

FORD OTOMOTİV SANAYİ A.Ş.
1 January- 30 June 2025
INTERİM 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
Mehmet Apak	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 June 30th, 2025 is as follows:

Company Name	Value of Share (TL)	Number of Share	Share Capital (%)
Koç Holding A.Ş.	1,356,313,044.70	135,631,304,470	38.65
Vehbi Koç Foundation	28,805,013.70	2,880,501,370	0.82
Koç Holding Retirement and Support Fund Foundation	32,592,023.10	3,259,202,310	0.93
Temel Ticaret A.Ş. ⁽¹⁾	23,558,850.00	2,355,885,000	0.67
Koç Group Companies	1,441,268,931.50	144,126,893,150	41.07
Ford Deutschland Engineering GmbH ⁽²⁾	1,439,970,367.60	143,997,036,760	41.04
Publicly Held	627,860,700.90	62,786,070,090	17.89
Total Nominal Capital (TL)	3,509,100,000.00	350,910,000,000	100

⁽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.

EVALUATION OF THE AUTOMOTIVE MARKET AND COMPANY OPERATIONS

1. Domestic Automotive Industry and Ford Otosan

In the first half of 2025, the total automotive market rebounded from a 7% decline in Q1 to register a 5% YoY increase, reaching 625k (598k) units. This recovery was primarily driven by i) aggressive sales campaigns driven by intense price competition, ii) ongoing macro-political uncertainties, iii) anticipated increases in the SCT.

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

Except for the truck segment, growth was observed across all segments; PC sales increased by 5.4%, LCV sales rose by 6.1%, and MCV sales grew by 2.4%, while truck sales declined by 12.2%.

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

	1H'25	1H'24	YoY%	2Q'25	2Q'24	YoY%
PC	488,003	462,955	5%	264,210	229,566	15%
LCV	63,211	59,575	6%	36,307	28,417	28%
MCV	56,763	55,451	2%	31,176	24,479	27%
Truck (>16 t)	15,385	17,515	-12%	8,607	8,510	1%
Other HCV (6-16t)	2,106	2,520	-16%	1,110	1,166	-5%
Total ⁽³⁾	625,468	598,016	5%	341,410	292,138	17%

While PC industry share increased 78% (77%), meanwhile, the share of light commercial vehicles remained flat at around 19%.

The share of PCs in the total industry ⁽⁴⁾

1H'25	1H'24	2024	2023	2022	2021	2020	2019
78%	77%	77%	76%	72%	73%	77%	79%

During this period, the share of imported vehicles remained flat at 68% in the passenger car segment, increased to 78% in the light commercial vehicle segment, and stood at 70% overall.

Imported Vehicles Share ⁽⁴⁾	PC	LCV	Total
1H'25	71%	80%	73%
1H'24	70%	68%	69%
2024	70%	73%	71%

In the first half of 2025, Ford Otosan's domestic sales increased by 2%, reaching 50,109 units. With a market share of 8.0% (8.2%), Ford Otosan ranked third in the overall market. Our market share stood at 22.4% (18.1%) in the LCV segment, 34.4% (34.1%) in the MCV, and 23.2% (24.3%) in the truck segment.

In the PC segment, while maintaining our profitability-focused strategy, our market share was 2.6% (3.3%) due to changes in SCT exemption criteria ⁽⁵⁾ and increasing price competition.

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

⁽⁴⁾ Source: Automotive Distributors' and Mobility Association (ADMA)

⁽⁵⁾ 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.

2. Production and Capacity

In the January–June period, our total production volume increased by 12% YoY, reaching 351,861 units (313,619). Our overall capacity utilization rate stood at 75% (84%). At our Gölcük and Yeniköy Plants, the utilization rate was 72% (81%; 82%), while it was 40% at our Eskişehir Plant and 85% at our Craiova Plant.

Our production volumes by model were as follows.

	1H'25	1H'24	YoY %	2Q'25	2Q'24	YoY %
Gölcük	74,202	83,625	-11%	37,243	34,752	7%
2 Ton CV (Ford Transit)	74,202	83,625	-11%	37,243	34,752	7%
Yeniköy	145,350	100,757	44%	78,452	45,100	74%
1 Ton CV (Ford Custom & VW 1 Ton CV)	145,350	100,757	44%	78,452	45,100	74%
Eskişehir	5,299	6,668	-21%	3,052	2,746	11%
Ford Trucks	5,299	6,668	-21%	3,052	2,746	11%
Craiova	127,010	122,569	4%	67,099	59,664	12%
Ford Puma	79,495	82,204	-3%	44,453	38,289	16%
Ford Courier	47,515	40,365	18%	22,646	21,375	6%
Total	351,861	313,619	12%	185,846	142,262	31%

3. Export, Domestic and Wholesale Review

Passenger car sales in the European market remained flat, totaling 6.6 ⁽⁶⁾ million units.

During the same period, the European van market ⁽⁶⁾—one of our largest export destinations—experienced a 13% decline, driven by continuing economic uncertainty and declining business investment.

Exports

In the first half of 2025, Ford Otosan's export sales volume increased by 18% YoY, totaling 306,468 units (259,824 units). Export revenue amounted to TL 299.7 bn (TL 252.8 bn), marking a 19% increase driven by higher sales volumes and the stronger EUR appreciation compared to the same period last year (1H'25 YTD €/TL Change: 27%; 1H'24 YTD €/TL Change: 8%).

During this period, Ford maintained its leadership in the European commercial vehicle market, achieving a record market share of 17.7% (14.3%) in 1H'25, driven by strong sales growth supported by its renewed product lineup.

(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.

In this period, Ford Otosan played a significant role in sustaining Ford's market leadership, accounting for 80% of Ford's commercial vehicle production in Europe. Additionally, by producing 41% of Ford's passenger cars sold in Europe, Ford Otosan reinforced its position as a key player in Ford's European operations.

Domestic Sales

Our domestic wholesale sales amounted to 50,890 units (49,559). During this period, our domestic wholesale volume increased by 3%, while our domestic sales revenue declined by 10% to TL 65.7 bn (73.2), due to intensified price competition and the impact of the sales mix.

Total Sales

Total sales volume increased by 16% YoY, reaching 357,358 (309,388) units. Total sales revenue rose by 12% YoY to TL 365.4 bn (326.0). The share of international sales revenue in total sales revenue increased to 82% (78%).

4. Investments

A total of TL 9.7 bn (TL 17.9 bn) was invested during the period, including capitalized product development expenditures.

5. R&D Activities

A total of TL 5.2 bn (TL 5.6 bn) 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 2,354.

6. Employees

As of June 30, 2025, the Company employed a total of 26,047 personnel, comprising 5,092 monthly-salaried and 20,955 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.

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

7. Profitability

In 1H'25, Ford Otosan's profitability improved due to FX impact on short-term EUR receivables (1H'25 YTD €/TL Change: 27%; 1H'24 YTD €/TL Change: 8%).

Gross profit was recorded at TL30.8 bn (TL33.3 bn), reflecting a 7% YoY decline. As a result, the gross margin contracted to 8.4% (10.2%) in 1H'25. This margin compression was mainly driven by i) competitive pricing environment, which led to an increase in sales campaigns, ii) higher share of export revenues within the total revenue mix iii) increase in COGS due to higher proportion of EVs in production, attributed to inflationary environment and increase in imported vehicle cost related with FX movement.

Opex rose marginally to TL15.2 bn (TL14.9 bn), while net other income surged to TL4.6 bn (TL0.13 bn) primarily driven by a 91% increase in net foreign exchange income from operating activities. Consequently, operating profit increased by 10%, reaching TL20.2 bn (TL18.5 bn).

In this period, adjusted EBITDA ⁽⁷⁾ and adjusted EBITDA excluding other income ⁽⁷⁾ were TL 30.6 bn and TL 26.0 bn, respectively, experiencing increases of 18% and 1%. Adjusted EBITDA ⁽⁷⁾ per vehicle amounted to EUR 1,839, while PBT per vehicle was EUR 976.

Profit Before Tax decreased by 23% YoY to TL 16.2 bn (TL 21.0 bn), including a monetary gain of TL 9.2 bn (TL14.3 bn).

Margins: Gross 8,4% (-1.8 pps YoY); Operating 5.5% (-0.1 pps YoY); Adjusted EBITDA ⁽⁷⁾ 8.4% (+0.4 pps YoY); adjusted EBITDA excluding other income ⁽⁷⁾ 7.1% (-0.8 pps YoY); and Net 3.6% (-3.0 pps YoY)

8. Financing

During the January–June period, the Company repaid EUR 433 mn in foreign currency loans and TL 2.0 bn in Turkish lira loans, while obtaining EUR 542 mn in foreign currency loans and TL 1.4 bn in Turkish lira loans. As a result, the total loan and debt securities balance increased from TL 128 bn at the end of 2024 to TL 139 bn as of the end of June. In contrast, our cash balance at the end of the period stood at TL 57.0 bn (TL 25.8 bn).

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

(7) Starting from 1H'25, the Company will refer to its reported EBITDA as "Adjusted EBITDA". This change in terminology does not involve any revision to previously reported quarterly or half- year EBITDA figures. The Company includes FX impact on short-term Euro-denominated receivables realized within the collection period under its cost-plus agreement with Ford Motor Company (other income / expense from operating activities) and straight-line expenses related to embedded lease into its calculation of adjusted EBITDA as part of its core operations.

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.

9. Main Financial Indicators

Summary Balance Sheet

Million TL	30.06.2025	31.12.2024	Δ
Current Assets	212,167	179,641	18%
Property, Plant and Equipment - Net	118,761	113,503	5%
Total Assets	417,178	381,256	9%
Current Liabilities	167,114	143,977	16%
Total Liabilities	276,719	246,820	12%
Shareholders' Equity	140,459	134,436	4%

Summary Income Statement

Million TL	1H'25	1H'24	YoY %	2Q'25	2Q'24	YoY %
Total Revenues	365,360	326,014	12%	194,793	144,203	35%
Export ⁽⁸⁾	299,697	252,832	19%	161,955	109,964	47%
Domestic	65,663	73,182	-10%	32,838	34,239	-4%
Gross Profit	30,805	33,275	-7%	16,064	13,927	15%
Operating Profit	20,229	18,460	10%	11,992	5,446	120%
Adj. EBITDA ⁽⁹⁾	30,587	25,960	18%	17,355	9,428	84%
Adj. EBITDA ⁽⁹⁾ (excl. other items)	25,955	25,831	0%	14,016	10,622	32%
Profit Before Tax	16,229	20,982	-23%	6,473	6,504	0%
Net Income	12,988	21,206	-39%	6,111	8,070	-24%
Other Financial Data						
Depreciation & Amortization	7,667	5,982	28%	3,951	2,896	36%
Straight line expenses related to embedded lease ⁽¹⁰⁾	2,691	1,518	77%	1,412	1,086	30%
Net Financial Income / Expense	-20,057	-13,195	52%	-13,277	-7,163	85%
Capital Expenditures ⁽¹¹⁾	9,738	17,893	-46%	5,272	8,034	-34%

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

(9) Starting from 1H'25, the Company will refer to its reported EBITDA as "Adjusted EBITDA". This change in terminology does not involve any revision to previously reported quarterly or half-year EBITDA figures. The Company includes the foreign exchange impact on short-term Euro-denominated receivables realized within the collection period under its cost-plus agreement with Ford Motor Company (other income / expense from operating activities) and straight-line expenses related to embedded lease (19) into its calculation of adjusted EBITDA as part of its core operations.

(10) In line with IFRS 16, Ford Otosan identifies fixed assets used exclusively for the 1 Ton commercial vehicles (Yeniköy Plant) and Puma (Craiova Plant) and reclassifies them from fixed assets to "Other Receivables" as the lessor. These assets are no longer depreciated or included in the fixed asset register, as they are considered to be owned by Ford Motor Company. The reclassified lease receivables are amortized over the life of the projects based on the planned vehicle sales volumes. Instead of recording depreciation, Ford Otosan offsets these receivables against export revenue, reflecting the recovery of investment through vehicle sales invoices under its cost-plus model.

(11) Includes purchase of property, plant and equipment; purchase of intangible assets and cash advances given and payables.

Summary Cash Flow Statement

Million TL	30.06.2025	30.06.2024	Δ
Net Cash from Operating Activities	59,566	6,326	842%
Net Cash Used in Investing Activities	-9,233	-17,857	-48%
Net Cash from Financing Activities	-14,030	17,978	N/M
Monetary Gain/(Loss) on Cash & Equivalents	-5,475	-6,325	-13%
Beginning Balance of Cash & Equivalents	26,052	25,594	2%
End of Period Balance of Cash & Equivalents	56,971	25,752	121%

Financial Ratios

	30.06.2025	31.12.2024
Net Debt / Adj. EBITDA ^(12,13)	1.66	2.38
Return on Equity	27.9%	35.6%
Debt Ratio	66.3%	64.7%
Capex / Sales	2.7%	5.6%

Margins

	1H'25	1H'24	Δ	2Q'25	2Q'24	Δ
Gross Margin	8.4%	10.2%	-1.8 pp	8.2%	9.7%	-1.5 pp
Operating Margin	5.5%	5.7%	-0.2 pp	6.2%	3.8%	2.4 pp
Adj. EBITDA Margin ⁽¹³⁾	8.4%	8.0%	0.4 pp	8.9%	6.5%	2.4 pp
Adj. EBITDA Margin (exc. other items) ⁽¹³⁾	7.1%	7.9%	-0.8 pp	7.2%	7.4%	-0.2 pp
PBT Margin	4.4%	6.4%	-2.0 pp	3.3%	4.5%	-1.2 pp
Net Margin	3.6%	6.5%	-2.9 pp	3.1%	5.6%	-2.5 pp

(12) Net Debt / EBITDA is capped at 3.5x.

(13) Starting from 1H'25, the Company will refer to its reported EBITDA as "Adjusted EBITDA". This change in terminology does not involve any revision to previously reported quarterly or half-year EBITDA figures. The Company includes FX impact on short-term Euro-denominated receivables realized within the collection period under its cost-plus agreement with Ford Motor Company (other income / expense from operating activities) and straight-line expenses related to embedded lease into its calculation of adjusted EBITDA as part of its core operations.

10. Other Material Developments

- International rating agency Fitch Ratings has updated its rating report on Ford Otosan in which the long-term credit rating of "BB+" with a stable outlook remains unchanged.
- The resolution of the general assembly dated 26.03.2025 regarding the election of Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. as the independent audit firm for the auditing of the financial reports for the 2025 accounting period has been registered on 11.04.2025.
- The distribution of duties has been made by the Resolution of our Board of Directors, and it has been decided to appoint Mr. Yıldırım Ali Koç as the Chairman of the Board and Mr. James Kieran Vincent Cahill as the Vice Chairman of the Board. The Board of Directors resolved that in accordance with Capital Markets Board's Communiqué II-17.1. on Corporate Governance; Mr. Umran Savaş İnan and Ms. Katja Windt have been elected to the Audit Committee membership. Mr. Umran Savaş İnan has been elected as the Chairperson, and Mr. Haydar Yenigün, Mr. David Joseph Cuthbert Johnston, Ms. Katja Windt and Ms. Saibe Gül Ertuğ as the members of the Corporate Governance Committee which also fulfills the duties assigned to the Nominating Committee. Mr. Umran Savaş İnan has been elected as the chairperson, and Mr. Haydar Yenigün and Mr. David Joseph Cuthbert Johnston as the members of the Early Determination and Management of Risk Committee. Mr. Umran Savaş İnan has been elected as the chairperson, and Mr. Haydar Yenigün and Mr. James Kieran Vincent Cahill as the members of the Remuneration Committee.
- Regarding the issuance of debt instruments, which is the subject of our material disclosure dated February 18, 2025, it was announced that our domestic debt instrument issue request up to 12 bn TL, to be issued in various series and maturities, either privately placed and/or sold to qualified investors, was approved by the Board in the weekly bulletin of the Capital Markets Board numbered 2025/24.
- The coupon payment of our Company's bond with the ISIN code of XS2782775345 was completed on 25.04.2025.
- The amendment of Article 6 of our Company's Articles of Association, titled "Capital", was registered by the Istanbul Trade Registry on 30.05.2025.
- At the Ordinary General Assembly Meeting held on March 26, 2025, Mr. Levent Çakıroğlu, who had been elected to the Board of Directors from among the nominees of Group B shareholders, has resigned from his position as a member of the Board of

Directors. The Board of Directors has resolved to appoint Mr. Mehmet Apak to the vacant Board position to serve until the first upcoming General Assembly Meeting and, subject to the approval of the General Assembly, to complete the remainder of his predecessor's term

- With the authorization granted by the Capital Markets Board (CMB) to carry out corporate rating activities in accordance with the Corporate Governance Principles, Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş (Kobirate) published Corporate Governance Compliance Rating Report for Ford Otosan. As of June 23, 2025, our Company's Corporate Governance Rating has been determined as 9.60 (96.0%).

11. Guidance

Total Turkish Automotive Market domestic retail sales guidance was increased as a result of the stronger than expected demand outlook in the domestic market for the full year. CAPEX guidance has been revised due to calendarization of investment spending.

For 2025, we anticipate total automotive market sales to range between 1,050,000 and 1,150,000 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 €600–700 million.

	2024 Actuals	2025 Guidance	
		Previous (Feb 17, 2025)	Updated
Total Turkish Automotive Market	1,279k	950k-1,050k	1,050k-1,150k
Retail Domestic Volume	114k	90k-100k	90k-100k
Export Volume	546k	610k-660k	610k-660k
Türkiye	330k	410k-440k	410k-440k
Romania	216k	200k-220k	200k-220k
Wholesale Volume	661k	700k-760k	700k-760k
Total Production Volume	633k	700k-750k	700k-750k
Türkiye	382k	460k-490k	460k-490k
Romania	251k	240k-260k	240k-260k
Capex (Only Fixed Assets Inv.) ⁽¹⁴⁾	€739 mn	€750-850 mn	€600-700 mn
General Investments	€128 mn	€130-150 mn	€130-150 mn
Product Related Investment	€611 mn	€620-700 mn	€470-550 mn
Revenue Growth	Flat	High Single Digit	High Single Digit
Adjusted EBITDA Margin ⁽¹⁵⁾	7.2%	7% - 8%	7% - 8%

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⁽¹⁴⁾ Includes purchase of property, plant and equipment; purchase of intangible assets and cash advances given and payables.

⁽¹⁵⁾ Starting from 1H'25, the Company will refer to its reported EBITDA as "Adjusted EBITDA". This change in terminology does not involve any revision to previously reported quarterly or half-year EBITDA figures. The Company includes FX impact on short-term Euro-denominated receivables realized within the collection period under its cost-plus agreement with Ford Motor Company (other income / expense from operating activities) and straight-line expenses related to embedded lease into its calculation of adjusted EBITDA as part of its core operations.