	(29,223,579)
Change in work-in-process	(6,558,717)	(1,941,589)
Change in goods	(1,874,546)	1,755,431
Cost of merchandise sold	6,905	(9,981,100)
Cost of other sales	(111)	(68)
Total	(23,175,340)	(39,390,905)

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NOTE 15 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING EXPENSES, GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 March 2025	1 January - 31 March 2024
Marketing expenses	(1,174,527)	(1,522,856)
General administrative expenses	(889,338)	(1,182,619)
Research and development expenses	(394,622)	(579,464)
Total	(2,458,487)	(3,284,939)

a) Marketing Expenses

	1 January - 31 March 2025	1 January - 31 March 2024
Warranty expenses (Note 11)	(447,803)	(578,285)
Transportation and insurance expenses	(306,727)	(441,089)
Personnel expenses	(247,073)	(280,658)
Advertisement expenses	(74,800)	(89,353)
Depreciation and amortization expenses	(10,410)	(13,404)
Travel expenses	(9,436)	(9,813)
Other	(78,278)	(110,254)
Total	(1,174,527)	(1,522,856)

b) General Administrative Expenses

	1 January - 31 March 2025	1 January - 31 March 2024
Personnel expenses	(364,242)	(474,383)
Depreciation and amortization expenses	(226,964)	(327,649)
Outsourced expenses	(69,837)	(80,477)
Maintenance and repair expenses	(31,205)	(89,129)
Insurance expenses	(31,466)	(52,243)
Taxes, duties and charges	(20,589)	(29,527)
Travel expenses	(7,807)	(11,460)
Other	(137,228)	(117,751)
Total	(889,338)	(1,182,619)

c) Research and development expenses

	1 January - 31 March 2025	1 January - 31 March 2024
Personnel expenses	(303,233)	(391,552)
Outsourced R&D expenses	(29,077)	(86,476)
Depreciation and amortization expenses	(11,700)	(26,295)
Prototype Expenses	(9,706)	(7,304)
Transport and travel expenses	(4,178)	(13,947)
Energy expenses	(2,387)	(4,009)
Other	(34,341)	(49,881)
Total	(394,622)	(579,464)

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NOTE 16 - OTHER INCOME AND EXPENSES FROM MAIN OPERATIONS

	1 January - 31 March 2025	1 January - 31 March 2024
Foreign exchange income from operating activities	1,919,709	734,366
Maturity difference income from operating activities	583,540	1,523,940
Other	24,939	274,486
Total	2,528,188	2,532,792
	1 January - 31 March 2025	1 January - 31 March 2024
Foreign exchange expenses from operating activities	(1,834,694)	(1,294,841)
Maturity difference expenses from operating activities	(177,924)	(673,378)
Other	(430,455)	(264,674)
Total	(2,443,073)	(2,232,893)

NOTE 17 - FINANCE INCOME/EXPENSES

	1 January - 31 March 2025	1 January - 31 March 2024
Foreign exchange income	971,141	1,371,628
Interest income	1,843,335	2,199,077
Total finance income	2,814,476	3,570,705
	1 January - 31 March 2025	1 January - 31 March 2024
Foreign exchange expenses	(864,062)	(1,211,357)
Interest expense	(138,941)	(24,555)
Other	(604)	(1,076)
Total finance expenses	(1,003,607)	(1,236,988)
Finance income, net	1,810,869	2,333,717

NOTE 18 - TAX ASSETS AND LIABILITIES**Current tax expense and deferred tax**

Tax expense includes current tax expense and deferred tax expense. Tax is included in the income statement, provided that it is not directly related to a transaction accounted for under equity. Otherwise, the tax is accounted for under the equity, together with the related transaction.

Current tax expense is calculated by taking into account the tax legislation, in force as of the financial statement date, in respective countries where the investments of the subsidiaries and investments accounted for by the equity method are active. According to Turkish tax legislation, all legal or business centers and institutions in Turkey, are subject to Corporate Income Tax.

Tofaş Türk Otomobil Fabrikası Anonim Şirketi

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NOTE 18 - TAX ASSETS AND LIABILITIES (cont'd)

In the Turkish taxation system, financial losses may be offset against taxable profits for up to next five years while may not be offset (retrospectively) from previous years' earnings

In addition, to be deducted from the corporate tax, a provisional tax of 25% is paid over the tax bases declared in the interim periods during the year in 2025 (31 December 2024: 25%).

As of 31 March 2025 and 31 December 2024, tax provision has been made in accordance with the applicable tax legislation.

The Company recognizes deferred tax based upon temporary differences arising between its financial statements and its statutory tax financial statements by using liability method. In the calculation of deferred tax, the tax rates valid as of the date of the statement of financial position are used in accordance with the current tax legislation.

As of 31 March 2025, a tax rate of 25% (31 December 2024: 25%) has been used in the deferred tax calculation.

While deferred tax liability is calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by generating taxable profit in the future.

Provided that they are subject to the tax legislation of the same country and there is a legally enforceable right to set off current tax assets from current tax liabilities, deferred tax assets and liabilities are mutually offset.

Tax assets and liabilities

Corporate tax

The Company and its subsidiaries established in Turkey and other countries in the scope of consolidation, associates, and joint ventures are subject to the tax legislation and practices in force in the countries they are operating.

The corporate tax rate in Turkey is 25%. (However, in accordance with the articles added to the Corporate Tax Law, the corporate tax rate of 20% has been applied as 25% for corporate earnings for the taxation period of 2024). The corporate tax rate is applied to the net corporate income calculated as a result of adding non-deductible expenses in accordance with the tax laws to the trade income of the corporations and deducting the exceptions and deductions in the tax laws. Corporate tax is declared until the evening of the thirtieth day of the fourth month following the end of the relevant year and is paid in a single installment until the end of the relevant month.

Companies calculate a provisional tax of 25% on their quarterly financial profits and declare it by the 17th day of the second month following that period and pay it by the evening of the seventeenth day. The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated over the corporate tax return to be submitted in the following year. If the amount of temporary tax paid remains despite the deduction, this amount can be refunded in cash or set off against any other financial liabilities to the government.

Corporate tax losses can be carried forward for a maximum period of 5 years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

10% withholding applies to dividends distributed by resident real persons, those who are not liable to income and corporation tax, non-resident real persons, non-resident corporations and non-resident corporations exempted from income and corporation tax. Dividend distribution by resident corporations to resident corporations is not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

Tofaş Türk Otomobil Fabrikası Anonim Şirketi**Notes to the condensed consolidated interim financial statements
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NOTE 18 - TAX ASSETS AND LIABILITIES (cont'd)

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis. As of 31 March 2025 and 31 December 2024, taxes payable are netted off for each Subsidiary and classified separately in the consolidated financial statements.

The breakdown of the tax expense reflected in the consolidated statement of profit or loss for the periods ending 31 March 2025 and 2024 is presented below:

	1 January - 31 March 2025	1 January - 31 March 2024
Current tax expense	(117,102)	(1,768,926)
Deferred tax income	165,096	1,566,179
	47,994	(202,747)

b) Deferred tax assets and liabilities

As of 31 March 2025 and 31 December 2024, temporary differences subject to deferred tax and the distribution of deferred tax assets calculated using the effective tax rates enacted as of the balance sheet date are summarized below:

	Cumulative temporary differences		Deferred tax asset/(liability)	
	31 March 2025	31 December 2024	31 March 2025	31 December 2024
Discounted corporate tax (*)	10,574,204	8,142,263	4,781,062	3,953,097
Provision for employment termination benefits and unused vacation	1,192,920	1,249,960	298,230	312,490
Liabilities arising from customer service	269,579	267,076	80,874	80,122
Warranty expense provision	2,329,064	2,460,860	582,257	615,215
Depreciable assets	(3,829,659)	(4,271,781)	(957,415)	(1,067,946)
Inventories	(332,613)	(513,294)	(83,153)	(128,323)
Land and investment properties	328,067	361,079	82,017	90,270
Other	(1,601,312)	480,583	(395,025)	120,145
Deferred tax asset, net	8,930,250	8,176,746	4,388,847	3,975,070

(*) As a result of its fixed asset investments, the Group uses different reduced tax rates in proportion to different rates of investment amounts.

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NOTE 18 - TAX ASSETS AND LIABILITIES (cont'd)

The movement of the deferred tax asset balance during the period is as follows:

	1 January - 31 March 2025	1 January - 31 March 2024
Deferred tax asset as of 1 January	3,975,070	2,748,538
Deferred tax income	165,096	1,566,179
Related to other comprehensive income statement	248,681	(229,953)
<i>Remeasurement gains/(losses)</i>		
<i>on defined benefit plans</i>	(8,719)	(118,390)
<i>Cash flow hedge losses</i>	257,400	(111,563)
Total	4,388,847	4,084,764

(*) Related amount which is accounted under equity in connection with the tax effect of exchange losses subject to allowance from tax base in statutory records and reflected in the deferred tax charge.

The analysis of tax income reflected in the statement of profit or loss as of 31 March 2025 and 2024 is presented below:

	1 January - 31 March 2025	1 January - 31 March 2024
Profit before tax	(188,448)	4,077,963
Tax expense based on effective tax (25%)	47,112	(1,019,491)
Non-deductible expenses	(2,337)	(30,086)
Discount provided from R&D expenses made during the period	106,313	141,039
Effect of reduced tax rate	136,241	867,469
Investment incentives utilised and earned, net	827,965	1,890,245
Other	(176,515)	(1,047,200)
Monetary (loss)/gain	(890,785)	(1,004,723)
	47,994	(202,747)

NOTE 19 - EARNINGS PER SHARE

Earnings per share are determined by dividing net income by the weighted average number of shares that have been outstanding during the related period concerned. In 2025 and 2024, the weighted average number of shares outstanding is 50,000,000,000 and as of 31 March 2025 and 2024 earnings per share is Kr -0.28 and Kr 7.75 respectively.

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NOTE 20 - RELATED PARTY DISCLOSURES**Balances with related parties**

Deposit and financial loan balances with related parties	31 March 2025	31 December 2024
Yapı ve Kredi Bankası A.Ş. (deposit) (1)	4,091,035	2,005,781
Yapı ve Kredi Bankası A.Ş. (financial loan) (1)	(1,458,424)	(1,415,349)
Total	2,632,611	590,432

Trade receivables from related parties	31 March 2025	31 December 2024
Otokoç Otomotiv Tic. ve San. A.Ş. (1)	3,111,348	4,362,373
Stellantis Europe SPA (2)	5,302,031	6,716,220
Other (1)	2,439,726	2,312,906
Less: unearned finance income from forward sales	(39,981)	(67,831)
Total	10,813,124	13,323,668

Trade payables to related parties	31 March 2025	31 December 2024
Stellantis Europe SPA (2)	8,002,114	3,356,171
Other (1)	347,807	934,286
Rediscount receivables from related parties	(37,989)	(41,812)
	8,311,932	4,248,645

Transactions with related parties**Sales**

	1 January - 31 March 2025	1 January - 31 March 2024
Otokoç Otomotiv Tic. ve San. A.Ş. (1)	5,996,669	10,948,259
Stellantis Europe SPA (2)	1,794,261	9,554,781
Stellantis Auto SAS (1)	1,983,725	11,879
Opel Automobile GMBH (1)	695,477	-
Stellantis Otomotiv Pazarlama A.Ş. (1)	616,145	7,679
Other (1)	38,386	128,134
	11,124,663	20,650,732

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NOTE 20 - RELATED PARTY DISCLOSURES (cont'd)**Transactions with related parties (cont'd)****Domestic material and service purchases:**

	1 January - 31 March 2025	1 January - 31 March 2024
Otokoç Otomotiv Tic. ve San. A.Ş. (1)	304,178	303,831
Zer Merkezi Hizmetler ve Ticaret A.Ş. (1)	300,972	477,690
Ram Dış Ticaret A.Ş. (1)	109,532	611,310
Opet Fuchs Madeni Yağlar Tic. A.Ş. (1)	41,734	64,198
Koç Holding A.Ş. (2)(*)	40,628	38,572
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş. (1)	37,940	44,058
Plastiform Plastik San. Tic. A.Ş. (1)	29,264	87,156
Opet Petrolcülük A.Ş. (1)	19,093	30,148
Sistemi Comandi Meccanici Otomotiv San. Tic. A.Ş. (1)	17,554	60,749
Ingage Dijital Pazarlama Hizmetleri (1)	16,416	13,980
Setur Servis Turistik A.Ş.(1)	9,357	13,522
Ram Sigorta Aracılık Hizmet A.Ş. (1) (**)	7,894	10,714
Tanı Pazarlama ve İletişim A.Ş. (1)	6,904	4,831
Diğer (1)	16,888	15,059
Toplam	958,354	1,775,818

(1) Joint Ventures represent the shareholders of these companies and their related parties, which are subsidiaries, joint ventures or associates.

(2) Represents the joint ventures.

(*) It includes the service fee invoiced to the Group as a result of the distribution of the expenses, including personnel and senior management expenses, incurred by Koç Holding A.Ş. in relation to the companies to which services are provided, in return for the services provided to the companies within Koç Holding A.Ş. in areas such as finance, law, planning, tax and senior management, within the framework of the "11- Intragroup Services" regulation of the General Communiqué Serial No.1 on Disguised Profit Distribution through Transfer Pricing.

(**) It includes premiums paid and accrued in accordance with the policies signed between Ram Sigorta Aracılık Hizmetleri A.Ş., which operates as an insurance agency, and insurance companies that are not related parties.

Foreign trade good. material and service purchase:

	1 January - 31 March 2025	1 January - 31 March 2024
Stellantis Europe SPA (2)	10,094,108	9,554,781
Stellantis Auto SAS (1)	1,245,925	-
Other (1)	22,476	-
	11,362,509	9,554,781

Interest income from related parties for the three-month period ended 31 March 2025 is TL 65,096 (31 December 2024: TL 924,279).

Salaries and similar benefits paid to the top management consisting of (25 persons) (31 March 2024: 28 persons) for the three-month period of 2025 is TL 39,239 (31 March 2024: TL 71,495)

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

Financial risk management objectives and policies

The Group's principal financial instruments are cash and cash equivalents and financial liabilities. The main purpose of these financial instruments is to raise financing for the Group's operations. The Group has various other financial instruments such as trade payables and trade receivables, which arise directly from its operations. The main risks arising from Group's financial instruments are interest rate risk, liquidity risk, currency risk and credit risk. The Group's management reviews and develops policies for managing each of these risks which are summarized below.

Credit risk

Credit risk is the risk that the other party will incur a financial loss as a result of the failure of the parties to fulfill their obligations with respect to a financial instrument. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of the counterparties. It is the Group policy that all customers who wish to trade on credit terms are subject to credit screening procedures and the Group also obtains collaterals from customers when appropriate. In addition, the Group's doubtful loan / receivable risk is minimized by continuously reviewing the receivables. Trade receivables are evaluated by the Group management based on past experiences and the current economic situation and are presented net in the balance sheet after an appropriate amount of allowance for doubtful receivables (Note 5).

The amounts stated in the balance sheets reflects the maximum risk exposure of the Group.

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NOTE 21- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Types of credit exposed by types of financial instruments;

31 March 2025	Trade Receivables		Other Receivables	Cash and Cash Equivalents	Financial investments	Receivables from financial sector activities
	Related Party	Other	Other			
Maximum exposure to credit risk as of reporting date (A + B + C + D + E) (1)	10,813,124	10,043,211	23,495	26,525,843	79,643	18,094,138
- The portion of the maximum risk secured by collateral, etc. (-) (2)	29,950	6,898,499	-	-	-	18,094,138
A. Net book value of financial assets that are not overdue or impaired	10,406,692	9,871,858	23,495	26,525,843	79,643	17,525,190
a- The portion of the maximum risk secured by collateral, etc. (-)	29,950	6,897,870	-	-	-	17,525,190
- General loan provisions	-	-	-	-	-	(209,429)
Not past due or not impaired (gross carrying amount)	-	-	-	-	-	-
B. Carrying amount of financial assets that are renegotiated, otherwise considered overdue or impaired	-	-	-	-	-	-
b- The portion of the maximum risk secured by collateral, etc. (-)	-	-	-	-	-	-
C. Net book value of overdue but not impaired assets	406,432	169,713	-	-	-	303,253
c- The portion of the maximum risk secured by collateral, etc. (-)	-	629	-	-	-	(300,220)
D. Net book values of impaired assets	-	1,640	-	-	-	265,695
- Past due (gross book value)	-	17,758	-	-	-	432,608
- Impairment (-)	-	(16,118)	-	-	-	(166,913)
- Secured portion of the net book value by collateral, etc.	-	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Secured portion of the net book value by collateral, etc.	-	-	-	-	-	240,203
E. Off-balance sheet items that include credit risk	-	-	-	-	-	-

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NOTE 21- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

31 December 2024	Trade Receivables		Other Receivables	Cash and Cash Equivalents	Financial investments	Receivables from financial sector activities
	Related Party	Other	Other			
Maximum exposure to credit risk as of reporting date (A + B + C + D + E) (1)	13,323,668	9,663,032	2,749	21,699,777	89,365	18,580,466
- The portion of the maximum risk secured by collateral, etc. (-) (2)	32,964	5,891,491	-	-	-	18,580,466
A. Net book value of financial assets that are not overdue or impaired	12,144,137	9,481,887	2,749	21,699,777	89,365	17,988,861
a- The portion of the maximum risk secured by collateral, etc. (-)	32,964	5,891,350	-	-	-	17,988,861
- General loan provisions						(166,284)
Not past due or not impaired (gross carrying amount)	-	-	-	-	-	-
B. Carrying amount of financial assets that are renegotiated, otherwise considered overdue or impaired	-	-	-	-	-	-
b- The portion of the maximum risk secured by collateral, etc. (-)						
value of overdue but not impaired assets	1,179,531	179,340	-	-	-	356,174
c-The portion of the maximum risk secured by collateral, etc. (-)	-	141	-	-	-	(352,612)
D. Net book values of impaired assets	-	1,805	-	-	-	235,431
- Past due (gross book value)	-	19,545	-	-	-	411,727
- Impairment (-)	-	(17,740)	-	-	-	(176,297)
- Secured portion of the net book value by collateral, etc.	-	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Secured portion of the net book value by collateral, etc.	-	-	-	-	-	12,114
E. Off-balance sheet items that include 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.

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NOTE 21- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Aging analysis of trade receivables

Aging of the Group's receivables which are overdue but not impaired is as follows:

31 Mart 2025	
Vadesi üzerinden 1-30 gün geçmiş	359,648
Vadesi üzerinden 1-3 ay geçmiş	229,982
Vadesi üzerinden 3-12 ay geçmiş	121,503
Vadesi üzerinden 1-5 yıl geçmiş	168,265
	879,398
31 Mart 2024	
Vadesi üzerinden 1-30 gün geçmiş	1,409,713
Vadesi üzerinden 1-3 ay geçmiş	224,089
Vadesi üzerinden 3-12 ay geçmiş	217,536
Vadesi üzerinden 1-5 yıl geçmiş	4,538
	1,855,876

Amount secured with guarantees

As of 31 March 2025 TL 562,833 of total past due receivables of the Group is due from the Group's related party, Stellantis Europe SPA (31 December 2024: TL 385,091). As of 31 March 2025, the Group's payables to Stellantis Europe SPA amount to TL 8,002,114 (31 December 2024: TL 3,356,171).

Foreign currency risk

The Group is exposed to foreign exchange risk arising from the ownership of foreign currency denominated assets and liabilities with sales or purchase commitments. The policy of the Group is to compare every foreign currency type for the probable sales or purchases in the future.

As explained in detail in Note 4, according to the manufacturing agreements signed by the Group, the repayment obligations related to loans obtained for Egea, Doblo, Mini Cargo are guaranteed by Stellantis Group through future purchases. Therefore, the Stellantis Group has assumed the risk of fluctuations in foreign exchange rates and interest rates that may arise from the loan used for the production of the vehicles.

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NOTE 21- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

31 March 2025		TL equivalent (functional currency)	USD (‘000)	EUR (‘000)	Other (‘000)
1.	Trade Receivables	5,671,076	2,232	137,261	-
2a.	Monetary Financial Assets (including cash, bank accounts)	8,805,672	7	216,339	-
2b.	Non-Monetary Financial Assets	3,360,471	-	80,615	-
3.	Other	1,666	-	41	-
4.	Current assets (1+2+3)	17,838,885	2,239	434,256	-
5.	Trade Receivables	-	-	-	-
6a.	Monetary Financial Assets	-	-	-	-
6b.	Non-Monetary Financial Assets	1,455,864	-	34,925	-
7.	Other	56,983	-	1,400	-
8.	Non-current assets (5+6+7)	1,512,847	-	36,325	-
9.	Total assets (4+8)	19,351,732	2,239	470,581	-
10.	Trade Payables	(10,161,871)	(1,610)	(247,725)	(3,518)
11.	Financial Liabilities	(1,935,421)	-	(47,551)	-
12a.	Monetary Other Liabilities	-	-	-	-
12b.	Non-Monetary Other Liabilities	-	-	-	-
13.	Current liabilities (10+11+12)	(12,097,292)	(1,610)	(295,276)	(3,518)
14.	Trade Payables	-	-	-	-
15.	Financial Liabilities (*)	(9,862,011)	-	(242,299)	-
16a.	Monetary Other Liabilities	-	-	-	-
16b.	Non-Monetary Other Liabilities	-	-	-	-
17.	Non-current liabilities (14+15+16)	(9,862,011)	-	(242,299)	-
18.	Total liabilities (13+17)	(21,959,303)	(1,610)	(537,575)	(3,518)
19.	Net Asset/ (Liability) Position of Off-Balance Sheet				
	Derivative Instruments (19a-19b)	11,797,446	-	289,850	-
19a.	Hedged portion of assets amount	-	-	-	-
19b.	Hedged portion of liabilities amount	(11,797,446)	-	(289,850)	-
20.	Net foreign currencies assets / (liability) position (9+18+19)	9,189,875	629	222,856	(3,518)
21.	Monetary Items Net Foreign Currency Asset/Liability Position				
	(1+2a+3+5+6a+10+11+12a+14+15+16a)	(7,480,889)	629	(183,934)	(3,518)
22.	Total fair value of financial instruments used for foreign currency hedges	-	-	-	-
23.	Export	4,663,076	-	118,940	7,988
24.	Import	13,806,784	1,576	351,206	734,809

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NOTE 21- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

31 December 2024		TL equivalent (functional currency)	USD (‘000)	EUR (‘000)	Other (‘000)
1.	Trade Receivables	9,022,444	1,994	221,194	-
2a.	Monetary Financial Assets (including cash, bank accounts)	6,850,728	9	169,394	-
2b.	Non-Monetary Financial Assets	1,663,818	-	35,844	8
3.	Other	317,371	-	7,848	-
4.	Current assets (1+2+3)	17,854,361	2,003	434,280	-
5.	Trade Receivables	-	-	-	8
6a.	Monetary Financial Assets	-	-	-	-
6b.	Non-Monetary Financial Assets	1,944,972	-	41,901	-
7.	Other	-	-	-	-
8.	Non-current assets (5+6+7)	1,944,972	-	41,901	-
9.	Total assets (4+8)	19,799,333	2,003	476,181	-
10.	Trade Payables	(5,206,696)	(1,676)	(126,882)	8
11.	Financial Liabilities	(1,404,027)	-	(34,718)	(1,987)
12a.	Monetary Other Liabilities	-	-	-	-
12b.	Non-Monetary Other Liabilities	(232)	-	(5)	-
13.	Current liabilities (10+11+12)	(6,610,955)	(1,676)	(161,605)	-
14.	Trade Payables	-	-	-	(1,987)
15.	Financial Liabilities (*)	(10,107,166)	-	(249,928)	-
16a.	Monetary Other Liabilities	-	-	-	-
16b.	Non-Monetary Other Liabilities	-	-	-	-
17.	Non-current liabilities (14+15+16)	(10,107,166)	-	(249,928)	-
18.	Total liabilities (13+17)	(16,718,122)	(1,676)	(411,533)	-
19.	Net Asset/ (Liability) Position of Off-Balance Sheet				
	Derivative Instruments (19a-19b)	11,511,157	-	284,646	-
19a.	Hedged portion of assets amount	-	-	-	-
19b.	Hedged portion of liabilities amount	(11,511,157)	-	(284,646)	-
			-	-	-
20.	Net foreign currencies assets / (liability) position (9+18+19)	14,592,368	327	349,294	-
21.	Monetary Items Net Foreign Currency Asset/Liability Position (1+2a+3+5+6a+10+11+12a+14+15+16a)	-	-	-	(1,979)
22.	Total fair value of financial instruments used for foreign currency hedges	-	-	-	-
23.	Export	-	-	-	-
24.	Import	20,131,287	4,212	518,088	76,501

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NOTE 21- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

The following table demonstrates the sensitivity to a possible change of 10% in the USD, EUR and other exchange rates in the Group's foreign currency denominated liabilities (excluding foreign currency denominated inventory and fixed asset purchase advances), with all other variables held constant, on the Group's income before tax as of 31 March 2025 and 31 December 2024;

	Profit/loss		Equity	
	Appreciation of foreign currency	Depreciation foreign currency	Appreciation of foreign currency	Depreciation foreign currency
31 March 2025				
<i>In case of a 10% appreciation of USD against TL:</i>				
1- USD net asset/liability	2,375	(2,375)	-	-
2- Portion hedged against USD risk (-)	-	-	-	-
3- USD net effect (1 +2)	2,375	(2,375)	-	-
<i>In case of a 10% appreciation of EUR against TL:</i>				
4- EUR net asset/liability	(748,646)	748,646	(1,201,468)	1,201,468
5- Portion hedged against EUR risk (-)	1,201,468	(1,201,468)	-	-
6- EUR net effect (4+5)	452,822	(452,822)	(1,201,468)	1,201,468
<i>In case of a 10% appreciation of other foreign exchange rates against TL:</i>				
7- Other foreign currency net asset/liability	(1,819)	1,819	-	-
8- Other foreign currency hedged portion (-)	-	-	-	-
9- Other Foreign Currency Assets net effect (7+8)	(1,819)	1,819	-	-
Total (3+6+9)	453,378	(453,378)	(1,201,468)	1,201,468

	Profit/loss		Equity	
	Appreciation of foreign currency	Depreciation foreign currency	Appreciation of foreign currency	Depreciation foreign currency
31 December 2024				
<i>In case of a 10% appreciation of USD against TL:</i>				
1- USD net asset/liability	1,268	(1,268)	-	-
2- Portion hedged against USD risk (-)	-	-	-	-
3- USD net effect (1 +2)	1,268	(1,268)	-	-
<i>In case of a 10% appreciation of EUR against TL:</i>				
4- EUR net asset/liability	(52,964)	52,964	(1,074,372)	1,074,372
5- Portion hedged against EUR risk (-)	1,074,372	(1,074,372)	-	-
6- EUR net effect (4+5)	1,021,408	(1,021,408)	(1,074,372)	1,074,372
<i>In case of a 10% appreciation of other foreign exchange rates against TL:</i>				
7- Other foreign currency net asset/liability	(1,054)	1,054	-	-
8- Other foreign currency hedged portion (-)	-	-	-	-
9- Other Foreign Currency Assets net effect (7+8)	(1,054)	1,054	-	-
Total (3+6+9)	1,021,622	(1,021,622)	(1,074,372)	1,074,372

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Notes to the condensed consolidated interim financial statements for the interim period ended 31 March 2025

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NOTE 21- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Interest risk

Interest rate risk arises from the impact of changes in interest rates on the financial statements. The Group is exposed to interest rate risk due to timing mismatches or differences of assets and liabilities that are due to be expired or re-priced in a given period. The Group manages this risk by applying risk management strategies by matching the dates of interest rate change of assets and liabilities.

As of 31 March 2025, there are no interest rate sensitive financial instruments in the balance sheet (None as of 31 December 2024).

Liquidity risk

Liquidity risk is the risk that a company will be unable to meet its funding requirements. Liquidity risk is reduced by balancing cash inflows and outflows with the support of loans provided by qualified credit institutions.

The breakdown of financial assets and liabilities according to their maturities is disclosed considering from balance sheet date to due date period. Financial assets and liabilities that have no certain due dates are classified in over one-year column.

31 March 2025

	Book	Total Contracted	Less than	Between	Between	More than
Contractual maturities	value	Cash Outflows (=I+II+III+IV)	3 months (I)	3-12 months (II)	1-5 years (III)	5 years (IV)
Non-derivative financial liabilities						
Bank loans	26,916,468	33,877,134	3,266,049	9,370,021	17,000,333	4,240,731
Lease liabilities	37,318	38,822	1,640	31,448	5,734	-
Trade payables	18,147,990	18,241,922	18,223,550	18,372	-	-
Debt securities issues	2,703,430	3,659,685	156,329	2,415,158	1,088,198	-
Employee benefit payables	930,382	930,382	930,382	-	-	-
Other payables	6,068,795	6,068,795	6,068,795	-	-	-
	54,804,383	62,816,740	28,646,745	11,834,999	18,094,265	4,240,731

31 December 2024

	Book	Total Contracted	Less than	Between	Between	More than
Contractual maturities	value	Cash Outflows (=I+II+III+IV)	3 months (I)	3-12 months (II)	1-5 years (III)	5 years (IV)
Non-derivative financial liabilities						
Bank loans	27,459,261	35,958,876	3,036,364	10,680,823	18,082,740	4,158,949
Lease liabilities	41,797	50,809	7,479	20,686	22,644	-
Trade payables	12,483,157	12,591,585	12,590,304	1,281	-	-
Debt securities issues	3,207,509	4,384,250	870,780	2,225,118	1,288,352	-
Employee benefit payables	1,009,699	1,009,699	1,009,699	-	-	-
Other payables	105,086	105,086	105,086	-	-	-
	44,306,509	54,100,305	17,619,712	12,927,908	19,393,736	4,158,949.00

Tofaş Türk Otomobil Fabrikası Anonim Şirketi**Notes to the condensed consolidated interim financial statements
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NOTE 21- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)***Capital management policy***

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes amendments to it, in light of changes in economic conditions.

The Group may adjust dividend payments to shareholders or return capital to shareholders in order to adjust and maintain its capital structure. As of 31 March 2025, there have been no changes in objectives, policies or processes.

	31 March 2025	31 December 2024
Total financial debt	29,657,216	30,708,566
Cash and cash equivalents (-)	(26,525,843)	(21,699,777)
Net financial debt	3,131,373	9,008,789
Equity	44,954,843	51,841,340
Net financial debt/equity ratio	%7	%17

NOT 22 SEGMENT REPORTING**1 January- 31 March 2025**

	Trading of spare part and automobile	Consumer financing	Total
Revenue	24,204,042	2,469,467	26,673,509
Gross profit	1,028,702	469,918	1,498,620
Operating expenses (-)	(2,365,321)	(93,166)	(2,458,487)
Other income from main operations	2,524,702	3,486	2,528,188
Other expenses from main operations (-)	(2,354,225)	(88,848)	(2,443,073)
Operating profit before finance expense	(1,166,142)	291,390	(874,752)

1 January- 31 March 2024

	Trading of spare part and automobile	Consumer financing	Total
Revenue	46,484,998	2,225,538	48,710,536
Gross profit	7,094,093	368,681	7,462,774
Operating expenses (-)	(3,188,335)	(96,604)	(3,284,939)
Other income from main operations	2,532,628	164	2,532,792
Other expenses from main operations (-)	(2,173,525)	(59,368)	(2,232,893)
Operating profit before finance expense	4,264,861	212,873	4,477,734

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Notes to the condensed consolidated interim financial statements for the interim period ended 31 March 2025

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NOTE 22 SEGMENT REPORTING (cont'd)

As of 31 March 2025, the distribution of assets and liabilities of consumer financing segment is followed by TL 15,128,907 in current asset, TL 5,042,964 in non-current asset, TL 10,720,496 in current liabilities and TL 7,758,528 in non-current liabilities as financial liabilities. (As of 31 March 2024 TL 15,671,136 in current asset, TL 5,991,832 in non-current asset and TL 9,988,181 in current liabilities, TL 10,380,895 in non-current liabilities as financial liabilities.

As of 31 March 2025, a significant portion of revenue consists of sales to related party's ratio to 45.96% (31 December 2024: 44.42%) (Note 20).

The Group management focuses on operating profit before financial expense in segment reporting, so the Group does not distribute financial income and expenses on a segment basis.

NOTE 23 EXPLANATIONS ON NET MONETARY POSITION GAINS / (LOSSES)

Non Monetary Items	31 March 2025
Statement of financial position items	
Inventories	1,358,831
Prepaid expenses (ST)	21,646
Investment properties	23,644
Property, plant and equipment	1,686,343
Intangible assets	(2,367)
Prepaid expenses (LT)	21,516
Deferred tax asset	347,950
Deferred income	(26,033)
Capital adjustment differences	(2,009,528)
Accumulated other comprehensive income or expenses not to be reclassified to profit or loss	88,964
Accumulated other comprehensive income or expenses to be reclassified to profit or loss	10,215
Prior years' profit	(2,778,489)
Statement of profit or loss items	
Revenue	(495,122)
Revenue from finance sector operations	(63,740)
Cost of sales (-)	426,594
Expenses from finance sector operations (-)	51,800
Marketing expenses (-)	24,900
General administrative expenses (-)	20,877
Research and development expenses (-)	9,700
Other income from operating activities	(38,378)
Other expenses from operating activities (-)	35,136
Income from investing activities	(2,354)
Finance income	(52,754)
Finance expenses(-)	14,092
Tax expense for the period	1,795
Deferred tax income	(10,955)
Net monetary position gains/(losses)	(1,335,717)

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NOTE 24 EVENTS AFTER THE REPORTING PERIOD

To purchase all of Stellantis Otomotiv Pazarlama A.Ş.'s (Stellantis Otomotiv) shares together with its operations and distribution rights of Stellantis brands (Peugeot, Citroen, Opel and DS Automobiles) in Türkiye; Following further analyses and evaluations, and subsequently the submission of new commitments to be effective as of the closing date of the transaction regarding investment plans, the composition of the board of directors, employee confidentiality policies and the dealership (distribution/sales) network, we were notified that the Competition Board conditionally approved the transaction.

Following the discussions between our company and Stellantis Group within the scope of these commitments, our board of directors resolved to invest up to 256 million Euros for the new light vehicle project, and negotiations regarding the agreement on project details and conditions (including production quantities, market forecasts and models to be produced) with the Stellantis Group are ongoing.