



**FORD OTOMOTİV SANAYİ A.Ş.**

1 January- 31 March 2025  
INTERIM REPORT

## COMPANY INFORMATION

### Board of Directors and Committees

According to Article 10 of our Articles of Incorporation, all affairs and management of Ford Otosan shall be conducted by the Board of Directors composed of at least 8 members, the total number of the members shall be even, and shall be elected for a period not exceeding three years in accordance with the provisions of the Turkish Commercial Code and regulations of the Capital Markets Board. Save for the mandatory provisions of the Corporate Governance Principles of the Capital Markets Board with respect to the independent members of the Board of Directors, the General Assembly may replace the members of the Board of Directors at any time as deemed necessary. Two of the elected board members shall meet the qualification of independence stipulated in the Corporate Governance Principles regulations of Capital Markets Board.

In our Ordinary General Assembly Meeting held on March 26th, 2025, the number of members of our Board of Directors was defined as 12, including 2 Independent Members. Our Board of Directors that would be serving until Ordinary General Assembly Meeting to audit 2025 accounts are as below:

M. Rahmi Koç	Honorary Chairman
Y. Ali Koç	Chairman
James Kieran Vincent Cahill	Vice Chairman
Johan Egbert Schep	Member
David Joseph Cuthbert Johnston	Member
Levent Çakiroğlu	Member
Haydar Yenigün	Member
John Davis	Member
Prof.Dr. Umran Savaş İnan	Independent Member
Prof. Dr. Katja Windt	Independent Member
Güven Özyurt	Member – General Manager
Josephine M. Payne	Member – General Manager

In accordance with Capital Markets Board's Communiqué II-17.1. on Corporate Governance;

Prof. Dr. Umran Savaş İnan and Prof. Dr. Katja Windt have been elected to the Audit Committee membership. Prof. Dr. Umran Savaş İnan has been elected as the chairman, and Haydar Yenigün, David Joseph Cuthbert Johnston, Prof. Dr. Katja Windt and Saibe Gül Ertuğ as the members of the Corporate Governance Committee which also fulfills the duties assigned to the Nominating Committee. Prof. Dr. Umran Savaş İnan has been elected as the chairman, and Haydar Yenigün and David Joseph Cuthbert Johnston as the members of the Early Determination and Management of Risk Committee. Prof. Dr. Umran Savaş İnan has been elected as the chairman, and Haydar Yenigün and James Kieran Vincent Cahill as the members of the Remuneration Committee.

## Shareholder Structure

Ford Otosan's shareholder structure as of March 31st, 2025 is as follows:

Company Name	Value of Share (TL)	Number of Share	Share Capital (%)
Koç Holding A.Ş.	135,631,304	13,563,130,447	38.65
Vehbi Koç Foundation	2,880,501	288,050,137	0.82
Koç Holding Retirement and Support Fund Foundation	3,259,202	325,920,231	0.93
Temel Ticaret A.Ş. <sup>(1)</sup>	2,355,885	235,588,500	0.67
Koç Group Companies	144,126,892	14,412,689,315	41.07
Ford Deutschland Engineering GmbH <sup>(2)</sup>	143,997,037	14,399,703,676	41.04
Publicly Held	62,786,070	6,278,607,009	17.89
<b>Total Nominal Capital (TL)</b>	<b>350,910,000</b>	<b>35,091,000,000</b>	<b>100</b>

(1) At the Extraordinary General Assembly meeting dated September 29, 2022, Temel Ticaret ve Yatırım A.Ş. approved the partial demerger and transferred all of its shares in Koç Holding A.Ş. to Family Danışmanlık Gayrimenkul ve Ticaret A.Ş which 100% owned by Temel Temel Ticaret ve Yatırım A.Ş.

(2) Ford Deutschland Engineering GmbH: 100% owned by Ford Motor Company.

## EVALUTION OF THE AUTOMOTIVE MARKET AND COMPANY OPERATIONS

### 1. Domestic Automotive Industry and Ford Otosan

In 1Q'25, the Turkish automotive market contracted by 7% year-over-year due to the high base effect from the previous year and challenges in accessing financing. During this period, total sales reached 248,058 units (305,878).

*Throughout the report, figures presented in parentheses refer to the values for the same period of the previous year.*

A decline was recorded across all segments in the first quarter of 2025, with sales in the PC, LCV, MCV, and Heavy Truck segments decreasing by 4.1%, 13.6%, 17.4%, and 24.7%, respectively.

Turkish automotive industry sales were as follows in 1Q'25:

	1Q'25	1Q'24	YoY %
Passenger Car	223,793	233,389	-4.1%
Light Commercial Vehicle	26,906	31,158	-13.6%
Medium Commercial Vehicle	25,585	30,972	-17.4%
Truck (>16 t)	6,778	9,005	-24.7%
Other Heavy Commercial Vehicle (6-16t)	996	1,354	-26.4%
<b>Total <sup>(3)</sup></b>	<b>284,058</b>	<b>305,878</b>	<b>-7.1%</b>

<sup>(3)</sup> Covers all passenger and commercial vehicles excluding buses and midibuses. / Source: Automotive Distributors' and Mobility Association (ADMA), Heavy Commercial Vehicles Association (TAİD) and TURKSTAT.

While PC industry share increased 78.8% (76.3%), LCV industry share decreased to 18.5% (14.3%).

#### The share of PCs in the total industry <sup>(4)</sup>

1Q'25	1Q'24	1Q'23	2023	2022	2021	2020	2019
79%	76%	71%	76%	72%	73%	77%	79%

During this period, the share of imported vehicles remained flat at 68% in the passenger car segment, while it increased to 78% in the light commercial vehicle segment, resulting in an overall import share of 70%.

Imported Vehicles Share <sup>(4)</sup>	PC	LCV	Total
1Q'25	68%	78%	70%
2024	70%	73%	71%
1Q'24	68%	67%	68%
1Q'23	64%	46%	60%
2023	68%	54%	65%

During this period, Ford Otosan demonstrated a relatively resilient performance in the face of the market contraction. Thanks to its renewed production portfolio, the impact of the market downturn remained limited, and domestic sales declined by 3% YoY in 1Q'25, totaling 23,459 units. In the first quarter of the year, Ford Otosan rose from 3rd to 2nd place in the overall market, achieving a market share of 8.3% (7.9%).

<sup>(4)</sup> Source: Automotive Distributors' and Mobility Association (ADMA)

<sup>(5)</sup> The upper limit has been increased from 1.6 million TL to 2.3 million TL and the vehicles to be exempted must be 40% domestically produced.

Throughout the report, figures presented in parentheses refer to the values for the same period of the previous year.

In the PC segment, while maintaining our profitability-focused strategy, our market share stood at 2.8% (3.6%), primarily due to changes in the criteria for Special Consumption Tax (SCT) exemptions <sup>(5)</sup>. On the other hand, our market share reached 21.6% (8.6%) in LCV, 37.6% (34.7%) in MCV, and 25.0% (28.2%) in the heavy truck segment.

## 1. Production and Capacity

In the January–March period, our total production volume declined by 3% YoY, reaching 166,025 units (171,357). Our overall capacity utilization rate stood at 71% (92%). By facility, utilization rates were 71% at the Gölcük Plant, 66% at the Yeniköy Plant, 40% at the Eskişehir Plant, and 80% at the Craiova Plant.

Our production volumes by model were as follows.

	1Q'25	1Q'24	YoY %
Gölcük	36,959	48,873	-24%
2 Ton CV (Ford Transit)	36,959	48,873	-24%
Yeniköy	66,908	55,657	20%
New 1 Ton CV (Ford Custom / VW Transporter)	66,908	55,657	20%
Eskişehir	2,247	3,922	-43%
Ford Trucks	2,247	3,922	-43%
Craiova	59,911	62,905	-5%
Ford Puma	35,042	43,915	-20%
New Ford Courier	24,869	18,990	31%
<b>Total</b>	<b>166,025</b>	<b>171,357</b>	<b>-3%</b>

## 2. Export, Domestic and Wholesale Review

In 1Q'25, the European PC market <sup>(6)</sup> declined by 1.9%, falling to 1.9 million units. This downturn was driven by ongoing global economic uncertainties. Notable declines were recorded in key markets such as France (-8%), Italy (-2%), and Germany (-4%). On the other hand, the UK passenger car market grew by 6.4%, supported by an increase in fleet registrations and incentive programs aimed at boosting electric vehicle (EV) purchases.

As a result, the combined European + UK PC market contracted by 0.6% YoY to 3.3 million units <sup>(6)</sup>.

(6) Source: ACEA - European Automobile Manufacturers' Association  
Throughout the report, figures presented in parentheses refer to the values for the same period of the previous year.

During the same period, the UK van market<sup>(7)</sup>—one of our largest export destinations—experienced a 10.6% decline, driven by reduced demand amid continued economic uncertainty and declining business investment.

## Exports

In the first quarter, Ford Otosan's export sales volume declined by 4% YoY, totaling 140,039 units (145,817 units). Export revenue amounted to TL 129.9 billion (TL 134.8 billion), reflecting a 4% decrease due to the slowdown in demand across European markets.

During this period, Ford maintained its leadership in the European commercial vehicle market, achieving a record market share of 19.3% in 1Q'25, driven by strong sales growth supported by its renewed product lineup.

In this period, Ford Otosan played a significant role in sustaining Ford's market leadership, accounting for 78% of Ford's commercial vehicle production in Europe. Additionally, by producing 40% of Ford's passenger cars sold in Europe, Ford Otosan reinforced its position as a key player in Ford's European operations.

## Domestic Sales

Domestic wholesale volumes amounted to 25,241 units (24,407), representing a 3% YoY increase. However, domestic revenue declined by 16% to TL 31.0 billion (TL 36.7 billion), mainly due to the effects of inflation accounting and sales mix, stemming from the gap between exchange rate increases and inflation.

## Total Sales

Total sales volume declined by 3% YoY to 165,280 units (170,224). Total sales revenue decreased by 6% to TL 160.9 billion (TL 171.5). The share of export revenue in total revenue increased to 81% (79%).

## 3. Investments

A total of TL 4.2 billion (TL 9.3 billion) was invested during the period, including capitalized product development expenditures.

(7) Source: SMMT - The Society of Motor Manufacturers & Traders. European CV market data is published on a quarterly basis, and 1Q'25 data will be released on April 30, 2025. The relevant information can be accessed through our analyst and monthly investor presentations.

Throughout the report, figures presented in parentheses refer to the values for the same period of the previous year.

#### **4. R&D Activities**

A total of TL 2.5 billion (TL 2.8 billion) was spent on R&D activities related to various product development projects prior to capitalization. R&D projects are being conducted in alignment with product program requirements. The number of employees working in R&D stands at 2,392.

#### **5. Employees**

As of March 31, 2025, the Company employed a total of 25,693 personnel, comprising 5,116 monthly-salaried and 20,577 hourly-waged employees (December 31, 2024: 5,139 monthly-salaried and 20,579 hourly-waged employees, totaling 25,718).

Ford Otosan continues to hold the position as the largest employer in the Turkish automotive industry. The Company's workers are covered under the Group Collective Labor Agreement signed on January 18, 2024, between the Turkish Metalworkers' Union and the Metal Industrialists' Union of Turkey (MESS), which is effective for the period from September 1, 2023, to August 31, 2025.

#### **6. Profitability**

In 1H24, Ford Otosan experienced a dilution in profitability due to

- i) Competitive pricing environment, which led to an increase in sales campaigns,
- ii) YoY decrease in export volumes due to ramp-up processes of newly launched Puma New Gen-E and E-Courier and slowdown of demand in Europe.

In 1Q'25, Gross Profit declined by 24% YoY to TL 13.9 billion (TL 18.3 billion), with the gross profit margin decreasing to 8.6% (10.6%). The key factors contributing to this result include: i) a competitive pricing environment, ii) an increasing share of international sales revenue within total revenues, and iii) cost increases driven by inflation accounting effects. The composition of COGS is i) 85.4% raw material, ii) 6.5% trade goods sold, iii) 5.3% labor and overhead, iv) 2.2% amortization, v) 0.6% other.

Opex slightly increased mainly due to the rise in sales and marketing expense, amounting TL7.4 bn (TL7.2 bn). Operating profit decreased by 37%, totalling TL7.8 bn (TL12.3 bn).

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In this period EBITDA and EBITDA excluding other income were TL 12.5 billion and TL 11.3 billion, respectively, experiencing declines of 20% and 22%. EBITDA per vehicle amounted to EUR 1,856, while PBT per vehicle was EUR 1,368.

Profit Before Tax decreased by 33% year-over-year to TRY 9.2 billion, including a monetary gain of TL 5.4 billion (TL6.1 billion). This decline was also driven by a 12% increase in Net Financial Expenses.

Margins: Gross 8.6% (-2.8 pps YoY); Operating 4.8% (-2.3 pps YoY); EBITDA 7.8% (-1.3 pps YoY); EBITDA excluding other income 7.0% (-1.4 pps YoY); and Net 4.0% (-3.2 pps YoY)

## 7. Financing

During the January–March period, the Company repaid EUR 172 million in foreign currency loans and TL 1.5 billion in Turkish lira loans, while obtaining EUR 100 million in foreign currency loans and TL 1.4 billion in Turkish lira loans. As a result, the total loan and debt securities balance increased from TL 120 billion at the end of 2024 to TL 123 billion as of the end of March. In contrast, our cash balance at the end of the period stood at TL 49.4 billion (TL 35.9 billion).

Ford Otosan continues to follow financial risks very closely and maintains prudent policies. The main policies regarding various risks are summarized in the Note 2 of the financial statements.

*Throughout the report, figures presented in parentheses refer to the values for the same period of the previous year.*

## 8. Main Financial Indicators

### Summary Balance Sheet

Million TL	1Q'25	2024	YoY %
Current Assets	189,696	169,462	12%
Property, Plant and Equipment - Net	108,144	107,071	1%
<b>Total Assets</b>	<b>378,773</b>	<b>359,653</b>	<b>5%</b>
Current Liabilities	157,535	135,819	16%
<b>Total Liabilities</b>	<b>253,927</b>	<b>232,835</b>	<b>9%</b>
Shareholders' Equity	124,846	126,818	-2%

### Summary Income Statement

Million TL	1Q'25	1Q'24	YoY %
<b>Total Revenues</b>	<b>160,901</b>	<b>171,508</b>	<b>-6%</b>
Export <sup>(8)</sup>	129,936	134,772	-4%
Domestic	30,965	36,736	-16%
Gross Profit	13,906	18,252	-24%
Operating Profit	7,770	12,276	-37%
EBITDA <sup>(9)</sup>	12,483	15,595	-20%
EBITDA (excl. other items)	11,262	14,347	-22%
Profit Before Tax	9,203	13,657	-33%
Net Income	6,487	12,392	-48%
<b>Other Financial Data</b>			
Depreciation & Amortization	3,506	2,911	20%
Embedded Lease <sup>(10)</sup>	1,207	408	196%
Financial Income / (Expense)	-6,396	-5,690	12%
Capital Expenditures	4,212	9,301	-55%

(8) Export revenues include exports from Ford Otosan and Ford Romania SRL.

(9) The EBITDA figure is based on a rolling 4-quarter basis.

(10) Includes Turkey and Romania.

## Summary Cash Flow Statement

	1Q'25	1Q'24	YoY %
Net Cash from Operating Activities	29,788	14,831	101%
Net Cash Used in Investing Activities	-3,858	-9,266	58%
Net Cash from Financing Activities	1,316	9,140	-86%
Monetary Gain/(Loss) on Cash & Equivalents	-2,545	-3,271	22%
Beginning Balance of Cash & Equivalents	24,576	24,151	2%
End of Period Balance of Cash & Equivalents	49,317	35,616	38%

## Financial Ratios

	1Q'25	2024
Net Debt / EBITDA <sup>(11)</sup>	2.03	2.38
Return on Equity	30.6%	35.6%
Debt Ratio	67.0%	64.7%
Capex / Sales	2.6%	5.6%

## Margins

	1Q'25	1Q'24	YoY Δ
Gross Margin	8.6%	10.6%	-2.0 pp
Operating Margin	4.8%	7.2%	-2.3 pp
EBITDA Margin	7.8%	9.1%	-1.3 pp
EBITDA Margin (excluding other items)	7.0%	8.4%	-1.4 pp
PBT Margin	5.7%	8.0%	-2.2 pp
Net Margin	4.0%	7.2%	-3.2 pp

<sup>(11)</sup> Net Debt / EBITDA is capped at 3.5x.

## **9. Other Material Developments**

- Our company's issued capital of 350,910,000 TL has been increased by 3,158,190,000 TL (900%) to 3,509,100,000 TL, as announced in the disclosures to the Public Disclosure Platform (KAP) on November 19, 2024, and November 27, 2024. It has been decided that the amount of 3,158,190,000 TL to be used in the capital increase will be distributed as free shares to shareholders on the record date, proportionate to their shares. In the Board meeting dated 15 January 2025, it was decided to apply to the Capital Markets Board for approval of the issuance document for the shares representing the increased capital of 3,158,190,000 TL, in accordance with the revised article on capital in the articles of association, following the sworn financial advisor's confirmation that the 3,158,190,000 TL added to the capital has been transferred from the relevant accounts to the company's capital account, and that the capital increase process has thus been completed. Subsequently, applications will be made to the Central Securities Depository for the necessary procedures for the distribution of shares.
- An application has been submitted to the Capital Markets Board of Turkey on January 29, 2025, to obtain the necessary permission for the approval of the Issuance Certificate regarding the shares with a nominal value of 3,158,190,000 TL to be issued, due to the increase in the capital of our company to 3,509,100,000 TL, fully covered by internal resources and to obtain the appropriate opinion regarding the amendment of the 6th article of the Articles of Association titled "Capital".
- Our Board of Directors has approved the attached Protection of Inside Information and Prevention of Insider Trading Policy, which was developed as an integral part of the Ford Otosan Code of Ethics. This policy outlines the principles and responsibilities concerning the use and protection of inside information by Ford Otosan employees, executives, business partners, and all other stakeholders with access to such information.
- Taking into consideration the views of the Audit Committee, the Board of Directors resolved to nominate Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. to audit our Company's financial reports for the year 2025 accounting period and to fulfil all other obligations required for the auditors by the Turkish Commercial Code numbered 6102 and the Capital Markets Law numbered 6362 and related regulations and to present the selection to the approval of the General Assembly. This appointment was approved by the General Assembly.

- On September 25th, 2024, pursuant to the authority granted by Article 7 of our Company's Articles of Association, the Board of Directors has decided to issue debt securities in accordance with the Capital Markets Board's Regulations on Debt Instruments, up to a total amount of 12 billion Turkish Liras, to be issued in various series and maturities, either privately placed and/or sold to qualified investors, and to be listed on the relevant market of Borsa Istanbul A.Ş. during a one-year period, subject to market conditions. This issuance will not lead to a public offering. The necessary permit application has been made to the Capital Markets Board within the scope of this decision today.
- To assure the continuity of its heavy commercial vehicle business, Ford Otosan has signed the "Ford Trucks Business Agreement" with Ford Motor Company and Ford Global Technologies LLC, and the "Ford Trucks Trademark License Agreement" (together, the "Agreements") with Ford Motor Company. These Agreements were signed to replace 2011 Global Cargo Cooperation Agreement and the Global Cargo Trademark License Agreement between the parties following closure of Ford Motor Company Brazil Ltda.'s Sao Bernardo do Compo heavy commercial vehicle plant in South America, with the aim to reflect current business conditions. Under these Agreements, Ford Otosan will continue to have the exclusive manufacturing and distribution rights for the Ford-branded heavy trucks exceeding 15 metric tons for the markets in which it currently operates and will also have these rights for certain additional markets Ford Otosan may evaluate in the future. Ford Otosan also receives a license from Ford for product development and manufacturing intellectual property as well as the Ford trademarks. In return Ford Otosan will pay Ford Motor Company a market fee, trademark license fee, and intellectual property fee for the granted rights and licenses. Products produced for the Turkish market will be subject only to the intellectual property fee. The Agreements will have an initial term until 31.12.2038 and will be renewed for two-year periods unless either party decides not to renew it.
- Ford Otomotiv Sanayi A.Ş. ("Ford Otosan") and Iveco S.p.A. ("Iveco") have signed a Joint Development Agreement ("Agreement") to collaborate on the development of new heavy truck cabin models, in consideration of the compliance with the EU Direct Vision Standard (GSR D Direct Vision Regulation), which will take effect in 2028, as well as the carbon emission reduction targets. Under the Agreement, the parties will jointly develop new heavy truck cabins, procure cabin components together where applicable, and manufacture and assemble the cabins at their respective facilities for selling the products under their own brands (Ford Trucks and Iveco). The intellectual property rights of all jointly developed assets under the Agreement will be equally shared by both

parties. The estimated total expenditure to be spent by the parties together under the Agreement is EUR 343 million. This amount covers jointly incurred engineering and development costs, prototype materials, production molds, and other procurement expenses but does not include investment expenditures required for brand-specific design customizations. The Agreement stipulates that engineering costs will be shared equally between the parties, while investment expenditures will ultimately be allocated based on the sales volume ratio of the parties. The first cabins designed under the joint development activities are expected to be ready for production by 2028. The Agreement will remain in effect until December 31, 2029, with both parties having the right to terminate under certain conditions until November 30, 2026.

- The Board of Directors resolved in their meeting on March 26, 2025, in accordance with the resolution made at the Ordinary General Assembly Meeting dated March 26, 2025 regarding the election of Board Members, task assignments were made and Mr. Yıldırım Ali Koç was assigned as the Board Chairman and Mr. James Kieran Vincent Cahill was assigned as the Vice Board Chairman. In this sense, the Board of Directors is composed of Chairman Mr. Yıldırım Ali Koç, Board Member & Honorary Chairman Mr. Mustafa Rahmi Koç, Vice Chairman Mr. James Kieran Vincent Cahill, Board Member & General Manager Mr. Güven Özyurt, Board Member & Deputy General Manager Ms. Josephine Mary Payne, Board Member Mr. Haydar Yenigün, Board Member Mr. Levent Çakiroğlu, Board Member Mr. David Joseph Cuthbert Johnston, Board Member Mr. Johan Egbert Schep, Board Member Mr. John Michael Davis, Independent Board Member Mr. Umran Savaş İnan and Independent Board Member Mrs. Katja Windt. It was resolved that the task assignment of the Board of Directors will be registered in Trade Registry and promulgated in Turkish Trade Registry Gazette.
- The Corporate Governance Principles Rating Compliance Agreement which was signed between our company and Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. has been renewed for one year, effective from March 28, 2025.

## 9. Guidance

There has been no revision to the guidance we shared with the public alongside our 2024YE financial results.

For 2025, we anticipate total automotive market sales to range between 950,000 and 1,050,000 units. We expect our domestic retail sales to be in the range of 90,000–100,000 units, international sales between 610,000–660,000 units, and wholesale sales between 700,000–760,000 units. Accordingly, we plan our total production volume to be within the range of 700,000–750,000 units. For new projects, we foresee fixed asset investments amounting to €750–850 million.

	2024 (Actuals)	2025 Guidance
<b>Total Turkish Automotive Market</b>	1,279k	950k – 1,050k
Retail Domestic Volume	114k	90k-100k
Export Volume	546k	610k-640k
Turkey	330k	410k-440k
Romania	216k	200k-220k
Wholesale Volume	661k	700k-760k
<b>Total Production Volume</b>	633k	700k-750k
Turkey	382k	460k-490k
Romania	251k	240k-260k
<b>Capex (Fixed Assets)</b>	€739 mn	€750-850 mn
General Investments	€128 mn	€130-150 mn
Product Related Investment	€611 mn	€620-700 mn
<b>Revenue Growth</b>		Flat High Single Digit
<b>EBITDA Margin</b>	7.2%	7%-8%

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