

**BRİSA BRIDGESTONE SABANCI
LASTİK VE SANAYİ TİCARET A.Ş.**

INTERIM ANNUAL REPORT

**FOR THE PERIOD OF
JANUARY 1 – MARCH 31, 2024**



Brisa Bridgestone Sabancı Lastik ve Sanayi Ticaret A.Ş.
Prepared Pursuant to the Communiqué Numbered II.14.1
Interim Annual Report
For the Period of January 1 – March 31, 2024

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1. General Information

Trade Name	: Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş.
Trade Registry Office	: İstanbul
Trade Registry Number	: 126429-0
Central Registration System Number	: 0187002389400013
Tax Authority	: Büyük Mükellefler
Tax Number	: 1870023894
Head Office Address	: Küçük Çamlıca Mah. Şehit İsmail Moray Sk. Temsa Sitesi No: 2/1 Altunizade/Üsküdar-İstanbul
İzmit Plant	: Alikahya Fatih Mah. Sanayi Cad. No: 98 İzmit-Kocaeli
Aksaray Plant	: Erenler OSB Mah. Recep Tayyip Erdoğan Blv. No: 21/1 Taşpınar Merkez-Aksaray
Arvento Mobil Sistemler A.Ş. (Head Office)	: ODTÜ Teknokent Bilişim İnovasyon Merkezi Mustafa Kemal Mah. Dumlupınar Blv. 280/G Kat: 5 No: 514 Çankaya-Ankara
Website	: www.brisa.com.tr

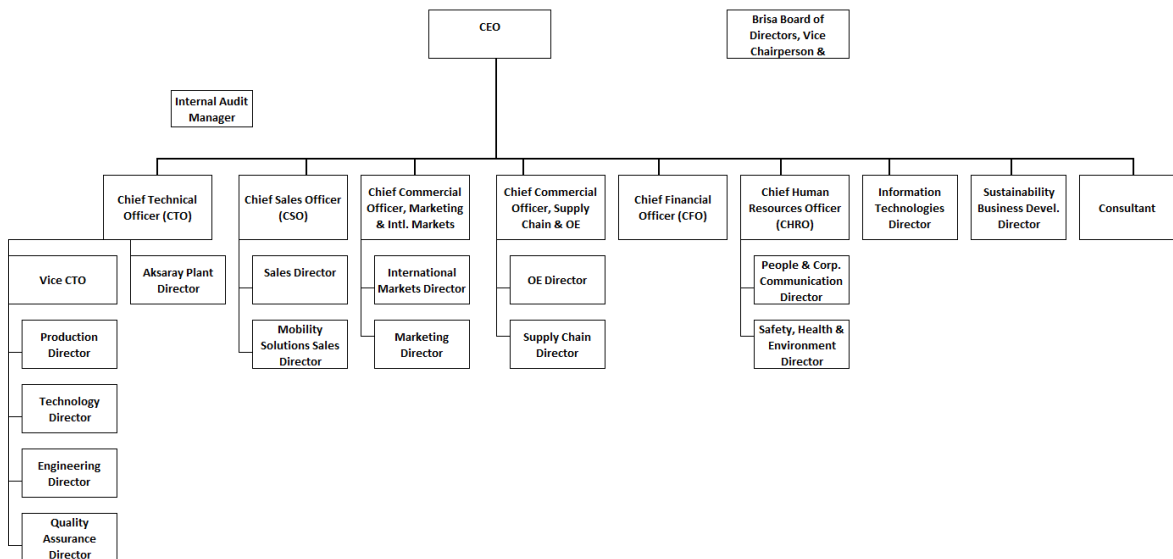
a) Area of Activity

Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. ("Brisa") was established in 1974 as Lassa Lastik Sanayi ve Ticaret A.Ş. and the name of the Company was changed to Brisa in 1988 as a result of a joint venture agreement with Bridgestone Corporation.

The Company's main field of activity covers the acquisition and production of all types of inner and outer tires, shoe products, resins, natural and artificial rubber parts including rubber belts and chemical materials, rubber replacement materials, materials bearing rubber qualities or used for the same purposes, and materials partially or wholly made of rubber; performance and provision of wheel coating works and services, and rendering trading and services related with any kind of other products, spare parts, and accessories related to automotive industry.

Within the scope of mobility transformation, having acquired all shares representing 88.89% of the capital of Arvento Mobil Sistemler A.Ş. on March 1, 2022, Brisa integrated its strong portfolio of tires and service network with the Arvento fleet management platform, providing convenience, efficiency and productivity to its customers with fleet management services based on integrated mobile systems and data analytics.

b) Organizational Structure



c) Capital and Partnership Structure

Brisa adopted the registered capital system according to the provisions of the Capital Market Law. The registered capital ceiling of the Company is TL 750,000,000 and the issued capital of the Company is TL 305,116,875. It has been divided into 30,511,687,500 units of registered shares (December 31, 2023: 30,511,687,500 units), each having a nominal value of 1 kr.

Brisa's issued capital amount and distribution of this capital among shareholders as of March 31, 2024 and December 31, 2023 are as follows:

Shareholders:	Ratio (%)	March 31, 2024	Ratio (%)	Dec. 31, 2023
Hacı Ömer Sabancı Holding A.Ş.	43.63	133,111,388	43.63	133,111,388
Bridgestone Corporation	43.63	133,111,388	43.63	133,111,388
Other	12.74	38,894,099	12.74	38,894,099
Capital	100.00	305,116,875	100.00	305,116,875

d) Explanations on Privileged Shares and the Voting Rights of Shares

The shares representing the capital are divided into seven classes: (A), (B), (C), (D), (E), (F) and (G). The holders of (A), (B), (C), (D), (E), (F) and (G) class shares are not granted with any rights and privileges other than those set forth in Articles 10 (Board of Directors), 12 (Term of Office for the Members of the Board of Directors), 13 (Meetings and Resolutions of the Board of Directors), 17 (General Assembly) and 31 (Limited Transfer of the Registered Shares) of the Articles of Association.

Pursuant to Article 21 of the Articles of Association, shareholders use their voting rights at the General Assembly in proportion with the total nominal value of their shares as per the Article 434 of the Turkish Commercial Code. There are no privileges regarding voting rights.

e) Board of Directors and Executive Board (Senior Managers)

The Board of Directors of Brisa consists of 11 members, two of whom are independent, in accordance with the capital market legislation and the provisions of the Articles of Association. As stated in Article 10 of the Articles of Association, the Board of Directors is elected by the General Assembly from among the candidate or candidates nominated by the majority of the shareholders of each class, consisting of one member for (Class A), three members for (Class B), one member for (Class C), one member for (Class D), one member for (Class E), one member for (Class F), and one member for (Class G), plus two independent members.

As stated in Article 12 of the Articles of Association, the term of office of the members of the Board of Directors is maximum three years and the member whose term expires may be re-elected. In case of a vacancy in any membership, the Board of Directors elects a new member for such vacant membership and presents this appointment for approval in the next meeting of the General Assembly.

Pursuant to Article 13 of the Articles of Association, the Board of Directors shall, every year, elect a Chairperson among the members proposed by the shareholders of Class (B) or (G) Shares and a Vice Chairperson among the members proposed by the shareholders of Class (A), (D), (E) or (F) Shares. The Chairperson and Vice Chairperson may be re-elected for one or more terms of office.

Board of Directors:

- **Ahmed Cevdet Alemdar** – Chairperson
- **Tomio Fukuzumi** – Vice Chairperson
- **Mustafa Bayraktar** – Member

- **Haluk Dinçer** – Member
- **Frederic Jean Hubert Cecile Hendrickx** – Member
- **Mete Ekin** – Member
- **Jerome Freddy Pierre Boulet** – Member
- **Haluk Kürkçü** – Member and CEO
- **Sakine Şebnem Önder** – Member
- **Ahmet Erdem** – Member (Independent)
- **Fatma Dilek Yardım*** – Member (Independent)

*At the Ordinary General Assembly meeting dated April 19, 2024, which took place after the reporting period, Mehmet Tanju Ula's term of office ended and Fatma Dilek Yardım was elected in his place to perform all his duties and responsibilities.

At the 2023 Ordinary General Assembly meeting held on April 19, 2024, Brisa Board Members were elected for a term of 3 years to serve until the 2026 Ordinary General Assembly meeting to be held in 2027.

Upon the 2023 Ordinary General Assembly meeting held on April 19, 2024 and with the Board of Directors' resolution dated April 25, 2024 and numbered 2024/11, the assignment of duties of the Board of Directors was determined as above.

The resumes of the Members of the Board of Directors and the statements of independence of the independent Members are available on the Company's website.

The senior management of the Company is elected and appointed by the Board of Directors as per the provisions of the Articles of Association.

Executive Board (in alphabetical order except for CEO ve Executive Coordinator):

- **Haluk Kürkçü** – CEO
- **Tomio Fukuzumi** – Executive Coordinator
- **Cenk Koçdor** – Chief Sales Officer
- **Evren Güzel** – Chief Commercial Officer, Marketing & International Markets
- **Neslihan Döngel Özlem** – Chief Financial Officer
- **Tetsuya Tsutsumi** – Chief Technical Officer
- **Tuğba Gök Nam** – Chief Human Resources Officer
- **Yakup Demir** – Chief Commercial Officer, Supply Chain & OE

The resumes of the Members of the Executive Board are available on the Company's website.

As of March 31, 2024, the number of personnel working with an indefinite term employment contract is 3,668 people (December 31, 2023: 3,712). Of these employees, 2,741 are subject to the provisions of the Collective Labor Agreement (December 31, 2023: 2,786) and 921 are outside the Collective Labor Agreement (December 31, 2023: 906). The Company has 6 foreign employees (December 31, 2023: 20). In addition, there are 69 employees working under fixed-term employment contracts (December 31, 2023: 6).

The negotiations for the 23rd Term Collective Labor Agreement, which started on January 16, 2024, with Petroleum Chemical and Rubber Industry Workers' Union of Türkiye (LASTİK-İŞ), concluded with an agreement on March 25, 2024 and a 24-month Collective Labor Agreement was signed and entered into force effective from January 1, 2024.

Besides monthly salaries to all employees, the Company provides benefits such as bonuses in the amount of four months' gross salaries, private pension plan, health insurance, life insurance for employees out of the scope of the Collective Labor Agreement, where as it provides fuel allowance, religious holiday allowance, annual leave allowance, maternity allowance, death benefit, marriage benefit, tuition benefit, family-food benefit, shopping voucher, child allowance for employees within the scope of the Collective Labor Agreement. In addition, all employees are provided with food and transportation services.

2. Financial Rights Granted to Members of the Governing Body and Senior Managers

The Company's senior management team comprises the Members of the Board of Directors and the Executive Board. Remunerations to be paid to the Board Members are determined under relevant resolutions of the General Assembly. Remunerations of the Members of the Executive Board are comprised of two components, with one being fixed and the other performance-based.

At the 2023 Ordinary General Assembly meeting held on April 19, 2024, it was decided to pay a monthly gross remuneration of TL 90,000 to each of the Board Members during their term of office.

In compliance with international standards and statutory obligations, the fixed remunerations for the Members of the Executive Board are determined by taking into consideration the macroeconomic data in the market, current wage policies in the market, the size and long-term goals of the Company, and individual positions as well. Premia for Executive Board Members are calculated in accordance with the performance of both the Company and individuals.

Benefits provided to senior executives consist of salaries, severance pay, premiums, private pension, health insurance, life insurance, rent paid to foreign personnel, expenses of moving abroad, passenger car rentals, other expenses such as fuel, mobile phones, etc. and other provisions.

The breakdown of benefits provided to the senior executives of the Company for the interim accounting periods ending March 31, 2024 and 2023 is as follows:

(TL)	March 31, 2024	March 31, 2023
Salaries and other short-term benefits	77,844,020	48,270,659
Severance pay	74,116	48,060
Other long-term benefits	936,880	628,921
Total	78,855,016	48,947,640

3. R&D Activities

Brisa, the mobility leader of the Turkish tire industry, has been investing in R&D since 1985. Located in the İzmit plant, which was certified in 2017, Brisa is accelerating value-added product development activities at its R&D Centre.

Brisa focuses on innovative production techniques and raw materials that enable it to emerge as a stronger actor in the international arena of R&D. While it contributes to industrial know-how by increasing domestic production, it also adds value to the country's economy by accelerating its exports.

Brisa is also taking strong steps in the field of digitalization. Within this framework, software has been developed that automates technical design processes with artificial intelligence. Thus, development processes have been perfected and accelerated. Besides developing innovative services for its customers to meet future mobility needs, the Company also develops image processing and end-to-end data analysis systems to ensure the highest performance in production processes.

Brisa carries out R&D and technology development operations aimed at electric vehicles, which will shape the future of the automotive industry. Accordingly, manufacturing technologies are being renewed primarily to meet the expectations of vehicle manufacturers from electric vehicle tires.

With all investments and studies, the Company developed 29 new products by spending TL 94.0 million as of March 31, 2024 (as of December 31, 2023: TL 272.2 million).

4. Important Developments in the Reporting Period

a) Subsidiaries and Affiliates

Subsidiaries:

The Company's subsidiaries as of March 31, 2024 are as follows:

Trade Name	Scope of Activities	Paid-in/ Issued Capital (TL)	Brisa's Share in the Company Capital (%)
Arvento Mobil Sistemler A.Ş.	Vehicle tracking and fleet management systems, object-person tracking systems, boat tracking systems and M2M solutions	7,600,000	88.89

Brisa's share in the Company capital has not changed during the January-March 2024 interim accounting period (December 31, 2023: 88.89%).

The Company's indirect subsidiaries as of March 31, 2024 are as follows:

Trade Name	Scope of Activities	Country
Arvento Kurumsal Hizmetler ve Danışmanlık A.Ş.	Vehicle tracking and fleet management	Türkiye
Arvento Mobile Systems GmbH	Vehicle tracking and fleet management	Germany

All shares of Arvento Mobile Systems Services Co., a subsidiary of Arvento Mobil Sistemler A.Ş., a subsidiary of the Group, were transferred on February 26, 2024 and the registration procedures were completed. Arvento Mobile Systems Services has no significant impact on the consolidated financial statements of the Group.

b) Articles of Association Amendment

There was no amendment to Articles of Association during the period.

c) Independent Audit

At the 2023 Ordinary General Assembly meeting dated April 19, 2024, shareholders approved the appointment of DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. to audit financial reports pertaining to the 2024 accounting period and carry out other activities within the scope of relevant legal provisions in compliance with principles according to Turkish Commercial Code No. 6102 and Capital Market Law No. 6362. The relevant General Assembly resolution was registered on May 8, 2024 and published in the Turkish Trade Registry Gazette on the same date and numbered 11077.

d) Investment Spending

While Brisa continues its activities with the mission of adding value to journeys, it also continues to increase its product capacity, diversity, and quality, and invest in modernization projects focused on sustainability and digitalization.

During the period of January 1 - March 31, 2024, İzmit plant received a total investment of USD 3.8 million, of which USD 1.8 million was within the scope of incentive certificate, including investments for renovation, modernization and new technology product development.

During the same period, Aksaray plant received a total investment of USD 9.9 million, of which USD 9.0 million was within the scope of incentive certificate. Thus, the total investment made to date for Aksaray plant reached USD 347.6 million.

e) Important Developments in the Reporting Period

In line with the solar energy investment decision planned to be made by the Company in Aksaray plant, the investment incentive certificate application made to the Ministry of Industry and Technology was approved on March 22, 2024 and a 3-year investment incentive certificate dated March 22, 2024, document number 566197 and ID number 1082393 was issued on behalf of the Company for a total investment of 29,631,327,-TL with a start date of March 18, 2024 and an end date of March 18, 2027. The support elements to be benefited from regarding the investment within the scope of Regional Investments are as follows: Insurance Premium Employer Share Support: 6 years; Tax Reduction Rate: 70%, Investment Contribution Rate: 30%; VAT Exemption.

On May 27, the Company's credit rating process, carried out by JCR Eurasia Rating Inc., has been completed, and the long-term national issuer credit rating has been confirmed as AAA (tr), with all ratings as follows: Long-term national issuer credit rating: AAA (tr) / (Stable Outlook); short-term national issuer credit rating: J1+ (tr) / (Stable Outlook); long-term international issuer credit rating: BBB+ / (Stable Outlook). All ratings are at the "investment-grade" level.

Sales of Turanza 6 tires, which are also compatible with electric vehicles and which Bridgestone offers with its Enliten technology, continued, and Revola, Türkiye's domestic tire designed with Lassa's domestic Nextgen technology and compatible with electric and hybrid vehicles, was introduced to the market.

After Togg's SUV vehicles, Brisa became the sole tire supplier for Togg's sedan vehicles with the Lassa brand in 18-inch tires.

Bridgestone launched Turanza All Season 6 and Dueler All-Terrain A/T002, new pattern products with excellent performance features.

On the export side, the first global commercial was released with the "Together in Every Mile" motto.

Prioritizing sustainability in its 2030 vision, Brisa was included in the Global A List in the Climate Change and Water Security categories of the Carbon Disclosure Project (CDP) 2023. Brisa, the only company in the global tire industry included in the Global A List in two categories, was one of the five companies from Türkiye included in the list. Among these five companies, Brisa is the only industrial company.

Brisa participated in the Industry Water Meeting organized within the scope of the "Water Efficiency Mobilization (Su Verimliliği Seferberliği)" project launched in cooperation with the Ministry of Agriculture and Forestry and the Ministry of Industry and Technology and shared its best practices.

Brisa came together with its dealers at the "Sustainability Incentive System (Sürdürülebilirlik Teşvik Sistemi)" digital meeting and explained the importance of sustainability, the Green Dealer (Yeşil Bayi) Program, and the details of the sustainability incentive system.

In line with its strategy to bring women into business life, within the scope of Young Women Building Their Future (Geleceğini Kuran Genç Kadınlar) Project, which aims to improve the vocational skills of young women and their participation in employment and which was carried out in cooperation with "Certification, United Nations Development Program (Belgelendirme, Birleşmiş Milletler Kalkınma Programı)" of Brisa Academy, Izmir Metropolitan Municipality, and Sabancı Foundation, 6 weeks of training to 11 trainees was provided. At the end of 6 weeks,

these trainees completed their VQA certification process for Brisa Academy Tire Maintenance & Repairment.

Brisa ranked among the 20 institutions from Türkiye and received the "ATD Best" award at the "ATD BEST Awards" organized for 21 years by the Association for Talent Development, a globally respected and trusted organization in the fields of talent management and development.

According to the results of the Selected Products of the Year survey conducted by the independent research company Sia Insight, this year's winner of the Selected Product of the Year Award, one of the world's most important innovation awards, in the tire category was Turanza 6 from Brisa's Bridgestone brand.

f) Issued Shares and Bonds

Details of the 2023 bond issuances and the coupon payments as of March 31, 2024 are as follows:

ISIN Code	Issue Amount (TL)	Issue Date	Maturity	Maturity (Day)	Coupon #	# of Paid Coupon
TRSBRSA32410	500,000,000	10.02.2023	08.03.2024	392	1	1
TRSBRSA32428	500,000,000	17.02.2023	27.03.2024	404	1	1
TRSBRSA42419	500,000,000	17.02.2023	16.04.2024	424	1	-
TRSBRSA32519	1,000,000,000	08.03.2023	04.03.2025	727	8	4
Total	2,500,000,000					

No sukuk issuance was made during the first quarter of 2024.

g) Internal Audit Activities

Internal audits are carried out to ensure that the Company's operations and services are conducted effectively, reliably, and uninterruptedly, to improve the Company's risk management, control systems and corporate governance practices, to support company in its efforts to reach its corporate and economic goals, and to ensure integrity, consistency and reliability of the data obtained from the accounting and financial reporting system.

The existence, functioning and effectiveness of internal audits are ensured through the Audit Committee established within the Board of Directors. The Audit Committee presents its activities and its recommendations related to its duties and responsibilities, to the Chairperson of the Board of Directors.

Furthermore, in order to ensure the robust condition of internal auditing mechanism, an Internal Auditing Department operates under the Board of Directors. The Audit Committee meets regularly with the Internal Audit Department to discuss the adequacy of the internal control system and informs the Board of Directors.

Every year, risks related to all processes are reviewed, and the processes to be audited are determined. The Auditing Universe formed within the Company determines the processes that may be audited and ascertains risk score balances depending upon natural risk factors and internal control system conditions. According to this, as of March 31, 2024, 2 business

processes consisting of 12 sub-business processes were submitted to the Audit Committee following completion of their audits.

In connection with internal control deficiencies spotted within the framework of Audit Reports, actions taken by Company officials are followed up and the adequacy of those decisions is questioned in the light of risk levels, with results reported to the Audit Committee.

h) Information on Own Shares Repurchased by the Company

During the January 1 – March 31, 2024 interim accounting period, the Company did not repurchase any of its own shares.

i) Information on Private and Public Audits

Independent audits are carried out on the Company's annual and semi-annual financial statements within the framework of the mandatory regulations issued by the Capital Markets Board with respect to financial reporting and independent audits. During the January 1 – March 31, 2024 interim accounting period, there was no private or public audit conducted of the Company.

j) Amendments to Legislation, Which May Significantly Affect the Activities of the Corporation

During the January 1 – March 31, 2024 interim accounting period, there were no amendments to legislation, which may significantly affect the activities of the Company.

k) Information on Lawsuits Filed Against the Company and Their Possible Outcomes That May Affect the Financial Status and Activities of the Company

There is no case that has been filed against the Company and may have an impact on the Company's financial situation and activities.

l) Information on Conflicts of Interest Between the Corporation and Institutions That It Receives Services on Matters Such as Investment Advice and Rating

The utmost care is taken to avoid any situation that may lead to a conflict of interest between the Company and the institutions that provide services such as investment consultancy and rating, and the provisions of the relevant legislation are complied with in the procurement of services in these matters. During the January 1 – March 31, 2024 interim accounting period, there was no conflict of interest in this regard.

m) Information on Administrative or Judicial Sanctions Imposed on the Company and the Board Members due to Practices in Violation of Legislative Provisions

There is no administrative or judicial sanction imposed on the Company and the Board Members.

n) Information on General Assembly Resolutions

Brisa 2023 Ordinary General Assembly meeting was held on April 19, 2024. Shareholders representing 89.6% of the shares constituting the capital attended the General Assembly meeting. All disclosures required to be made in accordance with corporate governance principles regarding the General Assembly meeting were made on time and duly. The result of the General Assembly meeting was registered on May 8, 2024 and became legally valid.

o) Information on the Extraordinary General Assembly

No Extraordinary General Assembly meeting was held during the January 1 – March 31, 2024 interim accounting period.

p) Information on Donations Made During the Year

Brisa made donations amounting to TL 40,549 during the January 1 – March 31, 2024 interim accounting period.

At the 2023 Ordinary General Assembly meeting, which was held on April 19, 2024, the upper limit of the donations to be made in 2024 was decided as 5% (five percent) of the commercial profit in 2024.

5. Financial Indicators

a) Financial Indicators

Brisa's consolidated financial indicators are as follows:

Tire Sales Volume	Jan. 1 - March 31, 2024	Jan. 1 - March 31, 2023	2024-2023 Change, %
Domestic	36,367	33,199	10%
Export	17,217	19,050	-10%
Total	53,584	52,248	3%
Replacement	27,400	25,877	6%
Original Equipment	8,966	7,321	22%
<u>Total Domestic</u>	<u>36,367</u>	<u>33,199</u>	<u>10%</u>
Lassa Export	12,833	13,776	-7%
Bridgestone Export	4,384	5,274	-17%
<u>Total Export</u>	<u>17,217</u>	<u>19,050</u>	<u>-10%</u>
Total	53,584	52,248	3%
Net Sales (MTL)	Jan. 1 - March 31, 2024	Jan. 1 - March 31, 2023	2024-2023 Change, %
Domestic	5,253	5,313	-1%
Export	2,216	2,750	-19%
Total	7,469	8,063	-7%

Gross Export* (MUSD)	Jan. 1 - March 31, 2024	Jan. 1 - March 31, 2023	2024-2023 Change, %
Export	76	90	-16%

**In FOB USD.*

Summary Income Statement (MTL)	Jan. 1 - March 31, 2024	Jan. 1 - March 31, 2023	2024-2023 Change, %
Net Sales	7,469	8,063	-7%
Gross Profit	2,099	1,836	14%
Operating Profit*	1,040	853	22%
Net Profit	586	515	14%
Net Profit (Before One-Offs)	595	947	-37%
EBITDA**	1,498	1,289	16%

**Calculated by subtracting operational expenses from gross profit.*

***EBITDA: Earnings before interest, tax, depreciation & amortization and interest, foreign exchange and derivative financial instruments gain/loss within other operating income and expenses.*

Summary Balance Sheet (MTL)	Jan. 1 - March 31, 2024	Jan. 1 - Dec. 31, 2023	2024-2023 Change, %
Cash and Equivalents	8,950	15,100	-41%
Total Assets	39,006	42,643	-9%
Financial Debt	13,491	17,894	-25%
Net Financial Debt/(Cash)	532	-596	189%
Total Equity	16,302	15,472	5%

Summary Cash Flow (MTL)	Jan. 1 - March 31, 2024	Jan. 1 - March 31, 2023	2024-2023 Change, %
Operational Cash Flow	193	216	-11%
Invest. Spending (w/o KKM)	-933	-581	61%
Free Cash Flow (w/o KKM)	-741	-365	103%
KKM	-750	-60	1149%

Summary Cash Flow (MTL)	Jan. 1 - March 31, 2024	Jan. 1 - March 31, 2023	2024-2023 Change, %
Free Cash Flow (w/KKM)	-1,491	-425	251%
Dividend Paid	0	-2,008	-100%

Liquidity Ratios	Jan. 1 - March 31, 2024	Jan. 1 - Dec. 31, 2023
Current Ratio	1.23	1.27
Acid Test Ratio	0.98	1.08

Financial Growth Ratios	Jan. 1 - March 31, 2024	Jan. 1 - Dec. 31, 2023
Net Debt/EBITDA	0.36	-0.12
Total Liabilities/Equity	1.39	1.76
Total Liabilities/Assets	0.58	0.64
Total Equity/Assets	0.42	0.36

Operational & Profitability Ratios	Jan. 1 - March 31, 2024	Jan. 1 - March 31, 2023
Gross Profit Margin	28.10%	22.77%
EBITDA Margin	20.05%	15.99%
Net Profit Margin	7.84%	6.39%
Net Profit (Before One-Offs) Margin	7.97%	11.74%

b) Evaluation of Activities in the Reporting Period

Total sales in the Turkish automotive industry (passenger and light commercial vehicles) grew by 25.2% during the period of January-March 2024 compared to the same period in the previous year, reaching 295,519 units. Passenger vehicle sales increased by 33.05% to 233,389 units, while light commercial vehicle sales rose by 2.6% to 62,130 units.

Passenger and light commercial segment in the Turkish Replacement and OE tire market displayed growth in the first quarter of 2024 compared to one year ago, while heavy commercial segment displayed contraction. According to the 2024 Q1 report forecast published by Global Data, the Turkish replacement and OE tire market is expected to contract by 1.6% in 2024 compared to one year ago. In the Turkish OE tire market, passenger and light commercial vehicle tire sales are expected to decline by 12%, while heavy commercial tire sales are expected to decrease by 4.3%. In the Turkish Replacement tire market, light

commercial vehicle tire segment is expected to grow by 9%, while passenger vehicle tire and heavy commercial vehicle tire segments are expected to contract 2.3% and 4.8%, respectively.

In light of these developments in the Turkish industry, Brisa increased its market share in the Replacement and OE tire market via its Bridgestone, Lassa and Dayton brands, as well as its innovative solutions. In the first quarter of 2024, the Company continued prioritizing health and safety, completing a period in which it focused on the evolving needs of customers and the market, and offered enriched services beyond tires.

As outlined by the 2024 first quarter report published by Global Data, global passenger and light commercial segments' total vehicle sales grew by 4.4% in the first quarter of 2024 compared to one year ago. The highest growth occurred in Eastern Europe with 27.5%. US grew by 5.1% while Japan contracted the most with 18.1%.

In the first quarter of 2024, total new automobile and light commercial vehicle sales rose the most in China, Brazil, and Russia, compared to one year ago, while the greatest contraction was experienced in Korea, Indonesia, Malaysia, and Thailand.

In the first quarter of 2024, the global tire market continued above the 2023 levels. Global Replacement and OE tire market sales grew by 5% compared to one year ago, while the European Replacement and OE tire market grew by 2.6%.

During the January-March 2024 period, Lassa maintained its market share across the Central Europe, Commonwealth of Independent States, North Africa and Middle East markets compared to the same period in the previous year.

During this period, Lassa expanded its market share in a total of 20 countries across the European and non-European markets. In Europe, Lassa enlarged its market share in countries including Germany, Spain, Greece, Netherlands, Malta, Bulgaria, Romania, Montenegro, Latvia, and Albania. The non-European markets in which Lassa increased its market share include Egypt, Morocco, Algeria, Kenya, Pakistan, Lebanon, Qatar, Moldova, Georgia, and Kazakhstan.

Brisa's production volume and capacity utilization ratio during the period of January 1 – March 31, 2024 registered as follows:

	Jan. 1 - March 31, 2024	Jan. 1 - March 31, 2023	2024-2023 Change, %
Production Volume (Unit)	3,686,527	3,497,364	5%
Production Volume (Tonnage)	51,426	52.286	-2%
İzmit Capacity Utilization Ratio	90.8%	92.0%	-1%
Aksaray Capacity Utilization Ratio	98.0%	99.0%	-1%

*Annual production capacity of İzmit and Aksaray plants stands at 11 million and 2.5 million units respectively.

Brisa manufactures special tires that meet international safety and quality standards for automobiles, light commercial vehicles, buses, trucks, agricultural and construction machinery with its brands Bridgestone, Lassa, and Dayton. In addition to manufacturing tires, the Company also imports Firestone brand agricultural equipment tires and Kinesis brand solid tires for forklifts, thus offering 1,800 types of products to the market. Furthermore, the Bandag brand as well as the local Veloxia brand lead the way in the tire retreading segment. As part of the Company's goal of offering a balanced mix of products to vehicle owners, the Bridgestone brand focuses on performance, environment, and safety, while Lassa designs

products with the "Balanced Performance" approach by giving priority to economy, comfort and durability parameters.

Arvento, which set out with the vision of developing accessible technological products in the field of fleet telematics, stands out in the new era with its new generation products in the field of mobile camera/telematics solutions, object tracking systems and vehicle tracking systems, and products that offer much more comprehensive operation management. Arvento develops and manufactures the most commonly used products in today's IoT world and sets itself apart from the competition with mobility solutions that accelerate the digitalization journey of organizations. Backed by the experience and technology of the "Bridgestone Mobility Solutions" world following the merger with Brisa, Arvento continues to work with Brisa to develop brand new solutions integrating Brisa's tires and service network with its own fleet management platform. During the January 1 – March 31, 2024 period, Arvento's total number of devices surpassed 1.4 million, while its total number of active devices exceeded 800 thousand.

Brisa continued to take firm steps to proceed with its mobility transformation in the first quarter of 2024 as well. As of March 31, 2024, the Company provides services at 112 Otopratik and 22 Propratik locations, while the number of e-charging stations has reached 72, and the number of Otopratik service points providing EV and hybrid vehicle maintenance servicing has reached 32. The number of Otopratik Midi points, focusing on the end consumer and fast maintenance, reached 13 during the same period.

Total sales volume in tonnage increased by 3% in the first quarter of 2024 compared to one year ago due to the demand in the domestic consumer segment remaining resilient.

Thanks to its balanced sales channel portfolio, effective pricing policies, and strong brand awareness, Brisa maintained its strong performance and registered sales revenue of TL 7.5 billion in the quarter. Gross profit reached TL 2.1 billion with a year-on-year increase of 14% and gross profit margin realized at 28.10% (March 31, 2023: 22.77%), as a result of strong sales revenue, the right steps taken in the supply chain, increased efficiency in production, and appropriate hedging policies against FX risk. The high growth in profitability reflected on EBITDA as well, reaching TL 1.5 billion, up by 16% year-on-year. EBITDA margin also increased to 20.05% in the first quarter of 2024 from 15.99% one year ago.

Net debt was realized at TL 532 million due to higher financing costs (December 31, 2023: TL 596 million net cash). Brisa made cross currency and interest rate swaps to mitigate floating interest rate and foreign currency exchange risks for the long-term foreign currency denominated borrowings when they were received. TL values of foreign currency denominated borrowings may increase or decrease as a result of exchange rates fluctuations, in return fair value of cross currency swaps are shown under derivative assets. Total financial borrowings do not include debts from lease transactions. Considering both bank borrowings recognized in the financial statements and respective derivative assets (TL 1.4 billion), net debt amounted to TL 532 million.

As a result of all these developments and with the contribution of efficient financing management, net profit increased by 14% year-on-year to TL 586 million in the quarter and net profit margin was realized at 7.84% (March 31, 2023: 6.39%).

c) Profit Distribution Policy and Profit Distribution

The profit distribution policy of Brisa is determined within the framework of the provisions of the Turkish Commercial Code, the capital market legislation, other relevant legislation, the article on dividend distribution in the Articles of Association and in line with Brisa's medium- and long-term strategies, investment, and financial plans. The policy is formulated in such a way that considers the national economy and that of the sector while maintaining a balance between shareholder expectations and the needs of Brisa.

The amount of profit to be distributed is determined by the General Assembly; however, the general principle adopted is to pay 30% of distributable profit to shareholders in the form of cash. Brisa does not distribute dividend advances.

The Company adopts the principle of paying dividends equally and as soon as possible to each share, regardless of their date of issue and acquisition, within legal time limits. Dividends shall be paid to shareholders following the approval of the General Assembly and on the date set by the General Assembly.

The General Assembly may transfer net profit entirely or partially to the extraordinary reserves. If Brisa's Board of Directors proposes the General Assembly not to distribute the profit, the reasoning behind this and the planned use of the undistributed profits is disclosed to the shareholders during the General Assembly meeting.

The profit distribution policy is submitted for approval of shareholders at the General Assembly meeting. This policy is reviewed every year by the Board of Directors, taking into consideration any setback in the national and global economic conditions as well as the current situation of ongoing projects and funds. Any amendments to this policy are submitted for approval of the shareholders at the next General Assembly meeting following the amendments and disclosed to the public via the website.

The profit distribution policy and profit distribution proposal are available in the Annual Report, shared with shareholders at the General Assembly meeting, and publicly announced via the Investor Relations page on the website.

At the General Assembly held on April 19, 2024, the operating results for the year 2023 and the dividend distribution proposal were approved, and it was decided the cash dividend exercise date to start on April 24, 2024 and to distribute a gross dividend of TL 1,035,566,673.75 to the shareholders representing the Company's capital at the gross rate of 339.40% and TL 164,438,995.70 to the privileged shareholders as usufruct in cash from the Net Distributable Period Profit of TL 3,985,644,200.00. It was decided to set aside TL 118,474,982.57 from the Net Distributable Period Profit as Secondary Legal Reserves and TL 2,667,163,547.98 as Extraordinary Reserves.

6. Risks and Governing Body's Evaluation

Early Identification of Risk Committee has been established upon the resolution of Brisa Board of Directors dated August 2, 2013 and numbered 2013/13. The Committee was commissioned and authorized by Turkish Commercial Code numbered 6102 and by Article 378 thereof, as well as Capital Markets Board's Corporate Governance Communiqué.

The Committee's responsibilities include early identification of any strategic, operational, financial, external, and miscellaneous risks threatening the existence, development and sustainability of Brisa; implementation of necessary measures and remedies; and the management of risks.

As of March 31, 2024, Members of the Early Identification of Risk Committee are as follows:

Name-Surname	Title	Nature of Board Membership
Ahmet Erdem	Early Identification of Risk Committee Chairperson	Independent Board Member
Tomio Fukuzumi	Early Identification of Risk Committee Member	Vice Chairperson - Executive
Sakine Şebnem Önder	Early Identification of Risk Committee Member	Board Member - Non-Executive

The Chairperson of the Early Identification of Risk Committee is appointed from among the independent members by the Board of Directors.

The Committee is composed of a minimum of two Members appointed by the Board of Directors. Other people can also participate in the meetings if the Chairperson approves. The term of office for Committee Members is parallel to that of the Members of the Board of Directors. The Committee Membership is renewed upon the selection of the Members of the Board of Directors.

The Early Identification of Risk Committee convened 1 time and submitted 2 reports to the Board of Directors during the period of January 1 – March 31, 2024 period.

7. Other Considerations

a) Events After the Reporting Period

At the Ordinary General Assembly meeting held on April 19, 2024, it was decided to distribute a gross dividend of TL 1,035,566,673.75 in cash. The cash dividend payments were completed on the exercise dates of April 24 and April 26.

8. Corporate Governance and Sustainability Principles Compliance

a) Compliance with Corporate Governance Principles

As one of the pioneers and leader companies in the Turkish industry, Brisa, aware of its responsibilities that it upholds to its stakeholders, adopts as a principle to comply with the Corporate Governance Principles issued by the Capital Markets Board and the four principles of corporate governance based on transparency, fairness, responsibility, and accountability and to make provisions where circumstances require amendments thereof. During the January 1 – March 31, 2024 interim accounting period, in line with this principle adopted, Brisa has applied and accommodated the Corporate Governance Principles set out in the Corporate Governance Communiqué No II-17.1, which was issued by the Capital Markets Board and entered into force upon publication in the Official Gazette dated January 3, 2014 and numbered 28871.

The Company has taken the required steps in line with the Corporate Governance Principles and demonstrated its awareness of responsibilities towards shareholders and stakeholders with its engagement to compliance thereto as well as all its activities to date, aimed to further strengthen its compliance with these principles in cooperation with all employees and top management executives well-aware of the advantages of adopting the Corporate Governance Principles within the Company, exercised due diligence in following the mandatory and non-mandatory regulations set out in the Corporate Governance Principles and published the related detailed reports to inform shareholders and stakeholders on <https://www.kap.org.tr/> and the Company's website.

Acknowledging the importance of full compliance with Corporate Governance Principles, Brisa is committed to follow all the mandatory principles set out by the Communiqué. However, full compliance has not yet been achieved due to difficulties experienced in the implementation of some of the non-mandatory principles, ongoing controversies regarding compliance with certain principles both in Türkiye and in international platforms, and some principles failing to align with the existing structure of the market and the Company. Studies on these principles and justifications for non-implementation thereof continue. No change was observed in compliance with the Corporate Governance Principles during the January 1 – March 31, 2024 interim accounting period.

b) Compliance with Sustainability Principles

Sustainability is one of the important foundations of Brisa's way of doing business. The Company boldly moves forward with pioneering practices in its sector in all geographies where

it operates, in the light of the corporate values and governance experience of its main shareholders, Bridgestone Corporation and Sabancı Holding. With the awareness of being a responsible manufacturer, the Company carries out research, develops innovation, makes investments, operates, and manufactures in order to maximize the value for its stakeholders and to achieve more every day.

Brisa combines its sustainability strategies, core operations and competencies with its sustainability management approach, and continues to create added value for its stakeholders. Communication activities are carried out in order to disseminate the sustainability management approach, which Brisa considers as an integral part of its corporate culture and therefore all its activities, among stakeholders. The Company carries out audits to identify the areas of improvement in the field of sustainability and secures development of sustainability performance through action plans based on tangible targets.

Brisa has developed its sustainability strategy on the main focus areas of Transition to a Low-Carbon Economy, Transition to a Low-Contact Economy, and Cultural and Social Transformation. In each focus area, risks are identified and addressed through a strong risk management approach. The Company's actions are aligned with the United Nations' Sustainable Development Goals, and the Company attaches importance to being a stakeholder in finding solutions for this global movement. Risk management at the Company is carried out with a life-long perspective by considering environmental and social matters as well as economic parameters. The effects of environmental and social risks that may occur in the supply chain, customer, dealer, and service processes on the Company are managed. While the actions taken in this way are more understandable for all stakeholders, emerging regulations, technologies, and financial opportunities are closely followed in terms of access to sustainable finance. Based on the principles of transparency, fairness, responsibility and accountability, Brisa reports on its activities and performance results in the light of the national and international initiatives that Brisa is a party to and strives to improve its performance by implementing relevant quality systems.

No change was observed in compliance with sustainability principles during the January 1 - March 31, 2024 interim accounting period. Brisa complied with all principles as per the Communiqué.

c) Other Committees Established within the Board of Directors

In accordance with capital market legislation, Capital Markets Board regulations, and Corporate Governance Principles, Committee Responsible for Auditing (i.e. Audit Committee), Corporate Governance Committee, and Early Identification of Risk Committee were established to help the Board of Directors exercise duties and responsibilities properly. Moreover, the duties of Nomination Committee and Compensation Committee as mentioned in Communiqué Article 4.5.1 have been assumed by Corporate Governance Committee.

Decisions of the Committees, which are taken as a result of studies carried out independently, are submitted to the Board of Directors as mere suggestions. The final resolution is made by the Board of Directors.

Following the 2023 Ordinary General Assembly meeting, new Members of Committees were selected with the Board of Directors' resolution dated April 25, 2024 and numbered 2024/13.

Other Committees established within the Board of Directors are as follows:

Audit Committee

The Audit Committee was established upon the resolution of the Board of Directors dated March 21, 2003, in accordance with article 28/A added by the Communiqué with Serial: X and No. 19 to the Independent Audit in Capital Market Communiqué with Serial: X and No. 16 of Capital Markets Board. The responsibilities of the Audit Committee include informing the Board of Directors of the corporate accounting system, financial reporting, financial information

released to the public, the activities of the internal audit department, the functions and activities of the internal control system and independent audit; supporting the Company's compliance with Capital Markets Board legislation as well as other relevant legislations and laws, Corporate Governance Principles and Code of Business Conduct; and monitoring all relevant processes on these issues.

As of March 31, 2024, Members of the Audit Committee are as follows:

Name-Surname	Title	Nature of Board Membership
Mehmet Tanju Ula*	Audit Committee Chairperson	Independent Board Member
Ahmet Erdem	Audit Committee Member	Independent Board Member

*At the 2023 Ordinary General Assembly meeting, Fatma Dilek Yardım was elected as the Independent Board Member to replace Mehmet Tanju Ula. Following the 2023 Ordinary General Assembly meeting, new Members of Committees were selected with the Board of Directors' resolution dated April 25, 2024 and numbered 2024/13 and Fatma Dilek Yardım was selected as the Audit Committee Chairperson.

The Audit Committee is composed of members who have no direct executive functions, carry the title of Independent Member on the Board of Directors, and have sufficient knowledge and expertise in financial matters. The Chairperson and Member of the Audit Committee are appointed by the Board of Directors. The internal audit department acts as the reporter of the Audit Committee. Funds and any other support necessary for the functioning of the Committee are provided by the Board of Directors.

The Committee convenes every three months at least, which means at least four times a year, and records the conclusions of the meeting in minutes later to be reported to the Board of Directors. The Committee generally reviews the works of the Internal Control Department and Independent Auditing Firm, audits financial statements, and examines any violation of business conduct and code of behavior in these meetings. The Audit Committee convened 1 time during the January 1 – March 31, 2024 interim accounting period.

Corporate Governance Committee

Corporate Governance Committee was established in accordance with the Capital Markets Board's Corporate Governance Communiqué with an attempt to follow the Company's compliance with corporate governance principles, to make improvements in the process, and make suggestions to the Board of Directors. The Committee has been established and its Internal Directive has been approved by the Board resolution dated April 30, 2012 and numbered 600. Early Identification of Risk Committee was separated from the Corporate Governance Committee by the Board resolution dated August 2, 2013 and numbered 2013/13, which necessitated revisions to be made on the Internal Directive in question.

In accordance with the Board of Directors decision dated March 25, 2024 and numbered 2024/10, it has been resolved to ratify the amendment of the article 4.2 headed "Members" of the current Corporate Governance Committee Internal Regulation as follows: "Committee Members (except the Chairman): It is composed of three members appointed by Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. Board of Directors; two Board Members nominated by Hacı Ömer Sabancı Holding A.Ş. and Bridgestone Corporation within the framework of relevant legislation and the Investor Relations Unit Manager, who holds "Capital Market Activities Level 3 License" and "Corporate Governance Rating License" in accordance with capital market legislation."

In accordance with the corresponding amendment in the Corporate Governance Committee Internal Regulation and capital market legislation, until the first General Assembly meeting to be held, it has been resolved to elect Independent Board Member Ahmet Erdem as the Committee Chairman, Tomio Fukuzumi and Haluk Dinçer as Board Members of the Committee

and Investor Relations Manager Elif Küçükçobanoğlu, who holds required licenses set forth in the article 11.2 of the Corporate Governance Communiqué, as Committee Member.

As of March 31, 2024, Members* of the Corporate Governance Committee are as follows:

Name-Surname	Title	Nature of Board Membership
Ahmet Erdem	Corporate Governance Committee Chairperson	Independent Board Member
Haluk Dinçer	Corporate Governance Committee Member	Board Member - Non-Executive
Tomio Fukuzumi	Corporate Governance Committee Member	Vice Chairperson - Executive
Elif Küçükçobanoğlu	Corporate Governance Committee Member	Investor Relations Manager

*Following the 2023 Ordinary General Assembly meeting, new Members of Committees were selected with the Board of Directors' resolution dated April 25, 2024 and numbered 2024/13 and Corporate Governance Committee Members were re-selected as above without any change compared to the membership structure as of March 31.

In cases where the position of the Committee Chairperson becomes vacant for whatever reason, the Chairperson of the Board of Directors appoints a Member of the Committee as interim Chairperson until the first Board of Directors meeting following the incidence of vacancy. The interim serves until a new Chairperson is appointed.

The agenda of the meeting is determined by the Chairperson of the Committee. Members and shareholders communicate the issues they wish to be put on the agenda to the Reporter, who reports them to the Chairperson of the Corporate Governance Committee.

Corporate Governance Committee meetings are held at least four times a year at the places and on the dates the Chairperson deems appropriate. The meeting and resolution quorum is the absolute majority of the total number of Members. Other people can also attend the meetings if the Chairperson deems appropriate. The Corporate Governance Committee convened 1 time and submitted 3 reports to the Board of Directors during the January 1 – March 31, 2024 interim accounting period.

The Corporate Governance Committee keeps a written record of all its works and reports all relevant information and conclusions to the Board of Directors.

May 29, 2024

Brisa Bridgestone Sabancı Lastik ve Sanayi Ticaret A.Ş.