

**HEKTAŞ TİCARET TRK ANONİM ŐİRKETİ (“Hektaş” or “the Company”)
AND ITS SUBSIDIARIES (“Hektaş Group” or “the Group”)**

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS INTERIM PERIOD
AS OF 30 JUNE 2025 AND
INDEPENDENT AUDITOR’S REPORT

(ORIGINALLY ISSUED IN TURKISH)

**(CONVENIENCE TRANSLATION OF
THE REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION ORIGINALLY ISSUED IN TURKISH)**

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

**To the General Assembly of
Hektaş Ticaret Türk Anonim Şirketi
Kocaeli**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Hektaş Ticaret Türk Anonim Şirketi (the “Company”) and its subsidiaries (together will be referred as the “Group”) as of 30 June 2025 and the related interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows and other explanatory notes for the six-month period then ended (“interim condensed consolidated interim financial information”). Group management is responsible for the preparation and presentation of this interim condensed consolidated interim financial information in accordance with Turkish Accounting Standard 34 “Interim Financial Reporting” (“TAS 34”). Our responsibility is to express a conclusion on this interim condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Independent Auditing Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated interim financial information is not prepared, in all material respects in accordance with TAS 34 “Interim Financial Reporting”.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

A handwritten signature in blue ink, appearing to read "Volkan Becerik".

Volkan Becerik
Partner

İstanbul, 18 August 2025

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HEKTAŞ GROUP

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2025

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

		<u>Current Period</u>	<u>Prior Period</u>
		<u>Reviewed</u>	<u>Audited</u>
		<u>30 June</u>	<u>31 December</u>
	<u>Notes</u>	<u>2025</u>	<u>2024</u>
ASSETS			
Current Assets		7,640,829,859	10,323,793,479
Cash and Cash Equivalents	3	1,546,153,426	2,184,494,080
Financial Investments	4	564,565,242	1,358,922,735
Trade Receivables	6a	2,329,882,140	1,546,671,353
<i>From Related Parties</i>	<i>19</i>	<i>208,818,847</i>	<i>72,213,340</i>
<i>From Third Parties</i>		<i>2,121,063,293</i>	<i>1,474,458,013</i>
Other Receivables	7a	90,027,950	227,979,452
Inventories	8	2,138,609,281	3,946,659,390
Prepaid Expenses		129,936,699	154,567,768
<i>From Related Parties</i>	<i>19</i>	<i>-</i>	<i>701,892</i>
<i>From Third Parties</i>		<i>129,936,699</i>	<i>153,865,876</i>
Current Tax Assets	12	8,911,284	123,430,717
Other Current Assets		832,743,837	781,067,984
Non-Current Assets		18,980,630,496	17,768,210,022
Trade Receivables	6a	-	605,747
Other Receivables	7a	4,607,651	5,271,933
Investment Properties		124,836,481	125,806,227
Property, Plant and Equipment	9	10,931,908,891	11,144,371,224
Intangible Assets		1,999,233,343	1,847,880,911
Goodwill	<i>11</i>	<i>496,438,672</i>	<i>496,438,672</i>
<i>Other</i>	<i>10</i>	<i>1,502,794,671</i>	<i>1,351,442,239</i>
Right-of-Use Assets		769,662,729	745,816,033
Prepaid Expenses		2,688,318,529	1,943,441,488
Deferred Tax Asset	17	2,462,062,872	1,955,016,459
TOTAL ASSETS		26,621,460,355	28,092,003,501

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

HEKTAŞ GROUP

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2025

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

		<u>Current Period</u>	<u>Prior Period</u>
		<u>Reviewed</u>	<u>Audited</u>
		<u>30 June</u>	<u>31 December</u>
	<u>Notes</u>	<u>2025</u>	<u>2024</u>
LIABILITIES AND EQUITY			
Current Liabilities		9,849,888,596	8,550,569,103
Short-Term Borrowings	5	6,742,630,383	5,232,098,994
Lease Liabilities	5	69,413,144	66,094,669
Trade Payables	6b	1,604,841,156	1,558,936,361
<i>To Related Parties</i>	19	99,731,045	159,501,460
<i>To Third Parties</i>		1,505,110,111	1,399,434,901
Payables Related to Employee Benefits		122,732,502	186,944,651
Other Payables	7b	1,085,209,351	1,419,462,789
<i>To Related Parties</i>	19	1,060,871,380	1,392,484,430
<i>To Third Parties</i>		24,337,971	26,978,359
Deferred Income		189,910,291	58,213,760
Current Tax Liability		234,830	-
Short-Term Provisions	13a	34,916,939	28,817,879
<i>Related to Employee Benefits</i>	13a	28,965,260	22,754,796
<i>Other</i>	13a	5,951,679	6,063,083
Non-Current Liabilities		2,045,848,603	3,517,223,526
Long-Term Borrowings	5	1,159,142,171	2,571,966,093
Lease Liabilities	5	533,363,711	594,761,962
Other Payables	7b	151,050,551	145,849,765
<i>Other Payables to Related Parties</i>	19	151,050,551	145,849,765
Long-Term Provisions	13b	121,302,624	122,498,484
<i>Related to Employee Benefits</i>		121,302,624	122,498,484
Deferred Tax Liability	17	80,989,546	82,147,222
EQUITY		14,725,723,156	16,024,210,872
Equity Attributable to the Parent		14,784,413,951	16,068,523,521
Paid-in Capital		8,430,000,000	8,430,000,000
Capital Adjustment Differences		9,927,522,250	9,927,522,250
Share Issue Premium/Discounts		246,223,185	246,223,185
Accumulated Other Comprehensive Income (Expenses)			
to be Reclassified in Profit or Loss		(376,772,614)	(344,581,865)
<i>- Foreign Currency Translation Differences</i>		(376,772,614)	(344,581,865)
Accumulated Other Comprehensive Income (Expenses)			
not to be Reclassified in Profit or Loss		(76,172,222)	(68,453,272)
<i>- Remeasurement Losses of Defined Benefit Plans</i>		(76,172,222)	(68,453,272)
Restricted Reserves Appropriated from Profit		532,690,248	532,690,248
Prior Years' Profit		(2,654,877,025)	526,500,823
Net Loss for the Period		(1,244,199,871)	(3,181,377,848)
Non-Controlling Interests		(58,690,795)	(44,312,649)
TOTAL LIABILITIES AND EQUITY		26,621,460,355	28,092,003,501

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

HEKTAŞ GROUP

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTH INTERIM PERIOD 1 JANUARY - 30 JUNE 2025

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

		Current Period	Current Period	Prior Period	Prior Period
		Reviewed	Not Reviewed	Reviewed	Not Reviewed
		1 January-30 June	1 April-30 June	1 January-30 June	1 April-30 June
	Notes	2025	2025	2024	2024
PROFIT OR (LOSS)					
Revenue	14a	3,707,036,362	1,492,564,747	3,465,296,024	1,574,553,753
Cost of Sales (-)	14b	(3,891,103,571)	(1,630,579,991)	(3,346,807,019)	(1,607,993,233)
GROSS PROFIT/(LOSS)		(184,067,209)	(138,015,244)	118,489,005	(33,439,480)
General Administrative Expenses (-)		(519,423,574)	(250,129,997)	(537,500,625)	(232,447,785)
Marketing Expenses (-)		(281,505,959)	(160,973,955)	(278,469,076)	(131,734,374)
Research and Development Expenses (-)		(201,873,193)	(100,408,845)	(240,217,252)	(142,843,037)
Other Income from Operating Activities	15	115,588,401	50,226,640	201,228,599	59,960,677
Other Expenses from Operating Activities (-)	16	(145,783,241)	(77,920,443)	(94,747,878)	207,340,064
OPERATING (LOSS) / PROFIT		(1,217,064,775)	(677,221,844)	(831,217,227)	(273,163,935)
Income from Investing Activities		4,366,694	2,643,839	4,147,373	1,850,300
Expenses from Investing Activities (-)		(971,654)	(484,414)	(871,840)	(434,688)
OPERATING (LOSS) / PROFIT BEFORE FINANCE EXPENSES		(1,213,669,735)	(675,062,419)	(827,941,694)	(271,748,323)
Finance Income		341,418,964	162,390,671	1,248,702,779	649,448,212
Finance Expenses (-)		(1,801,671,179)	(885,751,175)	(4,733,133,967)	(2,343,125,901)
Monetary Gain Loss, net	23	906,181,001	336,748,971	2,716,995,296	807,994,559
(LOSS) / PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		(1,767,740,949)	(1,061,673,952)	(1,595,377,586)	(1,157,431,453)
Tax (Expense) / Income from Continuing Operations		511,182,950	417,973,264	255,192,445	218,385,047
Tax (Expense) / Income for the Period	17	(413,362)	(345,209)	(678,443)	(584,400)
Deferred Tax (Expense) / Income	17	511,596,312	418,318,473	255,870,888	218,969,447
PROFIT/LOSS FOR THE PERIOD		(1,256,557,999)	(643,700,688)	(1,340,185,141)	(939,046,406)
Distribution of (Loss) / Profit for the Period					
Non-Controlling Interests		(12,358,128)	(7,045,062)	(12,981,421)	(6,349,317)
Parent Shares		(1,244,199,871)	(636,655,626)	(1,327,203,720)	(932,697,089)
		(1,256,557,999)	(643,700,688)	(1,340,185,141)	(939,046,406)
Earnings / (loss) per share					
A Hundred Ordinary Stock (TL)	18	(0.15)	(0.08)	(0.52)	(0.37)
OTHER COMPREHENSIVE (EXPENSE) / INCOME :					
Items not to be Reclassified to Profit or Loss		(7,718,950)	(7,718,950)	(867,029)	(867,029)
Defined Benefit Plans Remeasurement Gains/Losses		(10,291,933)	(10,291,933)	(1,156,040)	(1,156,040)
Defined Benefit Plans Remeasurement Gains (Losses), Tax Effect		2,572,983	2,572,983	289,011	289,011
(Expense) / Income to be Reclassified to Profit or Loss		(34,210,767)	17,812,872	(457,974,618)	(49,128,040)
Foreign Currency Translation Differences		(34,210,767)	17,812,872	(457,974,618)	(49,128,040)
OTHER COMPREHENSIVE (EXPENSE) / INCOME		(41,929,717)	10,093,922	(458,841,647)	(49,995,069)
TOTAL COMPREHENSIVE (EXPENSE)/INCOME		(1,298,487,716)	(633,606,766)	(1,799,026,788)	(989,041,475)
Distribution of Total Comprehensive (Expense) / Income:		(1,298,487,716)	(633,606,766)	(1,799,026,788)	(989,041,475)
Non-Controlling Interests		(14,378,146)	(9,114,776)	(14,843,817)	(7,263,525)
Parent Shares		(1,284,109,570)	(624,491,990)	(1,784,182,971)	(981,777,950)

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

HEKTAŞ GROUP

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH INTERIM PERIOD 1 JANUARY - 30 JUNE 2025

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

			Accumulated Other Comprehensive Income and Expenses that will not be Reclassified to Profit or Loss	Accumulated Other Comprehensive Income and Expenses that will be Reclassified to Profit or Loss			Retained Earnings				
	Paid-in Capital	Capital Adjustment Differences	Share Issue Premiums / Discounts	Accumulated Remeasurement Losses of Defined Benefit Plans	Foreign Currency Translation Differences	Restricted Reserves Appropriated from Profit	Prior Years' Profit	Net Profit / Loss for the Period	Equity Attributable to the Parent	Non- Controlling Shares	Equity
Balances as of 1 January 2024	2,530,000,000	8,872,985,752	84,295,221	(70,034,285)	239,756,661	532,690,248	2,005,915,462	(1,479,414,639)	12,716,194,420	(15,262,355)	12,700,932,065
Transfers	-	-	-	-	-	-	(1,479,414,639)	1,479,414,639	-	-	-
Total Comprehensive Income / (Expense)	-	-	-	(867,029)	(456,112,222)	-	-	(1,327,203,720)	(1,784,182,971)	(14,843,817)	(1,799,026,788)
<i>Profit / (Loss) for the Period</i>	-	-	-	-	-	-	-	<i>(1,327,203,720)</i>	<i>(1,327,203,720)</i>	<i>(12,981,421)</i>	<i>(1,340,185,141)</i>
<i>Other Comprehensive (Expense) / Income</i>	-	-	-	<i>(867,029)</i>	<i>(456,112,222)</i>	-	-	<i>-</i>	<i>(456,979,251)</i>	<i>(1,862,396)</i>	<i>(458,841,647)</i>
Balances as of 30 June 2024	2,530,000,000	8,872,985,752	84,295,221	(70,901,314)	(216,355,561)	532,690,248	526,500,823	(1,327,203,720)	10,932,011,449	(30,106,172)	10,901,905,277
Balances as of 1 January 2025	8,430,000,000	9,927,522,250	246,223,185	(68,453,272)	(344,581,865)	532,690,248	526,500,823	(3,181,377,848)	16,068,523,521	(44,312,649)	16,024,210,872
Transfers	-	-	-	-	-	-	(3,181,377,848)	3,181,377,848	-	-	-
Total Comprehensive (Expense) / Income	-	-	-	(7,718,950)	(32,190,749)	-	-	(1,244,199,871)	(1,284,109,570)	(14,378,146)	(1,298,487,716)
<i>Loss for the Period</i>	-	-	-	-	-	-	-	<i>(1,244,199,871)</i>	<i>(1,244,199,871)</i>	<i>(12,358,128)</i>	<i>(1,256,557,999)</i>
<i>Other Comprehensive Income / (Expense)</i>	-	-	-	<i>(7,718,950)</i>	<i>(32,190,749)</i>	-	-	<i>-</i>	<i>(39,909,699)</i>	<i>(2,020,018)</i>	<i>(41,929,717)</i>
Balances as of 30 June 2025	8,430,000,000	9,927,522,250	246,223,185	(76,172,222)	(376,772,614)	532,690,248	(2,654,877,025)	(1,244,199,871)	14,784,413,951	(58,690,795)	14,725,723,156

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

HEKTAŞ GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH INTERIM PERIOD 1 JANUARY - 30 JUNE 2025

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

		Current Period	Prior Period
		Reviewed	Reviewed
		1 January- 30 June	1 January- 30 June
	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		775,215,741	4,282,028,394
Loss for the Period		(1,256,557,999)	(1,340,185,141)
Adjustments Related to Reconciliation of Net Profit/Loss of the Period		141,825,971	2,716,035,645
Adjustments Related to Depreciation and Amortization Expense		537,899,898	569,942,949
Adjustments Related to Impairment (Reversal)		(465,465,009)	(118,226,340)
- Adjustments Related to Impairment for Receivables	6a	889,976	28,301,456
- Adjustments Related to Impairment for Inventories	8	(466,354,985)	(146,527,796)
Adjustments Related to Provisions		30,418,506	41,220,884
- Provisions Related to Employee Benefits		29,610,616	41,220,884
- Provision for / (Reversal of) Lawsuit		807,890	-
Adjustments Related to Interest (Income) / Expenses		921,672,144	3,567,029,912
- Adjustments Related to Interest Income		(194,269,090)	(799,894,590)
- Adjustments Related to Interest Expenses		1,043,198,560	4,211,351,778
- Adjustments Related to Banking Transactions Expenses		72,742,674	155,572,724
Adjustments Related to Unrealized Foreign Currency Translation Differences		(90,739,160)	(526,257,456)
Adjustments Related to Monetary Losses/Gains		(798,859,692)	(588,371,639)
Adjustments Related to Fair Value Losses/Gains		-	3,048,309
- Adjustments Related to Fair Value Losses / (Gains) on Derivative Financial Instruments		-	3,048,309
Adjustments Related to Foreign Exchange Differences		519,442,174	24,682,859
Adjustments Related to Tax Income / (Expense)	17	(511,182,950)	(255,192,445)
Adjustments Related to Loss/Gains on Disposal of Fixed Assets		(1,359,940)	(1,841,388)
Changes in working capital		1,482,612,513	2,046,529,699
Adjustments Related to Increase/Decrease in Trade Receivables		(1,007,693,616)	2,608,188,253
Adjustments Related to Increase / Decrease in Other Operating Receivables		(158,781,065)	16,659,620
Adjustments Related to Increase/Decrease in Inventories		2,274,405,095	30,213,895
Adjustments Related to Increase/Decrease in Trade Payables		268,693,179	(609,943,284)
Increase / (Decrease) in Payables Related to Employee Benefits		(37,495,794)	4,537,093
Adjustments Related to Increase / Decrease in Other Operating Payables		143,484,714	(3,125,878)
Cash Flows Generated from Operations		407,335,256	859,648,191
Interest Received		202,961,792	843,689,378
Payments Made Related to Provisions for Employee Benefits		(16,436,264)	(8,114,566)
Collections from Doubtful Receivables	6a	3,163,014	23,178,433
Tax Payments / Returns		217,646,714	894,946
CASH FLOWS FROM INVESTING ACTIVITIES		(509,189,316)	1,746,198,373
Cash Inflows from Other Receivables from Related Parties		-	2,015,179,337
Cash Inflows from Sales of Property, Plant and Equipment and Intangible Assets		1,624,257	2,845,454
- Cash Inflows from Sale of Property, Plant and Equipment		1,624,257	2,845,454
Cash Outflows from Purchase of Property, Plant and Equipment and Intangible Assets		(366,089,689)	(372,900,622)
- Cash Outflows from Purchase of Property, Plant and Equipment	9	(351,273,159)	(360,543,735)
- Cash Outflows from Purchase of Intangible Assets		(14,816,530)	(12,356,887)
Cash Advances and Payables Given		(744,877,041)	101,074,204
Other Cash Inflows/Outflows		600,153,157	-
CASH FLOWS FROM FINANCING ACTIVITIES		(788,038,254)	(5,005,042,588)
Cash Inflows from Borrowings	5	2,201,501,201	7,082,454,074
Cash Outflows from Borrowings	5	(1,560,431,063)	(8,884,689,737)
Bank Transaction Charges Paid		(72,742,674)	(155,572,724)
Interest Paid		(1,221,424,355)	(2,976,471,731)
Cash Outflows Related to Debt Payments Arising from Lease Contracts	5	(134,941,363)	(70,762,470)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE CHANGES IN FOREIGN EXCHANGE RATES		(522,011,829)	1,023,184,179
THE EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		203,249,200	58,643,987
INFLATION EFFECT ON CASH AND CASH EQUIVALENTS		(310,885,323)	(1,530,858,496)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(629,647,952)	(449,030,330)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3	2,175,384,658	7,719,999,141
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	1,545,736,706	7,270,968,811

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

HEKTAŞ GROUP

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025 AND FOR THE PERIOD THEN ENDED

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

1. ORGANIZATION AND OPERATIONS OF THE GROUP

Hektaş was established for the purpose of producing, importing, and marketing agricultural and veterinary pesticides upon registration and entry in the trade registry in 1956. The main field of activity of the Company is the production, import and marketing of agricultural and veterinary pesticides. The main shareholder of the Company is the Turkish Armed Forces Pension Fund ("OYAK") which owns 55.4 per cent of the Company's shares. OYAK is an institution with legal personality, which is financially and administratively autonomous and subject to the provisions of private law, which was founded pursuant to the law no. 205 on 1 March 1961. As the "solidarity and pension fund" of the members of the Turkish Armed Forces ("TSK"), OYAK provides various services and benefits to its members in line with the social security approach envisaged by the constitution. OYAK has direct and indirect subsidiaries and associates operating in industry, finance and service sectors. Detailed information about OYAK is available on its official web site at the address (www.oyak.com.tr).

These consolidated financial statements include the Company and its subsidiaries. The Company and its subsidiaries will hereinafter be referred to as "the Group" or "Hektaş Group" collectively.

The Company acquired 100% of FNC Tarım Ticaret ve Sanayi Anonim Şirketi ("FNC") on 29 November 2017 at a price of Turkish Lira ("TL") 14,117,000 (US Dollar 3,600,000) and included FNC within the scope of the consolidation based on its periodic statements of 30 September 2017.

The main field of activity of FNC is the production, import and marketing of agricultural pesticides. FNC is headquartered in the district of Bor in Niğde and has a capital of TL 40,500,000.

FNC's title was changed as 'Ferbis Tarım Ticaret ve Sanayi Anonim Şirketi' ("Ferbis") as declared in the Trade Registry Gazette dated 7 July 2020 and by the Extraordinary General Assembly dated 30 June 2020.

On 22 February 2019, the Company acquired 100 per cent of Akça Tohumculuk Arge Sanayi ve Dış Ticaret Anonim Şirketi ("Akça") at a price of TL 25,150,000 and included Akça within the scope of consolidation based on its financial statements pertaining to the period ending on 31 January 2019.

Akça's main field of activity is to engage in all kinds of seed production and development activities and to set up green houses and specially equipped areas for this purpose. Akça's headquarters are located in Antalya Technocity.

The title of Akça was changed to "Areo Tohumculuk Arge Sanayi ve Dış Ticaret Anonim Şirketi" ("Areo") with the Extraordinary General Assembly dated 25 September 2020 and as announced in the Trade Registry Gazette dated 6 October 2020. Its nominal capital is TL 95,750,000.

On 9 June 2020, the Company acquired 100 per cent of Sunset Kimya Tarım Ürünleri ve Aletleri İmalat Pazarlama Sanayi ve Ticaret Anonim Şirketi ("Sunset") at a price of TL 65,000,000 and included Sunset within the scope of consolidation based on its financial statements pertaining to the period ending on 30 May 2020.

Sunset's main field of activity is the wholesale and retail trade, production, import and export and domestic and international marketing of all kinds of agricultural pesticides. Sunset is headquartered in the district of Bor in Niğde. Its capital is in the amount of TL 2,000,000.

AgriVentis Technologies Pty Ltd ("Agriventis") was acquired by the OYAK group as of 18 September 2020. As of 12 January 2022, all of the shares representing the 51% capital of Agriventis, field of activity of which is "agricultural seed technology development, seed improvement and production", controlled by Oyak Sermaye Yatırımları A.Ş., the subsidiary of the main shareholder, have been acquired for TL 28,000,000. Agriventis is headquartered in Sydney, Australia. Its capital is AUD 457,375.

Hektaş Asia LLC was established on 21 November 2022 in Tashkent, Uzbekistan, with 100% of its shares owned by HEKTAŞ Ticaret T.A.Ş. It was established with the aim of operating in export-oriented plant protection and plant nutrition fields USD 49,782,247 has been paid for the founding capital of Hektaş Asia LLC, and the registration process is still in progress.

The Company's shares have been quoted on Borsa İstanbul ("BIST") since 1986. The Group's main shareholder and principal controller is OYAK.

As of 30 June 2025, the number of employees of the Group is 565 in total, 210 of them being blue-collar and 355 being white-collar (31 December 2024: 579 employees).

The Company carries out its activities at its headquarters at the address Gebze Organize Sanayi Bölgesi, İhsandede Caddesi, 700. Sokak 41400 Gebze, Kocaeli.

HEKTAŞ GROUP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025 AND FOR THE PERIOD THEN ENDED

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

1. ORGANIZATION AND OPERATIONS OF THE GROUP (cont'd)

Details of the types and fields of activity of the Company's subsidiaries are as follows:

	Types and Subject of Activity
Takımsan Tarım Kimya Sanayi ve Ticaret Anonim Şirketi ("Takımsan")	Production, import and marketing of pesticides
Çantaş Çankırı Tuz Ürünleri Üretim ve Dağıtım Anonim Şirketi ("Çantaş")	Inactive
Ferbis	Production, import and marketing of pesticides
Areo	To carry out all kinds of seed production and development activities, to establish related greenhouses and specially equipped areas related to this.
Sunset	Wholesale and retail trade of all kinds of pesticides, import and export, marketing in domestic and foreign markets
Agriventis	Agricultural seed technology development, seed breeding and production
Hektaş Asia	Production, sale, distribution and marketing of plant protection and plant nutrition products

As of 30 June 2025 and 31 December 2024, the details of the Company's subsidiaries and financial investments are as follows:

		Functional currency	Group's share rate in capital and voting rate (%)	
Title of the Company	Location of activity		30 June 2025	31 December 2024
Subsidiaries				
Takımsan	Kocaeli	TL	99.78	99.78
Ferbis	Niğde	TL	100.00	100.00
Areo	Antalya	TL	100.00	100.00
Sunset	Niğde	TL	100.00	100.00
Agriventis	Australia	AUD	51.00	51.00
Hektaş Asia	Uzbekistan	UZS	100.00	100.00
Financial investments				
Çantaş	Çankırı	TL	0.37	0.37

2. BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

Statement of Compliance with TFRS

The accompanying condensed consolidated interim financial statements have been prepared in accordance with the Communiqué Serial II, No: 14.1 "Communiqué on the Principles of Financial Reporting in Capital Markets" ("the Communiqué") announced by the Capital Markets Board ("CMB") on 13 June 2013 which is published on Official Gazette numbered 28676 and based on the Turkish Financial Reporting Standards ("TFRS") and the related appendices and interpretations promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") as adopted by the CMB in accordance with Article 5 of the Communiqué.

In addition, the condensed consolidated financial statements are presented in accordance with the "TFRS Taxonomy" published by POA on 3 July 2024 and the formats specified in the Financial Statement Examples and User Guide published by CMB, based on the CMB's financial statement and note formats.

The Group has prepared its interim condensed consolidated financial statements as of 30 June 2025 by preferring the summary presentation in accordance with TAS 4 "Interim Financial Statements" and the explanations and notes required to be included in the annual financial statements prepared in accordance with TAS 34 are summarized or not included. Therefore, these interim condensed consolidated financial statements shall be read together with the Group's consolidated financial statements as of 31 December 2024.

Approval of consolidated financial statements:

The consolidated financial statements were approved by the Board of Directors of Hektaş on 18 August 2025. The General Assembly of Hektaş has the right to amend and the related regulatory authorities have the right to demand the amendment of these condensed consolidated financial statements.

HEKTAŞ GROUP

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025 AND FOR THE PERIOD THEN ENDED

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Functional and Reporting Currency

The condensed consolidated financial statements are presented in TL, which is the functional currency of the Group. All financial information submitted in TL is presented in full, unless otherwise stated.

Adjustment of financial statements during periods of high inflation

The condensed consolidated financial statements and related figures for previous periods have been restated for changes in the general purchasing power of the functional currency and, consequently, the financial statements and related figures for previous periods are expressed in terms of the measuring unit current at the end of the reporting period in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies.

TAS 29 applies to the financial statements, including the condensed consolidated financial statements, of each entity whose functional currency is the currency of a hyperinflationary economy. If an economy is subject to hyperinflation, TAS 29 requires an entity whose functional currency is the currency of a hyperinflationary economy to present its financial statements in terms of the measuring unit current at the end of the reporting period.

As at the reporting date, entities operating in Türkiye are required to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" for the reporting periods ending on or after 31 December 2023, as the cumulative change in the general purchasing power of the last three years based on the Consumer Price Index ("CPI") is more than 100%.

POA made an announcement on 23 November 2023 regarding the scope and application of TAS 29. It stated that the financial statements of the entities applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be presented in accordance with the related accounting principles in TAS 29, adjusted for the effects of inflation.

In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on 31 December 2023.

In this framework, while preparing the consolidated financial statements dated 30 June 2025 inflation adjustment has been made in accordance with TAS 29.

HEKTAŞ GROUP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025 AND FOR THE PERIOD THEN ENDED

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Adjustment of financial statements during periods of high inflation (cont'd)

The table below shows the inflation rates for the relevant years calculated by taking into account the Consumer Price Indices published by the Turkish Statistical Institute ("TURKSTAT"):

Date	Index	Adjustment Coefficient	Three-year cumulative inflation rates
30 June 2025	3,132.17	1.00000	2.20000
31 December 2024	2,684.55	1.16674	2.91000
30 June 2024	2,319.29	1.35049	3.24000

The main lines of TAS 29 indexation transactions are as follows:

- As of the balance sheet date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.
- Monetary assets and liabilities are expressed in terms of the purchasing power at the balance sheet date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.
- Fixed assets, subsidiaries and similar assets are indexed to their acquisition values, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in shareholders' equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the Company.
- All items in the income statement, except for the effects of non-monetary items in the balance sheet on the income statement, have been restated by applying the multiples calculated over the periods when the income and expense accounts were initially recognised in the financial statements.
- The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and income statement accounts. This gain or loss on the net monetary position is included in net profit.

The impact of the application of TAS 29 Inflation Accounting is summarised below:

Restatement of the Statement of Financial Position

Amounts in the statement of financial position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting period.

The gain or loss on the net monetary position arising on restatement of non-monetary items is recognised in profit or loss and presented separately in the statement of comprehensive income.

Restatement of the Statement of Profit or Loss

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts have been restated by applying changes in the monthly general price index.

Cost of inventories sold has been restated using the restated inventory balance.

Depreciation and amortisation expenses have been restated using the restated balances of property, plant and equipment, intangible assets and right-of-use assets.

Restatement of Statement of Cash Flows

All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period.

HEKTAŞ GROUP

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025 AND FOR THE PERIOD THEN ENDED

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.1 Basis of Presentation (cont'd)

Consolidated financial statements

The consolidated financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy are restated by applying the general price index before they are included in the consolidated financial statements prepared by the parent company. If the subsidiary is a foreign subsidiary, its restated consolidated financial statements are translated at the closing rate. When consolidating financial statements with different reporting period ends, all monetary and non-monetary items are restated in accordance with the measuring unit current at the date of the consolidated financial statements. The financial statements of Subsidiaries and Associates operating in foreign countries have been prepared in accordance with TFRSs issued by POA with adjustments and reclassifications reflected for the purpose of fair presentation. The assets and liabilities of the related foreign subsidiaries are translated into Turkish Lira at the exchange rate at the balance sheet date and income and expenses are translated into Turkish Lira at the average exchange rate on a monthly basis. Exchange differences arising from the use of closing and average exchange rates are recognized in the currency translation differences in equity.

2.2 Changes in accounting policies

The accounting policies used in the preparation of these interim condensed consolidated financial statements are the same as those used in the most recent annual consolidated financial statements.

2.3 Changes in accounting estimates and errors

If the changes in accounting estimates are related with one period only, they are applied in the current period when the change is applied; if they are related with future periods, they are applied prospectively both in the period of change and in the future periods. Material accounting errors detected are executed retrospectively and the previous period's financial statements are restated. There has been no significant change in the accounting estimates of the Group in the current year.

2.4 Significant accounting judgments, estimates and assumptions

In the preparation of the condensed consolidated financial statements, the Group Management is required to make assumptions and estimations that will affect the reported assets and liabilities, determine the possible liabilities and commitments as of the reporting date and the income and expense amounts as of the reporting period. Actual results may differ from estimates and assumptions. These estimations and assumptions are reviewed regularly, and when the need for correction arises, the corrections are reflected in the relevant period's operating result.

Considering the interpretations that may have a material effect on the amounts reflected in the condensed consolidated financial statements and the main sources of the existing or future estimates at the reporting date, the important assumptions and assessments are presented below:

Provisions for doubtful receivables reflect the amounts that the Group management believes will cover the future losses of the receivables that exist as of the reporting date but have the risk of being uncollectible within the current economic conditions. While evaluating whether the receivables are impaired or not, the past performance of the debtors other than the related parties and key customers, their credibility in the market, the guarantees received, their performance from the balance sheet date to the approval date of the financial statements and the renegotiated conditions are taken into account. As of the relevant reporting dates, the Group's provision for doubtful receivables is included in Note 6. Actual results may differ from assumptions.

The Group management made various assumptions in line with the experiences of the technical team, especially in determining the useful economic life of buildings and machinery.

The amount of provisions for litigation, the probability of losing the relevant lawsuits and the probable consequences to be incurred in case of loss are determined through the estimations made by the Group Management in line with the opinions of the Group's Legal advisors (Note 13a).

In the calculation of severance pay and severance incentive obligations, the Group makes various assumptions such as discount rate, inflation rate, real salary increase rate, possibility of voluntary resignation, etc. The assumptions used in the calculation of the liability are provided in detail in Note 13b.

In the calculation of the provisions for the decline in the value of inventories, the Group makes various assumptions such as estimated sales price, estimated completion costs and the estimated costs required to perform sales (Note 8). Actual results may differ from the assumptions.

The Group subjects the goodwill amount to impairment test every year. The recoverable amounts of cash generating units are determined based on the calculations of value in use. These calculations require the use of estimates (Note 11). The use value of the cash generating unit is calculated using the discounted cash flow method. Discounted cash flows are based on projections made in TL, which is the functional currency of the cash-generating unit. During the calculation of the projections, some assumptions and estimations have been used by the Group Management. If actual results differ from estimates, the accompanying consolidated financial statements may be affected.

HEKTAŞ GROUP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025 AND FOR THE PERIOD THEN ENDED

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

2.5 Significant Changes Related to Current Period

The Group has reviewed the estimates and assumptions used in the preparation of the consolidated financial statements as of 30 June 2025. In this context, the Group has evaluated the possible impairments in the values of trade receivables, inventories and investment properties in the consolidated financial statements as of 30 June 2025 and no impairment has been detected.

2.6 Segment Reporting

The Group's operations are defined as the geographic operating segment. However, considering the nature of the products and production processes, the type of customers for their products and services, and the methods they use to distribute their products or provide their services, the segments have been combined into a single operating segment with similar economic characteristics.

2.7 Summary of significant accounting policies

New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2025

Amendments to TAS 21 *Lack of Exchangeability*

Amendments to TAS 21 *Lack of Exchangeability*

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

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

b) New and revised TFRSs in issue but not yet effective

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

TFRS 17	<i>Insurance Contracts</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information</i>
TFRS 18	<i>Presentation and Disclosures in Financial Statements</i>
Amendments TFRS 9 and TFRS 7	<i>Classification and measurement of financial instruments</i>
Amendments TFRS 9 and TFRS 7	<i>Power purchase arrangements</i>
TFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i>

TFRS 17 *Insurance Contracts*

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2025 AND FOR THE PERIOD THEN ENDED**

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

2.7 Summary of significant accounting policies (cont'd)

New and Amended Turkish Financial Reporting Standards (cont'd)

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

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

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

Amendments are effective with the first application of TFRS 17.

TFRS 18 Presentation and Disclosures in Financial Statements

TFRS 18 includes requirements for all entities applying TFRS for the presentation and disclosure of information in financial statements. Applicable to annual reporting periods beginning on or after 1 January 2027.

Amendments TFRS 9 and TFRS 7 regarding the classification and measurement of financial instruments

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of TFRS 9 Financial Instruments. Amendments are effective from annual reporting periods beginning on or after 1 January 2026.

Amendments TFRS 9 and TFRS 7 regarding power purchase arrangements

The amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity. Amendments are effective from annual reporting periods beginning on or after 1 January 2026.

TFRS 19 Subsidiaries without Public Accountability: Disclosures

TFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. Applicable to annual reporting periods beginning on or after 1 January 2027.

HEKTAŞ GROUP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025 AND FOR THE PERIOD THEN ENDED

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

3. CASH AND CASH EQUIVALENTS

	30 June 2025	31 December 2024
Cash	329,452	373,940
Cash at banks	597,382,702	2,057,038,273
<i>Demand deposits</i>	56,117,822	645,774,328
<i>Time deposits with a maturity of less than three months</i>	541,264,880	1,411,263,945
Other current assets (*)	948,441,272	127,081,867
Cash and cash equivalents in the consolidated statement of financial position	1,546,153,426	2,184,494,080
Less: interest accruals	(416,720)	(9,109,422)
Cash and cash equivalents according to the cash flow statement	1,545,736,706	2,175,384,658

(*) Other cash and cash equivalents consist of checks and promissory notes and credit card receivables due as of 30 June 2025 and 31 December 2024.

As of 30 June 2025, the Group has USD time deposits amounting to TL 540,474,880 with an interest rate of 1.00 percent and maturity less than 3 months. (As of 31 December 2024, the Group's USD time deposit amount is equivalent to TL 617,443,690 with an interest rate of 1.00 percent and a maturity of less than 3 months).

As of 30 June 2025, the Group has TL time deposits amounting to TL 790,000 with interest rates of 38.00% and 33.00%. Maturities are less than 3 months (As of 31 December 2024, TL time deposits amount to TL 793,820,255 and the interest rate is 48.5 percent. Maturities are shorter than 3 months).

4. FINANCIAL INVESTMENTS

Financial investments at fair value through other comprehensive income:

Company Title	Share Rate %	30 June 2025	Share Rate %	31 December 2024
Çantaş	0.37	310,755	0.37	310,755
		310,755		310,755
Provision for impairment		(310,755)		(310,755)
		-		-

	30 June 2025	31 December 2024
Restricted bank deposits (*)	564,045,108	1,358,318,668
Other	520,134	604,067
	564,565,242	1,358,922,735

(*) As of 30 June 2025, restricted cash and cash equivalents amounting to TL 564,045,108 (31 December 2024: TL 1,358,318,668) are separately classified under "Financial Investments" since their use is restricted in the Group's ongoing operations and fulfilling its obligations.

HEKTAŞ GROUP

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025 AND FOR THE PERIOD THEN ENDED

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

5. FINANCIAL LIABILITIES

	30 June 2025	31 December 2024
Short-Term Financial Payables		
Bank loans	6,742,630,383	5,232,098,994
Lease liabilities	69,413,144	66,094,669
	<u>6,812,043,527</u>	<u>5,298,193,663</u>

	30 June 2025	31 December 2024
Long-Term Financial Payables		
Bank loans	1,159,142,171	2,571,966,093
Lease liabilities	533,363,711	594,761,962
	<u>1,692,505,882</u>	<u>3,166,728,055</u>

Details of Short-Term Bank Loans are as follows;

Currency	Weighted Average Interest Rate %	30 June 2025 Short-term
TL	49.69	2,251,140,347
USD	8.10	4,491,490,036
		<u>6,742,630,383</u>

Currency	Weighted Average Interest Rate %	31 December 2024 Short-term
TL	48.30	1,888,697,496
USD	7.22	3,343,401,498
		<u>5,232,098,994</u>

Details of Long-Term Bank Loans are as follows;

Currency	Weighted Average Interest Rate %	30 June 2025 Long-term
TL	18.49	35,045,268
USD	9.34	1,124,096,903
		<u>1,159,142,171</u>

Currency	Weighted Average Interest Rate %	31 December 2024 Long-term
TL	13.32	40,446,964
USD	8.61	2,531,519,129
		<u>2,571,966,093</u>

HEKTAŞ GROUP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025 AND FOR THE PERIOD THEN ENDED

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

5. FINANCIAL LIABILITIES (cont'd)

The maturities of lease liabilities are as follows;

	30 June 2025	31 December 2024
To be paid within 1 year	69,413,144	66,094,669
To be paid within 1-5 years	533,363,711	594,761,962
	<u>602,776,855</u>	<u>660,856,631</u>

The maturities of bank loans are as follows:

	30 June 2025	31 December 2024
To be paid within 1 year	6,742,630,383	5,232,098,994
To be paid within 1-2 years	409,744,230	1,601,697,437
To be paid within 2-3 years	374,698,973	388,107,464
To be paid within 3-4 years	374,698,968	388,107,464
To be paid within 4-5 years	-	194,053,728
	<u>7,901,772,554</u>	<u>7,804,065,087</u>

As of 30 June 2025 and 31 December 2024, bank loans have spot, fixed and floating interest rates and due to their short original maturities, it is assumed that their fair values and book values are close.

As of 1 January - 30 June 2025 and 2024, the reconciliation of liabilities arising from financing activities is as follows;

	1 January- 30 June 2025	1 January- 31 December 2024
Financial liabilities as of 1 January	8,464,921,718	24,317,892,388
Capital inflows within the period	2,201,501,201	7,082,454,074
Payments within the period	(1,695,372,426)	(8,955,452,207)
Foreign exchange	921,450,958	160,277,891
Interest accrual change	(178,225,795)	1,234,880,047
Inflation effect	(1,209,726,247)	(4,822,183,468)
	<u>8,504,549,409</u>	<u>19,017,868,725</u>

HEKTAŞ GROUP

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025 AND FOR THE PERIOD THEN ENDED

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

6. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables

As of 30 June 2025 and 31 December 2024, the details of the Group's trade receivables are as follows;

	30 June 2025	31 December 2024
Short-term trade receivables		
Trade receivables	1,700,553,911	1,034,736,317
Notes receivables	596,229,004	647,156,072
Trade receivables from related parties (Note 19)	208,818,847	72,213,340
Provision for doubtful trade receivables (-)	(175,719,622)	(207,434,376)
	<u>2,329,882,140</u>	<u>1,546,671,353</u>
Long-term trade receivables		
Notes receivable	-	605,747
	<u>-</u>	<u>605,747</u>

As of 30 June 2025 and 31 December 2024, the aging of trade receivables is as follows:

	30 June 2025	31 December 2024
Not overdue and impaired	2,108,763,399	1,409,569,422
Overdue for 1-30 days, not impaired	78,027,550	101,726,567
Overdue for 1-3 months, not impaired	76,872,567	22,679,929
Overdue for 1-12 months, not impaired	66,218,624	13,136,513
Overdue for 1-5 years, not impaired	-	164,669
	<u>2,329,882,140</u>	<u>1,547,277,100</u>

The Group has evaluated the collateral status of the overdue receivables mentioned above, the current financial position of the related customers and the collections after the reporting date and concluded that there is no impairment on these receivables.

The average maturity applied by the Group for its sales is 94 days (31 December 2024: 214 days).

The provision for doubtful receivables for trade receivables is determined based on the future collection expectation and past experience of uncollectibility. The movement of the Group's provision for credit losses is as follows:

	1 January- 30 June 2025	1 January- 30 June 2024
Movements of expected credit losses		
Opening balance	207,434,376	211,666,125
Charge for the period	889,976	28,301,456
Collections	(3,163,014)	(23,178,433)
Provisions reversed	49,182	-
Effects of inflation accounting	(29,490,898)	(41,209,063)
Closing balance	<u>175,719,622</u>	<u>175,580,085</u>

The nature and level of risks related to trade receivables are disclosed in Note 21.

HEKTAŞ GROUP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025 AND FOR THE PERIOD THEN ENDED

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6. TRADE RECEIVABLES AND PAYABLES (cont'd)

b) Trade Payables

Details of the Group's trade payables as of 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025	31 December 2024
Short-term trade payables		
Trade payables (*)	1,480,619,121	1,368,340,987
Trade payables to related parties (Note 19)	99,731,045	159,501,460
Expense accruals	24,490,990	31,093,914
	<u>1,604,841,156</u>	<u>1,558,936,361</u>

(*) As of 30 June 2025, letters of credit amounting to TL 991,221,804 are included in trade payables (31 December 2024: TL 530,430,860).

The average payment maturity for the purchase of goods is 73 days in internal purchases (31 December 2024: 104 days).

7. OTHER RECEIVABLES AND PAYABLES

a) Other Receivables

	30 June 2025	31 December 2024
Other Short-Term Receivables		
Advance tax refund receivable	73,040,585	1,348,587
VAT and other refund receivables	16,448,906	224,453,566
Deposits and guarantees given	389,922	571,045
Refund receivable of special consumption tax ("SCT") (*)	148,537	1,606,254
	<u>90,027,950</u>	<u>227,979,452</u>

(*) If the raw materials subject to SCT are used in manufacturing goods not subject to SCT, the Special Consumption Tax paid in the purchase of these raw materials may be refunded, if the conditions specified in the Special Consumption Tax Communiqué No. 25. The SCT amount requested to be refunded within this framework is TL 148,537 (31 December 2024: TL 1,606,254).

	30 June 2025	31 December 2024
Other Long-Term Receivables		
Deposits and guarantees given	4,607,651	5,271,933
	<u>4,607,651</u>	<u>5,271,933</u>

b) Other Payables

	30 June 2025	31 December 2024
Other Short-Term Payables		
Other payables to related parties (Note 19)	1,060,871,380	1,392,484,430
Taxes and funds payable	20,650,738	23,411,591
Other miscellaneous payables	3,687,233	3,566,768
	<u>1,085,209,351</u>	<u>1,419,462,789</u>

(*) TL 1,053,749,745 of the related amount consists of the principal and accrued interest of borrowings obtained for financing purposes.

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7. OTHER RECEIVABLES AND PAYABLES (cont'd)

b) Other Payables (cont'd)

	30 June 2025	31 December 2024
Other Long-Term Payables		
Other payables to related parties (Note 19)	151,050,551	145,849,765
	<u>151,050,551</u>	<u>145,849,765</u>

8. INVENTORIES

	30 June 2025	31 December 2024
Raw material	953,891,373	2,026,048,892
Work in-process	193,615,418	394,077,925
Goods	553,216,917	1,032,748,644
Trade goods	294,941,169	597,751,426
Other inventories (*)	244,630,968	464,074,053
Provision for impairment on inventories (-)	<u>(101,686,564)</u>	<u>(568,041,550)</u>
	<u>2,138,609,281</u>	<u>3,946,659,390</u>

(*) As of 30 June 2025, TL 203,603,942 (31 December 2024: TL 441,313,045) of other inventories consist of goods in transit.

	1 January- 30 June 2025	1 January- 30 June 2024
Movement of provision for impairment on inventories		
Opening balance	(568,041,550)	(306,908,301)
Charge for the period	(104,221,106)	(28,679,308)
Provision used/reversed	<u>570,576,092</u>	<u>175,207,104</u>
Closing balance	<u>(101,686,564)</u>	<u>(160,380,505)</u>

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9. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment

Cost Value	Lands	Land improvements	Buildings	Plant, machinery and equipment	Vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Opening balance as of 1 January 2025	82,809,628	17,827,863	1,108,538,593	3,484,086,477	62,093,460	801,961,420	3,982,966,548	3,453,983,895	12,994,267,884
Foreign currency translation differences	-	-	-	252,511	79,837	2,004	-	3,059,226	3,393,578
Additions	-	-	-	173,731,744	1,228,391	8,522,328	4,816,892	162,973,804	351,273,159
Disposals	-	-	-	-	(1,765,571)	(1,011,125)	-	-	(2,776,696)
Transfers (*)	-	6,912,406	8,927,649	1,004,437,512	(946,307)	30,879,385	-	(1,262,843,727)	(212,633,082)
Closing balance as of 30 June 2025	82,809,628	24,740,269	1,117,466,242	4,662,508,244	60,689,810	840,354,012	3,987,783,440	2,357,173,198	13,133,524,843
<u>Accumulated Depreciation</u>									
Opening balance as of 1 January 2025	-	(5,667,231)	(88,761,535)	(1,099,288,636)	(39,028,862)	(365,292,123)	(251,858,273)	-	(1,849,896,660)
Foreign currency translation differences	-	-	-	(170,987)	(79,921)	(15,904)	-	-	(266,812)
Charge for the period	-	(897,965)	(11,118,406)	(212,756,220)	(4,820,278)	(60,404,493)	(63,967,497)	-	(353,964,859)
Disposals	-	-	-	-	1,597,586	914,793	-	-	2,512,379
Closing balance as of 30 June 2025	-	(6,565,196)	(99,879,941)	(1,312,215,843)	(42,331,475)	(424,797,727)	(315,825,770)	-	(2,201,615,952)
Carrying value as of 30 June 2025	82,809,628	18,175,073	1,017,586,301	3,350,292,401	18,358,335	415,556,285	3,671,957,670	2,357,173,198	10,931,908,891

(*) TL 212,633,082 has been transferred from construction in progress to intangible assets (Note 10).

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9. PROPERTY, PLANT AND EQUIPMENT (cont'd)

a) Property, Plant and Equipment (cont'd)

Cost Value	Lands	Land improvements	Buildings	Plant, machinery and equipment	Vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Opening balance as of 1 January 2024	82,809,629	17,827,862	711,435,328	3,351,923,032	63,694,939	657,379,612	-	3,603,994,278	8,489,064,680
Foreign currency translation differences	-	-	-	(2,236,095)	(902,479)	(47,387)	-	-	(3,185,961)
Additions	-	-	-	64,127,355	319,429	141,204,778	86,681,961	68,210,212	360,543,735
Disposals	-	-	-	(1,283,109)	(1,424,396)	(1,190,149)	-	-	(3,897,654)
Transfers (*)	-	-	-	-	-	-	3,945,552,617	-	3,945,552,617
Closing balance as of 30 June 2024	82,809,629	17,827,862	711,435,328	3,412,531,183	61,687,493	797,346,854	4,032,234,578	3,672,204,490	12,788,077,417
<u>Accumulated Depreciation</u>									
Opening balance as of 1 January 2024	-	(4,424,694)	(69,408,766)	(782,080,195)	(30,874,837)	(248,221,744)	-	-	(1,135,010,236)
Foreign currency translation differences	-	-	-	633,578	423,367	27,846	-	-	1,084,791
Charge for the period	-	(574,983)	(9,056,290)	(155,965,442)	(5,215,400)	(59,198,865)	(123,126,305)	-	(353,137,285)
Disposals	-	-	-	1,028,493	1,203,672	661,424	-	-	2,893,589
Transfers (*)	-	-	-	-	-	-	(135,218,467)	-	(135,218,467)
Closing balance as of 30 June 2024	-	(4,999,677)	(78,465,056)	(936,383,566)	(34,463,198)	(306,731,339)	(258,344,772)	-	(1,619,387,608)
Carrying value as of 30 June 2024	82,809,629	12,828,185	632,970,272	2,476,147,617	27,224,295	490,615,515	3,773,889,806	3,672,204,490	11,168,689,809

(*) TL 3,945,552,617 has been transferred from intangible assets to leasehold improvements (Note 10).

	Useful Life
Land and land improvements	4-50 years
Buildings	10-50 years
Plant machinery and equipment	2-20 years
Vehicles	2-5 years
Furniture and fixtures	2-24 years
Leasehold improvements	5-35 years

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10. INTANGIBLE ASSETS

Cost Value	Rights	Development costs	Total
Opening balance as of 1 January 2025	1,707,612,012	282,978,176	1,990,590,188
Foreign currency translation differences	9,729,679	131,926	9,861,605
Additions	14,816,530	-	14,816,530
Transfers	2,030,494	210,602,588	212,633,082
Closing balance as of 30 June 2025	<u>1,734,188,715</u>	<u>493,712,690</u>	<u>2,227,901,405</u>
<u>Accumulated Amortisation</u>			
Opening balance as of 1 January 2025	(511,287,230)	(127,860,719)	(639,147,949)
Foreign currency translation differences	(1,390,726)	(56,859)	(1,447,585)
Charge for the period	<u>(53,781,303)</u>	<u>(30,729,897)</u>	<u>(84,511,200)</u>
Closing balance as of 30 June 2025	<u>(566,459,259)</u>	<u>(158,647,475)</u>	<u>(725,106,734)</u>
Carrying value as of 30 June 2025	<u>1,167,729,456</u>	<u>335,065,215</u>	<u>1,502,794,671</u>

Cost Value	Rights	Development costs	Other intangible assets	Total
Opening balance as of 1 January 2024	1,671,794,597	164,317,353	3,960,404,270	5,796,516,220
Foreign currency translation differences	(32,971,445)	-	(1,886,981)	(34,858,426)
Additions	8,159,159	4,197,728	-	12,356,887
Transfers (*)	-	12,964,672	(3,958,517,289)	(3,945,552,617)
Closing balance as of 30 June 2024	<u>1,646,982,311</u>	<u>181,479,753</u>	<u>-</u>	<u>1,828,462,064</u>
<u>Accumulated Amortisation</u>				
Opening balance as of 1 January 2024	(381,535,023)	(104,282,153)	(135,174,614)	(620,991,790)
Foreign currency translation differences	4,468,517	-	164,572	4,633,089
Charge for the period	<u>(78,802,099)</u>	<u>(8,501,231)</u>	<u>(1,205,103)</u>	<u>(88,508,433)</u>
Transfers	-	(996,678)	136,215,145	135,218,467
Closing balance as of 30 June 2024	<u>(455,868,605)</u>	<u>(113,780,062)</u>	<u>-</u>	<u>(569,648,667)</u>
Carrying value as of 30 June 2024	<u>1,191,113,706</u>	<u>67,699,691</u>	<u>-</u>	<u>1,258,813,397</u>

(*) Other intangible assets amounting to TL 3,958,517,289 of which TL 3,945,552,617 was transferred to leasehold improvements under property, plant and equipment and TL 12,964,672 was transferred to development costs.

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11. GOODWILL

Company	Acquisition Date	30 June 2025	31 December 2024
Sunset	2020	397,016,768	397,016,768
Ferbis	2017	99,421,904	99,421,904
		<u>496,438,672</u>	<u>496,438,672</u>

12. CURRENT TAX ASSETS

	30 June 2025	31 December 2024
Current tax assets		
Other prepaid tax and funds	8,911,284	123,430,717
	<u>8,911,284</u>	<u>123,430,717</u>

13. SHORT-TERM AND LONG-TERM PROVISIONS

a) Short-term Provisions

	30 June 2025	31 December 2024
Short-term provisions		
Provisions for legal cases (*)	5,951,679	6,063,083
Provision for unused vacation	28,965,260	22,754,796
	<u>34,916,939</u>	<u>28,817,879</u>

(*) Contains possible liabilities of reemployment and commercial lawsuits.

The movements of the provisions for litigation in the accounting period ending on 1 January - 30 June 2025 and 2024 are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024
Provision as of 1 January	6,063,083	5,420,469
Charge for the period	1,442,369	-
Provisions relased	(634,479)	-
Inflation effect	(919,294)	(1,074,867)
Provision as of 30 June	<u>5,951,679</u>	<u>4,345,602</u>

As of 1 January - 30 June 2025 and 2024, movements of unused vacation are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024
Provision as of 1 January	22,754,796	22,314,551
Provision expense for the period	9,744,910	12,632,738
Foreign currency translation differences	354,518	107,691
Inflation accounting effect	(3,888,964)	(5,257,821)
Provision as of 30 June	<u>28,965,260</u>	<u>29,797,159</u>

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13. SHORT-TERM AND LONG-TERM PROVISIONS (cont'd)

b) Long-Term Provisions

The long-term provisions for employee benefits in the accounting period ending on 30 June 2025 and 31 December 2024 are as follows:

Long-term provisions	30 June 2025	31 December 2024
Provision for employment termination benefits	101,133,233	100,226,985
Provision for seniority incentive premium	20,169,391	22,271,499
	<u>121,302,624</u>	<u>122,498,484</u>

Provision for Severance Incentive Bonus:

The Group provides a benefit in the name of "Seniority Incentive Bonus" to its employees with a certain seniority. In this respect, the Group pays one salary equivalent of seniority incentive bonus for each work period of 10 years. The current value of the severance incentive premium liability has been calculated by an independent actuary in the current year and the assumptions used in the calculation of provisions for severance pay were used.

The movements of the provisions for severance incentive premium in the accounting period ending on 1 January – 30 June 2025 and 2024 are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024
Provision as of 1 January	22,271,499	13,184,135
Service cost	(479,204)	6,275,029
Interest cost	2,606,426	1,432,891
Amount paid during the period	(970,906)	(1,031,143)
Inflation accounting effect	(3,258,424)	(3,050,875)
Provision as of 30 June	<u>20,169,391</u>	<u>16,810,037</u>

Provision for employment termination benefit:

Under the Effective Labor Law provisions, employees whose employment contract is terminated with eligibility for severance pay must be paid the statutory severance pays for which they are eligible. Furthermore, under the provision of the article 60 of the Social Security Law no. 506 which is still effective, amended by the laws no. 2422 dated 6 March 1981 and no. 4447 dated 25 August 1999, statutory severance pay must also be paid to those who are eligible for resigning with severance pay.

The amount payable consists of one month's salary limited to a maximum of TL 46,655.43 for each period of service as of 30 June 2025 (31 December 2024: TL 41,828.42). The severance pay liability is not legally subject to any funding.

The severance pay liability is calculated according to the estimation of the current value of the future probable obligation of the Group arising from the retirement of the employees. TAS 19 ("Employee Benefits") prescribes that the Group's liabilities are developed by using actuarial valuation methods within the scope of defined benefit plans. The severance pay liability was calculated by an independent actuary and the Projected Unit Credit Method was used in the calculation. The actuarial assumptions used in the calculation of the current value of the liabilities are specified below.

	30 June 2025	31 December 2024
Discount rate	31.14%	25.88%
Inflation rate	27.32%	21.81%

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13. SHORT-TERM AND LONG-TERM PROVISIONS (cont'd)**b) Long-Term Provisions (cont'd)****Provision for employment termination benefit (cont'd):**

The movements of provision for severance pay for the accounting period ending on 1 January - 30 June 2025 and 2024 are as follows:

	1 January- 30 June 2025	1 January- 30 June 2024
Provision as of 1 January	100,226,985	111,243,848
Service cost	7,708,658	14,241,651
Interest cost	9,203,829	9,499,787
Employment termination benefits paid	(15,465,358)	(7,083,423)
Gains arising from reduction of benefits/termination of employment	4,360,443	2,449,022
Actuarial gain	10,291,933	1,156,040
Inflation accounting effect	(15,193,257)	(23,387,231)
Provision as of 30 June	<u>101,133,233</u>	<u>108,119,694</u>

14. REVENUE AND COST OF SALES**a) Revenue**

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Domestic sales	3,702,914,825	1,506,363,572	3,426,998,153	1,604,182,712
Foreign sales	304,642,358	118,257,832	345,643,212	147,703,478
Other sales	7,428,544	1,574,887	17,602,166	9,699,967
Sales returns (-)	(45,115,593)	(22,330,430)	(40,445,980)	(22,456,062)
Sales discounts (-)	<u>(262,833,772)</u>	<u>(111,301,114)</u>	<u>(284,501,527)</u>	<u>(164,576,342)</u>
	<u>3,707,036,362</u>	<u>1,492,564,747</u>	<u>3,465,296,024</u>	<u>1,574,553,753</u>

b) Cost of Sales

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Raw material expenses	(1,544,143,408)	(627,360,212)	(1,118,177,077)	(580,878,033)
Personnel expenses	(197,606,614)	(114,864,443)	(180,764,386)	(92,241,486)
General production expenses	(128,801,182)	(73,562,553)	(170,203,711)	(82,052,960)
Depreciation and amortization expenses	(179,932,096)	(95,460,051)	(191,699,126)	(97,588,666)
Transportation expenses	(101,290,741)	(36,811,028)	(163,037,797)	(74,864,645)
Changes in work in-process inventories	(200,462,507)	(81,454,447)	(106,900,031)	(54,532,704)
Changes in finished goods inventories	<u>(479,531,727)</u>	<u>(150,103,562)</u>	<u>(472,714,923)</u>	<u>(229,838,149)</u>
Cost of goods sold	(2,831,768,275)	(1,179,616,296)	(2,403,497,051)	(1,211,996,643)
Cost of trade goods sold and other sales	<u>(1,059,335,296)</u>	<u>(450,963,695)</u>	<u>(943,309,968)</u>	<u>(395,996,590)</u>
	<u>(3,891,103,571)</u>	<u>(1,630,579,991)</u>	<u>(3,346,807,019)</u>	<u>(1,607,993,233)</u>

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15. OTHER INCOME FROM OPERATING ACTIVITIES

Other income from operating activities for the years ended 30 June 2025 and 2024 is as follows:

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Foreign exchange income (*)	52,637,738	24,911,462	132,778,979	5,348,724
Maturity difference income	28,138,417	10,541,688	14,267,049	7,099,917
Service income	11,282,028	6,856,389	9,666,602	2,447,536
Damage compensation income	4,808,780	4,808,780	17,425	17,425
Scrap, waste and recycling income	2,962,873	1,559,299	2,011,249	1,042,502
Reversal of expected credit losses	-	-	31,988,744	31,988,744
Other income	15,758,565	1,549,022	10,498,551	12,015,829
	<u>115,588,401</u>	<u>50,226,640</u>	<u>201,228,599</u>	<u>59,960,677</u>

(*) Resulting from trade receivables and trade payables.

16. OTHER EXPENSES FROM OPERATING ACTIVITIES

Other expenses from operating activities for the years ended 30 June 2025 and 2024 are as follows:

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
Foreign exchange loss (*)	(96,696,901)	(49,139,250)	(52,519,461)	217,495,105
Provision for expected credit loss	(29,777,729)	(22,941,738)	-	-
Interest expense on maturity difference	(10,673,607)	-	(25,225,901)	(25,225,901)
Damage compensation expenses	(2,049,316)	-	-	12,640,725
Other expenses and losses	(6,585,688)	(5,839,455)	(17,002,516)	2,430,135
	<u>(145,783,241)</u>	<u>(77,920,443)</u>	<u>(94,747,878)</u>	<u>207,340,064</u>

(*) Resulting from trade receivables and trade payables.

17. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Corporate Tax

The Group is subject to the corporate tax effective in Türkiye. The necessary provisions were set aside in the attached financial statements for the Group's estimated tax liabilities pertaining to the current period's operating results. Turkish tax legislation does not allow the parent company to file a tax return based on the consolidated financial statements of its subsidiaries. Therefore, tax liabilities reflected in these consolidated financial statements were calculated separately for all companies included in the scope of consolidation.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and other incentives (prior year's losses if any and investment incentives used if preferred) utilized.

The effective tax rate applied in 2025 is 25% (2024: 25%).

The "Law on the Amendment of Certain Tax Laws and Certain Other Laws" no. 7061 was published in the Official Gazette dated 5 December 2017 numbered 30261. Under the article 89 of this Law, the article 5 titled "Exemptions" of the Corporate Tax Law is amended. Pursuant to the clause (a) of the first paragraph of the article, the 75% exemption applied to the earnings arising from the sales of immovable property retained for two full years in the assets of corporations is reduced to 50 per cent. This regulation became effective as of 5 December 2017.

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17. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Corporate Tax (cont'd)

	30 June 2025	31 December 2024
Provision for current corporation tax	(413,362)	-
Less: Prepaid taxes and funds	9,089,816	123,430,717
Current tax assets	8,676,454	123,430,717

Deferred Tax:

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes and they are given below.

The tax rate used in the calculation of deferred tax assets and liabilities is 25% on temporary timing differences that are expected to reverse (2024: 25%).

Subsidiaries with deferred tax assets are not netted off with subsidiaries with deferred tax liabilities and are shown separately, as businesses in Türkiye cannot declare consolidated tax returns.

	1 January- 30 June 2025	1 January- 30 June 2024
<u>Tax (expense) / income consists of the following:</u>		
Current tax expense	(413,362)	(678,443)
Deferred tax (expense) / income	511,596,312	255,870,888
Total tax (expense) / income	511,182,950	255,192,445

	30 June 2025	31 December 2024
<u>Deferred tax assets / (liabilities):</u>		
Tax advantage arising from investment allowance	345,301,977	341,599,630
Cash capital interest discount	992,665,651	681,723,688
Tax advantage of accumulated tax losses	1,414,217,713	1,242,818,040
Provision for employment termination benefits and termination incentive bonus	30,325,656	30,624,620
Provision for unused vacation and premium	30,000,621	47,059,656
Differences in carrying values of inventories	(94,860,094)	(185,726,288)
Depreciation of property, plant and equipment/indexation and amortisation differences of other intangible assets	(335,204,383)	(285,081,350)
Other	(1,373,815)	(148,759)
	2,381,073,326	1,872,869,237

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17. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Deferred Tax: (cont'd)

Movement of deferred tax (assets)/liabilities for the years ended as of 30 June 2025 and 2024 is as follows:

	1 January- 30 June 2025	1 January- 30 June 2024
<u>Movements in deferred tax assets / (liabilities):</u>		
Opening balance as of 1 January	1,872,869,237	954,843,484
(Expense) / income recognised in the income statement	511,596,312	255,870,888
Income recognized in the statement of other comprehensive income	2,572,983	289,011
Foreign currency translation differences	(5,965,206)	(3,956,342)
Closing balance as of 30 June	<u>2,381,073,326</u>	<u>1,207,047,041</u>
	1 January- 30 June 2025	1 January- 30 June 2024
<u>Reconciliation of tax provision:</u>		
Loss before tax	(1,767,740,949)	(1,595,377,586)
Income tax rate 25% (2024: 25%)	25%	25%
Expected tax income	<u>441,935,237</u>	<u>398,844,397</u>
Tax effect:		
- non-taxable income	4,370,852	6,928,847
- non-deductible expense	(40,116,667)	(87,549,726)
- inflation effect	(324,962,479)	(25,368,838)
- investment incentive discount	52,520,523	13,596,619
- interest deduction on cash capital	421,008,845	-
- effect of other items exempted from tax	(43,573,361)	(51,258,854)
Tax provision income / (expense) in the statement of profit or loss	<u>511,182,950</u>	<u>255,192,445</u>

18. EARNINGS PER SHARE

	1 January- 30 June 2025	1 April- 30 June 2025	1 January- 30 June 2024	1 April- 30 June 2024
<u>Earnings per share</u>				
Weighted average number of shares outstanding during the period (*)	843,000,000,000	843,000,000,000	253,000,000,000	253,000,000,000
Net profit of the parent for the period	<u>(1,244,199,871)</u>	<u>(636,655,626)</u>	<u>(1,327,203,720)</u>	<u>(932,697,089)</u>
Profit per share obtained from ongoing activities				
- a hundred ordinary stock (TL)	(0.15)	(0.08)	(0.52)	(0.37)

(*) The weighted average number of shares has been calculated by taking into account the retrospective effects of the aforementioned share distributions.

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19. RELATED PARTY DISCLOSURES

Details of the balances and transactions between the Group and other related parties are explained below:

	30 June 2025		31 December 2024	
	Trade		Trade	
Balances with related parties	Receivables	Payables	Receivables	Payables
Parent Company				
OYAK	-	1,814,804	-	37,744,297
Other Companies Managed by the Parent Company				
OYAK Grup Sigorta ve Reasürans Brokerliği A.Ş.	-	31,022,603	-	68,597,097
OYAK Biyoteknoloji San.ve Ticaret A.Ş.	1,404,898	15,842,703	589,916	17,769,951
OYAK Savunma ve Güvenlik Hiz. A.Ş.	-	13,526,823	-	7,504,834
OYAK Otomotiv Enerji ve Lojistik Holding A.Ş.	-	10,376,379	-	11,862,384
OYAK Pazarlama Hizmet Turizm A.Ş.	13,978,116	9,260,784	17,999,858	7,723,055
OYAK İnşaat A.Ş.	65,361	8,188,357	-	-
Akdeniz Chemson Kimya Sanayi ve Ticaret A.Ş.	116,048	2,643,982	330,905	-
Omsan Lojistik A.Ş.	-	2,620,887	-	2,602,002
Güzel Enerji Akaryakıt A.Ş.	-	1,754,949	-	1,925,458
Satem Grup Gıda Dağıtım ve Pazarlama A.Ş.	-	40,000	-	119,950
Arma İlaç Sanayi ve Ticaret A.Ş.	190,967,595	-	53,119,468	-
Tamek Grup Gıda Üretim A.Ş.	1,567,861	-	-	-
Other	718,968	2,638,774	173,193	3,652,432
	208,818,847	99,731,045	72,213,340	159,501,460

Trade receivables from related parties arise from sales of goods and services and their average maturity is 2 months. The aforementioned receivables are unsecured and no interest is charged.

Trade payables to related parties generally arise from purchase of goods and services and their average maturity is 1 month. No interest is charged for these payables.

	30 June 2025	31 December 2024
Short-term advances given to related parties		
Other Companies Managed by the Parent Company		
OYPOWER Elektrik Ticareti ve Hizmetleri A.Ş.	-	701,892
	-	701,892
	30 June 2025	31 December 2024
Other short-term payables to related parties		
Parent Company		
OYAK	521,388,889	586,594,390
Other Companies Managed by the Parent Company		
OYAK Otomotiv Enerji ve Lojistik Holding A.Ş.	532,360,856	797,580,948
Other Companies Managed by the Parent Company		
Dividends Payable Founder's Shares (*)	7,121,635	8,309,092
	1,060,871,380	1,392,484,430

(*) Consists of the portion of previous years' dividend payments not yet completed as of 30 June 2025.

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19. RELATED PARTY DISCLOSURES (cont'd)

	30 June 2025	31 December 2024
Other long-term payables to related parties		
Other Companies Managed by the Parent Company		
OYAK Sermaye Yatırımları A.Ş.	151,050,551	145,849,765
	<u>151,050,551</u>	<u>145,849,765</u>

Short-term and long-term other payables to related parties consist of amounts received for financing purposes and interest is charged. Interest rate for short term other payables to related parties is between 50% - 55%. For long term other payables to related parties, 2% interest rate is used in AUD.

	1 January - 30 June 2025		1 January - 30 June 2024	
Transactions with related parties	Purchases	Sales	Purchases	Sales
Parent Company				
OYAK	53,772,622	-	36,099,306	-
Other Companies Managed by the Parent Company				
OYAK Savunma ve Güvenlik Hiz. A.Ş.	45,916,227	-	34,857,278	-
OYAK Pazarlama Hizmet Turizm A.Ş.	25,173,882	7,640,495	29,585,940	9,466,697
OYPOWER Elektrik Ticareti ve Hizmetleri A.Ş.	19,427,197	-	16,115,574	-
Omsan Lojistik A.Ş.	9,645,582	-	22,412,678	-
İndisol Bilişim ve Teknoloji A.Ş.	9,595,832	-	5,490,511	-
Güzel Enerji Akaryakıt A.Ş.	7,985,367	-	11,320,255	-
Akdeniz Chemson Kimya Sanayi ve Ticaret A.Ş.	6,794,489	115,719	34,062,360	-
OYAK İnşaat A.Ş.	4,607,037	-	15,972,405	-
Doco Petrol ve Danışmanlık A.Ş.	1,391,817	-	1,035,369	-
Satem Grup Gıda Dağıtım ve Pazarlama A.Ş.	481,500	-	29,319	1,623,528
OYAK Biyoteknoloji Sanayi ve Tic.A.Ş.	1,253	1,450,860	28,800,829	155,209
Arma İlaç Sanayi ve Ticaret A.Ş.	-	110,626,125	45,003,667	191,803,558
Tamek Grup Gıda Üretim A.Ş.	-	1,569,581	-	4,463,153
	<u>184,792,805</u>	<u>121,402,780</u>	<u>280,785,491</u>	<u>207,512,145</u>

	1 January- 30 June 2025	1 January- 30 June 2024
Interest expense to related parties		

Parent Company		
OYAK	139,629,319	115,854,560
Other Companies Managed by the Parent Company		
OYAK Otomotiv Enerji ve Lojistik Holding A.Ş.	110,394,671	120,020,435
Arma İlaç Sanayi ve Ticaret A.Ş.	10,673,607	-
	<u>260,697,597</u>	<u>235,874,995</u>

	1 January- 30 June 2025	1 January- 30 June 2024
Interest income from related parties		

Other Companies Managed by the Parent Company		
Arma İlaç Sanayi ve Ticaret A.Ş.	29,640,272	100,994,072
	<u>29,640,272</u>	<u>100,994,072</u>

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19. RELATED PARTY DISCLOSURES (cont'd)

	1 January- 30 June 2025	1 January- 30 June 2024
Foreign exchange gains from related parties		
Other Companies Managed by the Parent Company		
Arma İlaç Sanayi ve Ticaret A.Ş.	-	49,725,105
OYAK Gıda Ve Tarım Holding A.Ş.	-	33,379,775
	-	83,104,880

Key management personnel consist of the Members of the Board of Directors, the General Manager and the Deputy General Managers. The salaries and similar benefits paid to key management personnel for their services are as follows.

	1 January- 30 June 2025	1 January- 30 June 2024
Salaries and other short-term benefits	41,420,177	52,567,160
	41,420,177	52,567,160

20. NATURE AND LEVEL OF THE RISKS ARISING FROM FINANCIAL INSTRUMENTS

Capital risk management

While trying to ensure the continuity of its activities in capital management, the Group also aims to increase its profits by using the debt and equity balance in the most efficient way.

The Board of Directors of the Group convenes regularly, reviewing the capital structure and indebtedness of the Group. The Group aims to maintain the balance of its capital structure by obtaining new loans or repaying the existing debts, based on the recommendations of the Board.

The general strategy of the Group does not differ from the previous period.

Financial risk factors

The Group is exposed to market risk (exchange rate risk and price risk), credit risk and liquidity risk due to its activities. The Group's risk management program is generally focused on minimizing the potential negative impacts of the uncertainty in the financial markets on the Group's financial performance. The Group also uses derivative products occasionally as hedge against financial risks.

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20. NATURE AND LEVEL OF THE RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Credit risk management

Credit risks exposed in terms of financial instruments

Credit risks exposed in terms of financial instruments	Receivables				Deposits at Banks	Other Cash Equivalents	Financial Investments
	Trade Receivables		Other Receivables				
30 June 2025	Related Party	Other Party	Related Party	Other Party			
Maximum credit risk exposed as of reporting date (A+B+C+D) (*)	208,818,847	2,121,063,293	-	94,635,601	597,382,702	948,441,272	564,565,242
- Secured portion of the maximum risk with guarantee etc (**)	-	556,354,648	-	-	-	-	-
A. Financial assets not past due nor impaired instruments	208,818,847	1,899,944,552	-	94,635,601	597,382,702	948,441,272	564,565,242
B. Assets past due but not impaired	-	221,118,741	-	-	-	-	-
- Secured portion with guarantee etc	-	20,485,430	-	-	-	-	-
C. Net book value of impaired assets	-	175,719,622	-	-	-	-	-
- Past due (gross book value)							
- Impairment (-)	-	(175,719,622)	-	-	-	-	-
- Secured portion of the net value with guarantee etc	-	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Secured portion of the net value with guarantee etc	-	-	-	-	-	-	-
D. Items including off-balance sheet risk	-	-	-	-	-	-	-

(*) The factors that increase the credit reliability, such as guarantee received are not considered in the determination of the amount.

(**) Guarantees consist of the letters of guarantee, guarantee notes, and mortgages received from customers.

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20. NATURE AND LEVEL OF THE RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Credit risk management (cont'd)

Credit risks exposed in terms of financial instruments

Credit risks exposed in terms of financial instruments	Receivables						
	Trade Receivables		Other Receivables		Deposits at Banks	Other Cash Equivalents	Financial Investments
	Related Party	Other Party	Related Party	Other Party			
31 December 2024							
Maximum credit risk exposed as of reporting date (A+B+C+D) (*)	72,213,340	1,475,063,760	-	233,251,385	2,057,038,273	127,081,867	1,358,922,735
- Secured portion of the maximum risk with guarantee etc (**)	-	533,537,095	-	-	-	-	-
A. Financial assets not past due nor impaired instruments	72,213,340	1,337,212,695	-	233,251,385	2,057,038,273	127,081,867	1,358,922,735
B. Assets past due but not impaired	-	137,686,422	-	-	-	-	-
- Secured portion with guarantee etc	-	9,572,654	-	-	-	-	-
C. Net book value of impaired assets	-	207,599,019	-	-	-	-	-
- Past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	(207,434,376)	-	-	-	-	-
- Secured portion of the net value with guarantee etc	-	164,643	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Secured portion of the net value with guarantee etc	-	-	-	-	-	-	-
D. Items including off-balance sheet risk	-	-	-	-	-	-	-

(*) The factors that increase the credit reliability, such as guarantee received are not considered in the determination of the amount.

(**) Guarantees consist of the letters of guarantee, guarantee notes, and mortgages received from customers.

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20. NATURE AND LEVEL OF THE RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Credit risk management (cont'd)

Credit risk is defined as the risk of financial loss to the Group due to the failure of one of the parties to the financial instrument to fulfill its contractual obligations. The Group tries to conduct transactions only with parties with credit reliability and to reduce its credit risk by obtaining sufficient guarantee, where possible. The credit risks to which the Group is exposed and the credit ratings of customers are constantly monitored.

Trade receivables cover many customers distributed to various industries and geographical areas. Credit assessments are continuously carried out on customers' trade receivable balances and guarantees are received where deemed necessary. Guarantees are primarily received as letters of guarantee and mortgage.

Overdue receivables are aged as follows:

	<u>30 June 2025</u>	<u>31 December 2024</u>
	<u>Trade</u>	<u>Trade</u>
	<u>Receivables</u>	<u>Receivables</u>
1-30 days overdue	78,027,550	101,726,567
1-3 months overdue	76,872,567	22,679,929
3-12 months overdue	66,218,624	13,136,513
1-5 years overdue	175,719,625	207,742,432
Total overdue receivables	<u>396,838,366</u>	<u>345,285,441</u>
Secured portion with guarantee etc.	<u>20,485,430</u>	<u>9,737,297</u>

Provisions were set aside for TL 175,719,622 of the overdue receivables, as of balance sheet date (31 December 2024: TL 207,434,376). The guarantees received for the overdue trade receivables for which no provisions were set aside are as follows:

	<u>30 June</u>	<u>31 December</u>
	<u>2025</u>	<u>2024</u>
Guarantee letters	<u>20,485,430</u>	<u>9,737,297</u>
	<u>20,485,430</u>	<u>9,737,297</u>

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21. NATURE AND LEVEL OF THE RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk management

The main responsibility regarding liquidity risk management belongs to the Board of Directors. The Board of Directors has established a suitable liquidity risk management for the short, medium and long-term funding and liquidity requirements of the Group Management. The Group manages the liquidity risk by regularly monitoring the estimated and actual cash flows and ensuring the continuity of sufficient funds and borrowing reserves, by matching the maturities of financial assets and liabilities.

The following table demonstrates the maturity distribution of the Group's non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Derivative financial liabilities on the other hand have been adjusted according to undiscounted net cash inflows and outflows. Forward instruments are paid as net amounts for future transactions which must be paid as gross amounts and are realized over the undiscounted, gross cash inflows and outflows. The amount disclosed when the receivables or payables are not fixed is determined by using the interest rate derived from the yield curves on the report date.

30 June 2025

<u>Contractual maturities</u>	<u>Book Value</u>	<u>Total contractual cash outflows (I+II+III)</u>	<u>Less than 3 months (I)</u>	<u>Between 3-12 months (II)</u>	<u>Between 1-5 years (III)</u>
Non-derivative financial liabilities					
Financial liabilities	8,504,549,409	10,888,809,097	1,176,258,234	6,806,470,169	2,906,080,694
Trade payables	1,604,841,156	1,604,841,156	841,642,958	763,198,198	-
Payables related to employee benefits	122,732,502	122,732,502	29,187,910	93,544,592	-
Other payables	1,236,259,902	1,786,215,252	113,284,345	1,521,880,356	151,050,551
	11,468,382,969	14,402,598,007	2,160,373,447	9,185,093,315	3,057,131,245

31 December 2024

<u>Sözleşme uyarınca vadeler</u>	<u>Defter Değeri</u>	<u>Sözleşme uyarınca nakit çıkışlar toplamı (I+II+III)</u>	<u>3 aydan kısası (I)</u>	<u>3-12 ay arası (II)</u>	<u>1-5 yıl arası (III)</u>
Non-derivative financial liabilities					
Financial liabilities	8,464,921,718	10,963,309,342	1,208,472,417	5,046,396,233	4,708,440,692
Trade payables	1,558,936,361	1,558,936,361	932,779,110	626,157,251	-
Payables related to employee benefits	186,944,651	186,944,651	19,514,252	167,430,399	-
Other payables	1,565,312,554	1,720,669,497	583,583,262	991,236,470	145,849,765
	11,776,115,284	14,429,859,851	2,744,349,041	6,831,220,353	4,854,290,457

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21. NATURE AND LEVEL OF THE RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Market risk

The Group's activities are primarily exposed to the financial risks related with the changes in foreign exchange rates. The Group occasionally uses forward foreign exchange purchase/sale contracts in order to keep the risks associated with foreign exchange rates under control.

There has been no change in the Group's exposure to market risks or the manner which it manages and measures the risk in the current period.

Foreign currency risk management

Transactions in foreign currencies cause foreign currency risk. Currency risk is managing by foreign currency purchase/sale contracts based on the approved policies. The Group's foreign currency denominated assets and liabilities of monetary and non-monetary items as of the reporting date are as follows:

	30 June 2025			
	TL Equivalent (Functional currency)	US Dollar	Euro	Cny
Trade Receivable	222,629,505	5,526,614	9,158	466,044
Monetary Financial Assets	1,110,204,060	27,934,181	1,659	-
Non-Monetary Financial Assets	27,922,863	662,149	34,512	-
Other	-	-	-	-
CURRENT ASSETS	1,360,756,428	34,122,944	45,329	466,044
Non-Monetary Financial Assets	1,394,595,973	34,016,917	916,946	-
NON-CURRENT ASSETS	1,394,595,973	34,016,917	916,946	-
TOTAL ASSETS	2,755,352,401	68,139,861	962,275	466,044
Financial Liabilities	4,491,490,036	113,019,618	-	-
Trade Payables	1,315,860,221	22,845,626	2,801,797	50,285,956
CURRENT LIABILITIES	5,807,350,257	135,865,244	2,801,797	50,285,956
Financial Liabilities	1,124,096,903	28,285,714	-	-
NON-CURRENT LIABILITIES	1,124,096,903	28,285,714	-	-
TOTAL LIABILITIES	6,931,447,160	164,150,958	2,801,797	50,285,956
Net foreign currency asset liability position	(4,176,094,759)	(96,011,097)	(1,839,522)	(49,819,912)
Export	286,703,390	7,236,480	-	-
Import	1,014,881,884	19,238,683	2,368,129	39,468,971

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21. NATURE AND LEVEL OF THE RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk management (cont'd)

	31 December 2024		
	TL Equivalent (Functional currency)	US Dollar (*)	Euro (*)
Trade Receivable	69,968,719	1,699,800	-
Monetary Financial Assets	1,463,440,517	35,547,853	4,371
Non-Monetary Financial Assets	28,967,052	683,777	19,150
Other	-	-	-
CURRENT ASSETS	1,562,376,288	37,931,430	23,521
Non-Monetary Financial Assets	618,793,980	13,975,946	1,014,973
NON-CURRENT ASSETS	618,793,980	13,975,946	1,014,973
TOTAL ASSETS	2,181,170,268	51,907,376	1,038,494
Financial Liabilities	3,343,401,498	81,223,638	-
Trade Payables	1,180,205,640	24,545,928	3,962,145
CURRENT LIABILITIES	4,523,607,138	105,769,566	3,962,145
Financial Liabilities	2,531,519,129	61,500,000	-
NON-CURRENT LIABILITIES	2,531,519,129	61,500,000	-
TOTAL LIABILITIES	7,055,126,267	167,269,566	3,962,145
Net foreign currency asset liability position	(4,873,955,999)	(115,362,190)	(2,923,651)
Export	421,103,835	10,257,749	-
Import	1,316,748,959	32,145,826	2,334,868

(*) The related amounts are presented in original currency and TL equivalents are presented on purchasing power basis.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025 AND FOR THE PERIOD THEN ENDED

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

21. NATURE AND LEVEL OF THE RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk sensitivity

The Group is mainly exposed to foreign currency risk in USD, EUR and CNY.

The following table details the Group's sensitivity to a 10% increase and decrease in USD, EUR and CNY. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis only includes outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A negative number indicates a decrease in the profit/loss and other equity items.

	30 June 2025	
	Profit / Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
In case USD appreciates 10% against TL		
Net asset/liability of USD	(381,555,779)	381,555,779
Portion hedged from USD risk (-)	-	-
USD net effect	(381,555,779)	381,555,779
In case EUR appreciates 10% against TL		
Net asset/liability of EUR	(8,573,532)	8,573,532
Portion hedged from EUR risk (-)	-	-
EUR net effect	(8,573,532)	8,573,532
In case Cny appreciates 10% against TL		
Net asset/liability of Cny	(27,480,165)	27,480,165
Portion hedged from Cny risk (-)	-	-
Cny net effect	(27,480,165)	27,480,165
TOTAL	(417,609,476)	417,609,476

	31 December 2024	
	Profit / Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
In case USD appreciates 10% against TL		
Net asset/liability of USD	(474,864,373)	474,864,373
Portion hedged from USD risk (-)	-	-
USD net effect	(474,864,373)	474,864,373
In case EUR appreciates 10% against TL		
Net asset/liability of EUR	(12,531,227)	12,531,227
Portion hedged from EUR risk (-)	-	-
EUR net effect	(12,531,227)	12,531,227
TOTAL	(487,395,600)	487,395,600

Interest rate risk management

The Group keeps its risk related with the changes in the interest rate very low in order to provide financing. The Group's financial liabilities consist of floating and fixed interest rate instruments. Therefore, the Group is exposed to the risks arising from interest rate fluctuations.

Price risk

Price risk is a combination of foreign currency, interest and market risk and is naturally managed by the Group by matching its payables and receivables in the same currency with the assets and liabilities bearing interest. Market risk is closely monitored by the Group by reviewing market information and through suitable valuation methods.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025 AND FOR THE PERIOD THEN ENDED

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

22. FINANCIAL INSTRUMENTS

Fair value measurements hierarchy table

The Group classifies the fair value measurements of financial instruments, which are reflected in the financial statements at fair value, as follows, by using a three-level hierarchy, depending on the source of inputs of each financial instrument class.

Level 1: Valuation techniques where market prices traded (unadjusted) in an active market are used for the designated financial instruments

Level 2: Other valuation techniques that include direct or indirect observable input

Level 3: Valuation techniques that do not include observable market input

Classification and fair value of financial instruments

30 June 2025	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Financial liabilities at amortized cost	Note
<u>Financial assets</u>				
Cash and cash equivalents	1,546,153,426	-	-	3
Trade receivables	2,329,882,140	-	-	6a
Financial investments	-	564,565,242	-	4
<u>Financial liabilities</u>				
Financial liabilities	-	-	8,504,549,409	5
Trade payables	-	-	1,604,841,156	6b
Payables related to employee benefits	-	-	122,732,502	
Other payables	-	-	1,236,259,902	7b
 31 December 2024	 Financial assets at amortized cost	 Financial assets at fair value through profit or loss	 Financial liabilities at amortized cost	 Note
<u>Financial assets</u>				
Cash and cash equivalents	2,184,494,080	-	-	3
Trade receivables	1,547,277,100	-	-	6a
Financial investments	-	1,358,922,735	-	4
<u>Financial liabilities</u>				
Financial liabilities	-	-	8,464,921,718	5
Trade payables	-	-	1,558,936,361	6b
Payables related to employee benefits	-	-	186,944,651	
Other payables	-	-	1,565,312,554	7b

The Group is of the opinion that the booked values of financial instruments reflect their fair values.

As of the reporting date, the fair value of derivative instruments is at Level 2.

Fair values of financial instruments

Fair values of financial assets and liabilities are determined as follows:

- The fair value of financial assets and liabilities traded in an active liquid market is determined over the quoted market price, under standard terms and conditions.
- The fair value of financial assets and liabilities other than derivatives are determined within the framework of generally accepted pricing models. These models are based on discounted cash flows based on prices from observable data market transactions.
- The fair value of derivative instruments is calculated using their quoted prices. Option pricing model is used for derivative instruments that contain options.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2025 AND FOR THE PERIOD THEN ENDED

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 30 June 2025, unless otherwise stated.)

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

The Group's net monetary position gains and (losses) are as follows;

Non-Monetary Items	30 June 2025
Financial statement items	453,587,694
Inventories	154,743,949
Prepaid expenses	162,515,634
Financial investments	370,048,047
Investment properties	14,478,509
Property, plant and equipment	1,440,794,987
Right-of-use assets	66,228,509
Goodwill	70,946,302
Intangible assets	246,719,379
Deferred tax asset	272,351,149
Share capital	(2,623,482,796)
Share Premiums/Discounts	(35,187,880)
Restricted reserves from profit	(76,127,033)
Defined benefit plans remeasurement gains (losses)	10,149,118
Prior years' profit	379,409,820
Statement of profit or loss items	452,593,307
Revenue	(260,705,709)
Cost of sales (-)	592,262,042
Research and Development Expenses (-)	5,265,701
Marketing expenses (-)	12,933,554
General administrative expenses (-)	19,307,549
Other operating income	(49,821,695)
Other operating expenses (-)	6,819,268
Income from investing activities	(395,575)
Expenses from investing activities (-)	147
Finance income	(18,558,570)
Finance expenses (-)	145,486,595
	906,181,001

24. EVENTS AFTER THE REPORTING DATE

None.