

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

CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2025 AND
INDEPENDENT AUDITOR’S REPORT

(ORIGINALLY ISSUED IN TURKISH)

**(CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR’S REPORT ORIGINALLY ISSUED IN TURKISH)**

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Hektaş Ticaret Türk Anonim Şirketi

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Hektaş Ticaret Türk Anonim Şirketi (“the Company”) and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards (TFRS).

2) Basis for Opinion

We conducted our audit in accordance with the Standards on Independent Auditing (“SIA”) which is a part of Turkish Auditing Standards accepted by regulations of the Capital Markets Board and published by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics for Independent Auditors (including Independence Standards)* (“Code of Ethics”) published by the POA, as applicable to audits of consolidated financial statements of public interest entities, together with the ethical requirements included in the regulations of the Capital Markets Board and other regulations that are relevant to audits of the consolidated financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
Revenue recognition Main operation of the Group comprises production and sale of products for plant nutrition, protection and animal health. The Group recognizes revenue according to the five-step model as described in TFRS 15 "Revenue from Contracts with Customers". Five step model comprises identification of contract, identification of performance obligations, determination and allocation of transaction price to performance obligations and recognition of revenue when these performance obligations are satisfied. As revenue is a measurement criterion for evaluating the results of the strategy implemented during the year and monitoring performance, and due to its unique nature, being susceptible to risks due to fraud and error, considered to be a material account balance. Determining when the related performance obligations are satisfied and recognition of revenue in the correct period has been identified as a key audit matter. The Group's accounting policies regarding revenue, revenue amounts, receivables and additional explanations regarding the risk levels of these receivables are presented in Note 2.5, Note 6, Note 23 and Note 33, respectively.	During our audit, the following audit procedures have been applied regarding the revenue recognition: The revenue process of the Group has been evaluated, the relevant controls within this process have been determined, and the design and implementation of these controls have been understood. Satisfaction of performance obligations are assessed based on the timing for transfer of control of goods to customers. Revenue amounts recognized closed to year end, are tested by selecting samples and controlling proof of deliveries from supporting documents. With the additional substantive procedures performed, completeness and accuracy of the revenue recognized in the consolidated financial statements have also been tested. In addition to the procedures mentioned above, the adequacy of the disclosures in Note 6, Note 23 and Note 33 has been evaluated within the scope of the relevant TFRSs.

3) Key Audit Matters (continued)

Recoverability of trade receivables As of 31 December 2025, the Group's trade receivables from third parties amounting to TL 1,211,214,442. Considering the credit risk of these receivables, the Group has provided a provision for doubtful receivables amounting to TL 223,055,507. The Group management assesses recoverability of trade receivables and sets allowance for the ones that there is collection risk. The allowance amount is based on expected loss to be incurred from the related receivable, as presented in Note 6. Due to the industry that the Group operates in, average collection day for the Group is 88 days and receivables are spread to many different customers. While assessing recoverability of these receivables, the Group management considers past payment performance, collateral levels, and current financial strength based on market intelligence gathered, therefore the assessment is based on significant management estimates and assumptions. As trade receivables constitutes significant part of the total assets of the Group, as the average collection periods are long, as the period between financial statement and report dates is limited and accordingly subsequent collection from these receivables are also limited and as the recoverability assessment of trade receivables include significant management estimates and assumptions, recoverability of trade receivables has been identified as key audit matter. The Group's accounting policies regarding receivables, receivable amounts and additional explanations regarding the risk levels of these receivables are presented in Note 2.5, Note 6 and Note 33, respectively.	During our audit, the following audit procedures have been applied regarding the recoverability of trade receivables: The process and controls set for monitoring trade receivables have been evaluated. Aging of trade receivables and allowance calculation for doubtful trade receivables have been obtained from the Group management. Completeness and accuracy of the information used in these calculations have been controlled, assumptions used are evaluated and arithmetic accuracy has been tested. Considering long collection period of the receivables, a further assessment is made by analyzing opening balances, sales and collections throughout the year and collateral level for individual customers and for the ones that are assessed to be risky additional information has been asked from the Group management and subsequent collection is controlled on sampling basis. Trade receivable balances from third parties are tested by sending verification letters through sampling. In addition to the procedures mentioned above, the adequacy of the disclosures in Note 6 and Note 33 has been evaluated within the scope of the relevant TFRSs.
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3) Key Audit Matters (continued)

Recoverability of deferred tax assets As stated in Note 30, the Group recognizes deferred tax assets amounting to TL 2,308,147,503 in the consolidated statement of financial position as of 31 December 2025. The recoverable amount of deferred tax assets has been estimated through projections prepared by the Group management based on assumptions under current conditions. As these projections are based on estimates and the deferred tax assets recognized in the consolidated financial statements as at 31 December 2025 are significant, the recoverability of these assets is considered as Key Audit Matter.	The procedures within the scope of our audit work include but are not limited to the procedures below: Projections were obtained from the Group management and the appropriateness of the key assumptions included in these projections were evaluated in meetings with senior management, including our tax experts. The reasonableness of the estimates has been assessed. We assessed the Group's budget processes (the basis of the estimates) and analyzed the principles and mathematical accuracy of the calculation model. The appropriateness of financial indicators such as revenue, capital expenditures and production costs, which have a significant impact on taxable profits, has been evaluated by comparing them with the current year realizations. In addition to the procedures mentioned above, the adequacy of the disclosures in the consolidated financial statements and notes to them has been assessed in accordance with TFRS.
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4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the regulations of the Capital Markets Board and SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the regulations of the Capital Markets Board and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the benefits of public interest such communication.

B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 398 of the Turkish Commercial Code No. 6102 (“TCC”), the auditor’s report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 6 March 2026.

In accordance with paragraph four of the Article 402 of TCC, nothing has come to our attention that may cause us to believe that the Group’s set of accounts and financial statements prepared for the period 1 January-31 December 2025 does not comply with TCC and the provisions of the Company’s articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor’s report is Volkan Becerik.

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



Volkan Becerik, SMMM
Partner

İstanbul, 6 March 2026

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HEKTAŞ GROUP

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

(All amounts expressed in TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2025, unless otherwise stated.)

	Notes	Current Period	Prior Period
		Audited	Audited
		31 December 2025	31 December 2024
ASSETS			
Current Assets		6,182,316,144	11,581,896,318
Cash and Cash Equivalents	3	1,378,470,800	2,450,706,127
Financial Equivalents	4	411,798,828	1,524,527,031
Trade Receivables	6a	1,263,551,294	1,735,155,521
<i>From Related Parties</i>	32	52,336,852	81,013,575
<i>From Third Parties</i>		1,211,214,442	1,654,141,946
Other Receivables	8a	48,381,877	255,762,030
Inventories	11	2,485,137,988	4,427,616,646
Prepaid Expenses	9	136,368,013	173,404,075
<i>From Related Parties</i>	32	79,534	787,427
<i>From Third Parties</i>		136,288,479	172,616,648
Current Tax Assets	19	7,227,542	138,472,527
Other Current Assets	21	451,379,802	876,252,361
Non-Current Assets		21,547,590,841	19,933,522,171
Trade Receivables	6a	-	679,565
Other Receivables	8a	3,021,609	5,914,393
Investment Properties	15	139,013,319	141,137,526
Property, Plant and Equipment	12	12,529,008,330	12,502,473,274
Intangible Assets		2,203,844,059	2,073,071,799
Goodwill	16	556,936,870	556,936,870
<i>Other</i>	14	1,646,907,189	1,516,134,929
Right-of-Use Assets	13	1,110,162,082	836,704,452
Prepaid Expenses	9	3,254,393,939	2,180,277,807
Deferred Tax Asset	30	2,308,147,503	2,193,263,355
TOTAL ASSETS		27,729,906,985	31,515,418,489

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

HEKTAŞ GROUP

AUDITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

(All amounts expressed in TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2025, unless otherwise stated.)

		Current Period	Prior Period
		Audited	Audited
		31 December	31 December
	Notes	2025	2024
LIABILITIES AND EQUITY			
Current Liabilities		11,685,546,011	9,592,579,026
Short-Term Borrowings	5	8,026,364,772	5,869,705,569
Lease Liabilities	5	95,600,906	74,149,255
Trade Payables	6b	2,014,402,479	1,748,915,197
<i>To Related Parties</i>	32	174,214,721	178,939,009
<i>To Third Parties</i>		1,840,187,758	1,569,976,188
Payables Related to Employee Benefits	7	162,204,556	209,726,547
Other Payables	8b	1,227,864,043	1,592,444,761
<i>To Related Parties</i>	32	1,195,584,649	1,562,178,701
<i>To Third Parties</i>		32,279,394	30,266,060
Deferred Income	10	131,669,571	65,307,944
Current Tax Liability		56,329	-
Short-Term Provisions	20a	27,383,355	32,329,753
<i>Related to Employee Benefits</i>	20a	18,238,347	25,527,796
<i>Other</i>	20a	9,145,008	6,801,957
Non-Current Liabilities		2,170,037,377	3,945,847,841
Long-Term Borrowings	5	1,026,754,070	2,885,397,183
Lease Liabilities	5	772,425,932	667,242,268
Other Payables	8b	166,053,368	163,623,658
<i>Other Payables to Related Parties</i>	32	166,053,368	163,623,658
Long-Term Provisions	20b	116,617,206	137,426,688
<i>Related to Employee Benefits</i>		116,617,206	137,426,688
Deferred Tax Liability	30	88,186,801	92,158,044
EQUITY		13,874,323,597	17,976,991,622
Equity Attributable to the Parent		13,955,964,667	18,026,704,403
Paid-in Capital	22a	8,430,000,000	8,430,000,000
Share Capital Adjustment Differences	22a	12,164,650,582	12,164,650,582
Premiums/Discounts Related to Interests		276,229,024	276,229,024
Accumulated Other Comprehensive Income (Expenses) that will be Reclassified to Profit or Loss		(423,123,256)	(386,574,126)
<i>- Foreign Currency Translation Differences</i>		(423,123,256)	(386,574,126)
Accumulated Other Comprehensive Income (Expenses) that will not be Reclassified to Profit or Loss		(64,882,360)	(76,795,289)
<i>- Defined Benefit Plans Remeasurement Losses</i>	22c	(64,882,360)	(76,795,289)
Restricted Reserves Appropriated from Profit	22b	597,606,222	597,606,222
Prior Years' Profit		(2,978,412,010)	590,662,527
Net Loss for the Period		(4,046,103,535)	(3,569,074,537)
Non-Controlling Interests		(81,641,070)	(49,712,781)
TOTAL LIABILITIES AND EQUITY		27,729,906,985	31,515,418,489

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

HEKTAŞ GROUP

AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2025

(All amounts expressed in TL in terms of the purchasing power of Turkish Lira (“TL”) as of 31 December 2025, unless otherwise stated.)

		Current Period	Prior Period
		Audited	Audited
		1 January-31 December	1 January-31 December
	Notes	2025	2024
PROFIT OR (LOSS)			
Revenue	23a	6,127,914,357	6,370,645,052
Cost of Sales (-)	23b	(6,721,171,882)	(7,692,884,418)
GROSS PROFIT/(LOSS)		(593,257,525)	(1,322,239,366)
General Administrative Expenses (-)	24b	(1,169,701,065)	(1,327,867,068)
Marketing Expenses (-)	24a	(612,069,994)	(634,321,983)
Research and Development Expenses (-)	24c	(446,835,229)	(505,430,363)
Other Income from Operating Activities	26	176,952,542	271,863,763
Other Expenses from Operating Expenses (-)	27	(508,653,878)	(164,844,967)
OPERATING (LOSS)/PROFIT		(3,153,565,149)	(3,682,839,984)
Income from Investing Activities	28a	8,840,648	24,525,271
Expenses from Investing Activities (-)	28b	(2,152,863)	(2,429,979)
OPERATING (LOSS)/PROFIT BEFORE FINANCE EXPENSES		(3,146,877,364)	(3,660,744,692)
Finance Income	29a	681,006,811	2,791,996,203
Finance Expenses (-)	29b	(3,630,120,209)	(8,267,793,964)
Monetary Loss Gain, net	36	1,889,658,865	4,496,575,076
(LOSS)/PROFIT FROM CONTINUING OPERATIONS BEFORE TAX		(4,206,331,897)	(4,639,967,377)
Continuing Operations Tax (Expense) / Income		131,983,424	1,034,986,475
Current Tax (Expense) / Income	30	(579,775)	-
Deferred Tax (Expense) / Income	30	132,563,199	1,034,986,475
PROFIT/LOSS FOR THE PERIOD		(4,074,348,473)	(3,604,980,902)
Distribution of (Loss)/Profit for the Period			
Non-Controlling Interests		(28,244,938)	(35,906,365)
Parent Shares		(4,046,103,535)	(3,569,074,537)
		(4,074,348,473)	(3,604,980,902)
Earnings / (loss) per share			
One Hundred Ordinary Stock (TL)	31	(0.48)	(1.04)
OTHER COMPREHENSIVE (EXPENSE) / INCOME:			
Items that will not be Reclassified Subsequently to Profit or Loss		11,912,929	1,773,682
Defined Benefit Plans Remeasurement Gains/Losses		15,883,906	2,364,908
Defined Benefit Plans Remeasurement Gains/(Losses), Tax Effect		(3,970,977)	(591,226)
(Expense)/Income that will be Reclassified Subsequently to Profit or Loss		(40,232,481)	(652,232,711)
Foreign Currency Translation Differences		(40,232,481)	(652,232,711)
OTHER COMPREHENSIVE (EXPENSE) / INCOME		(28,319,552)	(650,459,029)
TOTAL COMPREHENSIVE (EXPENSE) / INCOME		(4,102,668,025)	(4,255,439,931)
Distribution of Total Comprehensive (Expense) / Income:			
Non-Controlling Interests		(31,928,289)	(32,590,489)
Parent Shares		(4,070,739,736)	(4,222,849,442)

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

HEKTAŞ GROUP

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2025

(All amounts expressed in TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2025, unless otherwise stated.)

				Accumulated Other Comprehensive Income and Expenses that will not be Reclassified Subsequently to Profit or Loss	Accumulated Other Comprehensive Income and Expenses that will be Reclassified Subsequently to Profit or Loss	Retained Earnings					
	Paid-in Capital	Share 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 Interests	Equity
Balances as of 1 January 2024	2,530,000,000	10,262,603,707	94,567,807	(78,568,971)	268,974,461	597,606,222	2,250,365,135	(1,659,702,608)	14,265,845,753	(17,122,292)	14,248,723,461
Transfers	-	-	-	-	-	-	(1,659,702,608)	1,659,702,608	-	-	-
Total Comprehensive Income / (Expense)	-	-	-	1,773,682	(655,548,587)	-	-	(3,569,074,537)	(4,222,849,442)	(32,590,489)	(4,255,439,931)
Profit / (Loss) for the Period	-	-	-	-	-	-	-	(3,569,074,537)	(3,569,074,537)	(35,906,365)	(3,604,980,902)
Other Comprehensive (Expense) / Income	-	-	-	1,773,682	(655,548,587)	-	-	-	(653,774,905)	3,315,876	(650,459,029)
Capital Increase	5,900,000,000	1,902,046,875	181,661,217	-	-	-	-	-	7,983,708,092	-	7,983,708,092
Balances as of 31 December 2024	8,430,000,000	12,164,650,582	276,229,024	(76,795,289)	(386,574,126)	597,606,222	590,662,527	(3,569,074,537)	18,026,704,403	(49,712,781)	17,976,991,622
Balances as of 1 January 2025	8,430,000,000	12,164,650,582	276,229,024	(76,795,289)	(386,574,126)	597,606,222	590,662,527	(3,569,074,537)	18,026,704,403	(49,712,781)	17,976,991,622
Transfers	-	-	-	-	-	-	(3,569,074,537)	3,569,074,537	-	-	-
Total Comprehensive (Expense) / Income	-	-	-	11,912,929	(36,549,130)	-	-	(4,046,103,535)	(4,070,739,736)	(31,928,289)	(4,102,668,025)
Loss for the Period	-	-	-	-	-	-	-	(4,046,103,535)	(4,046,103,535)	(28,244,938)	(4,074,348,473)
Other Comprehensive Income / (Expense)	-	-	-	11,912,929	(36,549,130)	-	-	-	(24,636,201)	(3,683,351)	(28,319,552)
Balances as of 31 december 2025	8,430,000,000	12,164,650,582	276,229,024	(64,882,360)	(423,123,256)	597,606,222	(2,978,412,010)	(4,046,103,535)	13,955,964,667	(81,641,070)	13,874,323,597

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

HEKTAŞ GROUP

AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2025

(All amounts expressed in TL in terms of the purchasing power of Turkish Lira (“TL”) as of 31 December 2025, unless otherwise stated.)

		Current Period	Prior Period
		Audited	Audited
		1 January- 31 December 2025	1 January- 31 December 2024
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES		1,932,502,053	5,510,896,746
Loss for the Period		(4,074,348,473)	(3,604,980,902)
Adjustments Related to the Net Profit/Loss Reconciliation for the Period		1,931,181,985	1,962,410,422
Adjustments Related to Depreciation and Amortization	25	1,168,342,125	1,081,275,974
Adjustments Related to Impairment (Cancellation)		(401,690,802)	382,544,629
- <i>Adjustments Related to Impairment of Receivables</i>	6a	52,341,673	89,588,536
- <i>Adjustments Related to Inventory Impairment</i>	11	(454,032,475)	292,956,093
Adjustments Related to Provisions		46,839,319	72,831,790
- <i>Provisions for Employee Benefits</i>		42,480,798	69,885,531
- <i>Litigation Provisions / (Cancellation)</i>	20a	4,358,521	2,946,259
Adjustments Related to Interest (Income) / Expenses		1,946,932,522	5,370,788,239
- <i>Adjustments Related to Interest Income</i>	29	(411,085,707)	(2,057,524,084)
- <i>Adjustments Related to Interest Expenses</i>	29	2,211,418,951	7,201,181,077
- <i>Adjustments Related to Bank Transactions Expenses</i>	29	146,599,278	227,131,246
Adjustments Related to Unrealized Foreign Currency Translation Differences		(226,398,628)	(767,109,425)
Adjustments Related to Monetary Losses/Gains		(1,480,073,097)	(3,406,966,788)
Adjustments Related to Fair Value Losses/Gains		-	(2,339,224)
- <i>Adjustments Related to Fair Value Losses / (Gains) of Derivative Financial Instruments</i>		-	(2,339,224)
Adjustments Related to Exchange Differences		1,011,811,997	269,496,822
Adjustments Related to Tax Income / (Expense)	30	(131,983,424)	(1,034,986,475)
Adjustments Related to Loss/Gains on Disposal of Fixed Assets		(2,598,027)	(3,125,120)
Changes in working capital		3,677,299,690	5,174,519,368
Adjustments Related to Increase/Decrease in Trade Receivables		3,975,710	2,130,521,505
Adjustments Related to Increase/Decrease in Other Operating Receivables		501,162,109	(327,650,059)
Adjustments Related to Increase/Decrease in Inventories		2,396,511,133	3,312,066,297
Adjustments Related to Increase/Decrease in Trade Payables		678,254,502	(83,680,774)
Increase / (Decrease) in Payables Related to Employee Benefits		1,976,260	103,310,470
Adjustments Related to Increase/Decrease in Other Operating Payables		95,419,976	39,951,929
Cash Flows from Operations		398,368,851	1,978,947,858
Interest Received		420,807,979	2,121,533,658
Payments Related to Provisions for Employee Benefits	20	(21,134,795)	(20,702,920)
Collections from Doubtful Receivables	6a	6,446,655	16,589,647
Tax Payments / Refunds		(7,750,988)	(138,472,527)
CASH FLOWS FROM INVESTMENT ACTIVITIES		(1,391,616,438)	451,571,296
Other Receivables Cash Inflows from Related Parties		-	1,953,159,114
Cash Inflows from Sales of Property, Plant and Equipment and Intangible Assets		9,899,368	10,012,456
- <i>Cash Inflows from Sales of Property, Plant and Equipment</i>		9,899,368	4,606,837
- <i>Cash Inflows from Sales of Intangible Assets</i>		-	5,405,619
Cash Outflows from Purchase of Property, Plant and Equipment and Intangible Assets		(1,080,319,245)	(874,830,621)
- <i>Cash Outflows from Purchase of Property, Plant and Equipment</i>	12	(1,054,093,456)	(861,081,199)
- <i>Cash Outflows from Purchase of Intangible Assets</i>	14	(26,225,789)	(13,749,422)
Cash Outflows from Purchase of Investment Properties	15	-	(68,952,861)
Cash Advances Given and Payables		(1,074,116,132)	(567,816,792)
Other Cash Inflows / Outflows		752,919,571	-
CASH FLOWS FROM FINANCE ACTIVITIES		(1,392,524,967)	(10,146,412,482)
Cash Inflows / (Outflows) Arising from Borrowing to Related Parties		(255,146,146)	261,784,657
Cash Inflows from Borrowings	5	6,485,266,388	11,317,147,911
Cash Outflows from Borrowings	5	(5,313,156,606)	(21,568,639,278)
Bank Transaction Costs Paid		(146,599,278)	(227,131,246)
Interest Paid		(1,860,495,093)	(7,576,274,704)
Cash Outflows Related to Debt Payments Arising from Lease Contracts	5	(302,394,232)	(251,813,225)
Cash Inflows from Shares Issues	22a	-	7,898,513,403
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES		(851,639,352)	(4,183,944,440)
THE EFFECT OF FOREIGN CURRENCY CONVERSION DIFFERENCES ON CASH AND CASH EQUIVALENTS		365,113,553	625,770,649
INFLATION EFFECT ON CASH AND CASH EQUIVALENTS		(575,987,256)	(2,662,131,778)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(1,062,513,055)	(6,220,305,569)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3	2,440,486,591	8,660,792,160
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	1,377,973,536	2,440,486,591

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

HEKTAŞ GROUP

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2025 AND FOR THE PERIOD THEN ENDED

(All amounts expressed in TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 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 55.40 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 percent 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.

Akça's title was changed as 'Areo Tohumculuk Arge Sanayi ve Dış Ticaret Anonim Şirketi' ("Areo") as declared in the Trade Registry Gazette dated 6 October 2020 and by the Extraordinary General Assembly dated 25 September 2020. Its capital is in the amount of 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 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 475,375.

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 to operate in export-oriented plant protection and plant nutrition fields. USD 49,782,247 has been paid for the capital of Hektaş Asia LLC and all of it has been registered.

The capital structure of Hektaş as of the related reporting dates is disclosed in Note 22.

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 31 December 2025, the number of employees of the Group is 541 in total, 190 of them being blue-collar and 351 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 THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2025 AND FOR THE PERIOD THEN ENDED

(All amounts expressed in TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 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
Takimsan Tarım Kimya Sanayi ve Ticaret Anonim Şirketi ("Takimsan")	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, sales, distribution and marketing of plant protection and plant nutrition products

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

Statement of Compliance with TFRS

The accompanying consolidated financial statements have been prepared in line with Capital Markets Board ("CMB"), Communiqué Serial: II, No. 14.1 on "Principles on Financial Reporting in Capital Market" ("the Communiqué"), promulgated in Official Gazette No. 28676 dated 13 June 2013. TFRSs include Standards and Interpretations published by POA under the names of Turkish Financial Reporting Standards ("TFRS"), Turkish Financial Reporting Standards, TAS Interpretations and TFRS Interpretations.

In addition, the consolidated financial statements are presented in accordance with the formats determined in the "Announcement on TFRS Taxonomy" published by the POA on 3 July 2024 and the Financial Statement Examples and User Guide published by the CMB.

Approval of consolidated financial statements:

The consolidated financial statements were approved by the Board of Directors of Hektaş on 6 March 2026. The General Assembly of Hektaş has the right to amend and the related regulatory authorities have the right to demand the amendment of these consolidated financial statements.

HEKTAŞ GROUP

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025 AND FOR THE PERIOD THEN ENDED

(All amounts expressed in TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2025, unless otherwise stated.)

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

2.1 Basis of Presentation (cont'd)

Measurement Principles

The consolidated financial statements have been prepared at historical costs, except for the items measured at fair value differences, which are stated below:

- Derivative financial instruments at fair value through profit or loss, fixed assets of through business

The determination of historical cost is generally based on the fair value of the amount paid for the assets at the acquisition date. The consolidated financial statements have been prepared on the historical cost basis, adjusted for the effects of inflation as of 31 December 2004.

Fair value measurement principles are explained in Note 2.4.

Functional and Reporting Currency

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

Restatement of financial statements during periods of high inflation

The 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 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 31 December 2025, inflation adjustment has been made in accordance with TAS 29.

HEKTAŞ GROUP

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025 AND FOR THE PERIOD THEN ENDED

(All amounts expressed in TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2025, unless otherwise stated.)

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

2.1 Basis of Presentation (cont'd)

Restatement 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
31 December 2025	3,513.87	1.00000	2.11000
31 December 2024	2,684.55	1.30892	2.91000
31 December 2023	1,859.38	1.88981	2.68000

The main outlines of TMS 29 indexing 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 recognized 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 profit or loss.

The impact of the application of TAS 29 Inflation Accounting is summarized 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 recognized 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 amortization expenses have been restated using the restated balances of property, plant and equipment, intangible assets and right-of-use assets.

HEKTAŞ GROUP

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025 AND FOR THE PERIOD THEN ENDED

(All amounts expressed in TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2025, unless otherwise stated.)

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

2.1 Basis of Presentation (cont'd)

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

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.

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.

Comparative figures

Relevant figures for the previous reporting period are restated by applying the general price index so that the comparative consolidated financial statements are presented in the measuring unit applicable at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period.

Basis of Consolidation

Business Combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred on the acquisition is generally accounted for at fair value, as with the identifiable net assets purchased. The resulting goodwill is tested for impairment annually. The gain or loss from the bargain purchase is recognized immediately in profit or loss. Transaction costs other than those associated with the issuance of debt or equity securities that the Group incurs in connection with a business combination are expensed as incurred.

The purchase price does not include amounts related to closing existing relationships. These amounts are generally recognized in profit or loss.

Any contingent consideration payable is recognized at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity.

If the retained share-based payment rights (acquired rights) of employees of the acquired business for past service are replaced by a new share-based payment rights (renewal rights), all or a portion of the market-based measurement of the changed benefits is added to the acquisition cost under the business combination. This amount is determined to the extent that renewed rights are associated with pre-combination services and by comparing a market-based measure of renewal rights with a market-based measure of acquiree's rights.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

HEKTAŞ GROUP

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2025 AND FOR THE PERIOD THEN ENDED

(All amounts expressed in TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2025, unless otherwise stated.)

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

2.1 Basis of Presentation (cont'd)

Basis of Consolidation (cont'd)

Business Combinations (cont'd)

Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Business Combinations Under Common Control

Business combinations under common control are accounted for using the pooling of interests method; therefore, no goodwill arising from this transaction is recognised in the consolidated financial statements. When applying the combination of rights method, the financial statements should be corrected as if the merger took place as of the beginning of the reporting period in which the common control was formed and should be presented comparatively from the beginning of the reporting period in which the common control was formed. Since it would be appropriate to look at the reflection of business combinations subject to common control in the financial statements from the perspective of the parent company, the financial statements are rearranged in accordance with the provisions of TFRS, including merger accounting, as if the financial statements were prepared in accordance with TFRS on and after the date when the company holding the control of the group in the consolidation transaction takes control of the companies under common control. In order to eliminate the asset-liability mismatch caused by the merger of businesses subject to common control, the "Common Control Entity "Merger Effect" account is used as an equalizing account under shareholders' equity.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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

			Group's share rate in capital and voting rate (%)	
Title of the Company	Location of activity	Functional currency	31 December 2025	31 December 2024
Subsidiaries				
Takimsan	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

HEKTAŞ GROUP

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2025 AND FOR THE PERIOD THEN ENDED

(All amounts expressed in TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2025, unless otherwise stated.)

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

2.1 Basis of Presentation (cont'd)

Non-controlling interests

Non-controlling interests are measured over the proportional amount of the net asset value of the subsidiary at the date of acquisition. Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as an equity transaction.

Loss of control

If the Group loses control over the subsidiary, it derecognizes the assets and liabilities of the subsidiary, its non-controlling interests and the amounts under other equity related to the subsidiary. Any resulting gains or losses are recognized in profit or loss. The remaining interest in the previous subsidiary is measured at fair value as of the day of loss of control.

Elimination transactions in consolidation

During the preparation of the consolidated financial statements, intragroup balances, transactions and unrealized income and expenses arising from intragroup transactions are mutually eliminated. Unrealized income from transactions with investments accounted for using the equity method is written off in proportion to the Group's share in the investment. If there is no impairment, unrealized losses are written off in the same way as unrealized income.

2.2 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 have been no significant changes in the Group's accounting estimates in the current year.

2.3 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 31 December 2025. In this context, the Group has evaluated the possible impairments in trade receivables, inventories, property, plant and equipment and investment properties in its consolidated financial statements as of 31 December 2025 and no impairment has been detected.

HEKTAŞ GROUP

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025 AND FOR THE PERIOD THEN ENDED

(All amounts expressed in TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2025, unless otherwise stated.)

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

2.4 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:

<i>TFRS 17</i> <i>Amendments to TFRS 17</i>	<i>Insurance Contracts</i> <i>Initial Application of TFRS 17 and TFRS 9 — Comparative Information</i>
<i>TFRS 18</i> <i>TFRS 19</i>	<i>Presentation and Disclosures in Financial Statements</i> <i>Subsidiaries without Public Accountability: Disclosures</i>
<i>Amendments to TFRS 9 and TFRS 7</i> <i>Amendments to TFRS 9 and TFRS 7</i> <i>Annual Improvements</i> <i>Amendments to TFRS 19</i>	<i>Classification and Measurement of Financial Instruments</i> <i>Power Purchase Arrangements</i> <i>Annual Improvements to TFRSs – Volume 11</i> <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 2027.

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.

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. This standard is effective from annual reporting periods beginning on or after 1 January 2027.

HEKTAŞ GROUP

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2025 AND FOR THE PERIOD THEN ENDED

(All amounts expressed in TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2025, unless otherwise stated.)

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

2.4 Summary of Significant Accounting Policies (cont'd)

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

b) New and revised TFRSs in issue but not yet effective (cont'd)

Amendments to TFRS 9 and TFRS 7 *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 to TFRS 9 and TFRS 7 *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.

Annual Improvements to TFRSs – Volume 11

The pronouncement comprises the following amendments:

- TFRS 1: Hedge accounting by a first-time adopter
- TFRS 7: Gain or loss on derecognition
- TFRS 7: Disclosure of deferred difference between fair value and transaction price
- TFRS 7: Introduction and credit risk disclosures
- TFRS 9: Lessee derecognition of lease liabilities
- TFRS 9: Transaction price
- TFRS 10: Determination of a 'de facto agent'
- TAS 7: Cost method

Amendments are effective from annual reporting periods beginning on or after 1 January 2026.

Amendments to TFRS 19 *Subsidiaries without Public Accountability: Disclosures*

The amendments cover new or amended Turkish Financial Reporting Standards that were not considered when TFRS 19 was first issued. Amendments are effective from annual reporting periods beginning on or after 1 January 2027.

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

Inventories

Inventories are valued at the lower of cost or net realizable value. Costs, including some of the fixed and variable general production expenses, are valued according to the method appropriate to the class of the inventories and mostly according to the weighted average cost method. The net realizable value is the value of an asset that can be realized by a company or entity upon the sale of the asset, less a reasonable prediction of the costs associated with either the eventual sale or the disposal of the asset in question. When the net realizable value of the inventories is less than its cost, inventories reduced to its net realizable value and the irrecoverable amount is charged as an expense in the year when the write-down incurred. If the circumstances that caused the write-down cease to exist or if there is clear evidence that the net realizable value has increased because of change in economic circumstances, the write down is reversed to that extent. The reversal amount is limited to the amount of the original write-down.

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.

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

2.4 Summary of Significant Accounting Policies (cont'd)

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains or losses on disposals of property, plant and equipment are accounted in profit or loss.

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Items of property, plant and equipment are depreciated from the date that they are available for use, or in respect of self-constructed assets, from the date that the asset is completed and ready for use. Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Depreciation is generally recognized in profit or loss unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of property, plant and equipment items in the current and comparative periods are as follows:

	Useful Life
Lands 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

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted as necessary.

Intangible assets

Goodwill

Goodwill arising from the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Subsequent costs

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenses are recognized in profit or loss when incurred, including internally generated goodwill and trademarks.

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

2.4 Summary of Significant Accounting Policies (cont'd)

Intangible assets (cont'd)

Trademarks, licenses and drug registrations

Acquired trademarks, licenses and drug registrations are shown at historical cost. Trademarks, licenses and drug registrations have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks, licenses and drug registrations over their estimated useful lives (3 – 20 years).

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (5 years).

Research and development

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Amortization is calculated using the straight-line method over the estimated useful lives of items of intangible assets, less their estimated residual values, and is generally recognized in profit or loss. Goodwill is not subject to depreciation.

The amortization periods used for intangible assets are as follows:

	<u>Useful Life</u>
Rights	3-20 years
Development Costs	5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted as necessary.

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

2.4 Summary of Significant Accounting Policies (cont'd)

Impairment of assets

Non-financial assets

At each reporting period, the Group reviews the carrying amounts of its non-financial assets (excluding investment property, inventories, contract assets and deferred tax assets) to determine if there are any signs of impairment. If such an indicator exists, the asset's recoverable amount is estimated. Goodwill is tested for impairment annually.

For impairment testing, assets are grouped by the smallest group of assets generating cash inflows, regardless of continued use, cash inflows from other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or CGU groups that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGUs is the higher of its value in use and its GUD to be sold at lower costs. Value in use is based on estimated future cash flows discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset or CGU.

If the recoverable amount of an asset or CGU is less than its carrying amount, the carrying amount of that asset or CGU is reduced to its recoverable amount.

Impairment losses are recognized in profit or loss. It is distributed first, which will reduce the carrying amount of any goodwill distributed to the CGU, and then reduced by the carrying amount of the other assets in the CGU.

An impairment loss recognized for goodwill is not reversed. For other assets, an impairment loss is reversed only if the carrying amount of the asset, after deducting any impairment or amortization, does not exceed its determined carrying amount if no impairment has been identified.

Financial instruments and contractual assets

The Group recognizes a loss allowance for expected credit losses ("ECL") on the following items:

- Financial assets measured at amortized cost;

The Group measures the loss allowance at the amount equal to lifetime ECLs, as indicated below.

- Debt instruments determined to have low credit risk at the reporting date, and
- Other debt instruments and bank balances for which the credit risk (i.e., the risk of default over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Group has chosen lifetime ECLs in calculating the impairment of trade receivables and contract assets.

In determining whether a financial asset's credit risk has increased significantly since initial recognition and in estimating its ECLs, the Group considers reasonable and supportable information available without undue cost or effort regarding the estimation of expected credit losses, including the effects of expected prepayments. This information includes quantitative and qualitative information and analysis based on the Group's past experience of credit losses and forward-looking information.

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

2.4 Summary of Significant Accounting Policies (cont'd)

Impairment of assets (cont'd)

Non-financial assets (cont'd)

The Group assumes that the credit risk on a financial asset increases significantly when it is 360 days past due.

The Group considers a financial asset in default if:

- The debtor's failure to fully fulfill its loan obligation without resorting to actions such as the use of collateral (if any) by the Group, or
- The financial instrument is past due 360 days.

The Group considers bank balances to have low credit risk if they are equal to the international definition of risk assessments "investment grade".

Lifetime ECLs are expected credit losses arising from all possible default events over the expected life of the financial instrument.

The 12-month ECLs are the portion of the expected credit losses arising from possible default events on the financial instrument within 12 months of the reporting date.

The maximum period for which ECLs will be measured is the maximum contractual period for which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. In other words, it is the credit losses that are measured on the present value of all the cash deficits (for example, the difference between the cash inflows to the entity and the cash flows expected by the entity to be collected based on the contract).

The cash deficit is the difference between the cash flows to be incurred and the cash flows expected to be received by the entity. As the amount and timing of payments are considered in expected credit losses, a credit loss occurs even if the entity expects to receive the full payment in the contract with the maturity specified in the contract.

ECLs are discounted at the effective interest rate of the financial asset.

Credit impaired financial assets

At the end of each reporting period, the Group assesses whether financial assets carried at amortized cost. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- breach of contract such as a default or 90 days even after past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

In the absence of reasonable expectations of a partial or full recovery of a financial asset's value, an entity writes-off the gross carrying amount of the financial asset directly. A write-off is a cause for derecognition.

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

2.4 Summary of Significant Accounting Policies (cont'd)

Investment properties

Property held by the Group to earn rental income or for capital appreciation and not used by the Group is classified as investment property. Investment properties consist of land, buildings, and land improvements. Investment properties are shown over their remaining values after deducting depreciation expenses and impairment losses, if any, from their acquisition costs. Buildings and land improvements are depreciated over their expected useful life (50 years) using the straight-line method. Investment properties are derecognized if they are disposed of or are completely out of use and no future economic benefits are expected from disposal. Income or loss resulting from the disuse or disposal of investment property is shown in the profit or loss statement of that year.

Transactions in foreign currency

Transactions in foreign currency are translated into TL at the exchange rate on the date of the transaction.

Monetary assets and liabilities in foreign currencies are translated into functional currency at the exchange rates at the end of the reporting period. Currency differences on reconversion are generally recognized in profit or loss. Non-monetary items measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Date	TL/USD	TL/EUR	TL/AUD
31 December 2025	42.8457	50.2859	28.5725
31 December 2024	35.2803	36.7362	21.8769

Lease transactions

(i) As a lessee

At the actual commencement date of the lease or at the date of the change in the contract containing the lease component, the Group allocates to each lease component based on the relative stand-alone price of the lease component and the total stand-alone price of the non-lease components.

The Group has chosen not to separate the non-lease components from the lease components, but instead to account for each lease component and its associated non-lease components as a single lease component.

The Group has reflected right-of-use assets and lease liabilities in its financial statements at the commencement date of the lease. The initial measurement of the liability for the cost of the right-of-use asset consists of all lease payments made at or before the commencement of the lease, less any lease incentives received, plus all initial direct costs and disassembly and relocation of the asset, estimated future costs of restoring the site in which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term, or if the cost of the right-of-use asset indicates that the lessee will exercise a call option, the right-of-use asset is depreciated from the date the lease actually began to the end of the useful life of the underlying asset. In other cases, the right-of-use asset is depreciated over the shorter of the asset's useful life or the lease term, starting from the date the lease actually commenced. In addition, the value of the right-of-use asset is periodically reduced, less any impairment losses, and adjusted for remeasurement of the lease liability.

At the commencement date of the lease, the lease liability is measured at the present value of the lease payments not paid at that date. Lease payments are discounted using that rate if the implied interest rate on the lease can be easily determined. If this rate cannot be easily determined, the Group's alternative borrowing interest rate is used.

The Group determines the alternative borrowing interest rate by taking into account the interest rates it will pay for the debts to be used from various external financing sources and makes some adjustments to reflect the lease terms and the type of the leased asset.

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

2.4 Summary of Significant Accounting Policies (cont'd)

Lease transactions (cont'd)

(i) As a lessee (cont'd)

The lease payments included in the measurement of the lease liability consist of:

- Fixed payments (including fixed payments in substance);
- Variable lease payments based on an index or rate, initially measured using an index or rate at the commencement date of the lease;
- Amounts expected to be paid by the lessee under residual value commitments;
- Payment of termination penalties if the exercise price and lease term of the option indicate that the Group will exercise an option to terminate the lease if there is reasonable confidence that the option to call will be exercised.

The lease liability is measured by discounting lease payments with a discount rate. The Group considers renewal, termination and purchase options if there is a change in these payments as a result of a change in an index or rate used to determine future lease payments and if there is a change in the amounts expected to be paid under the residual value commitment.

In case of re-measurement of the lease liability, it is reflected to the financial statements as an adjustment to the right-of-use asset according to the newly found debt amount. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the remaining remeasurement amount is recognized in profit or loss.

The Group presents right-of-use assets and lease liabilities that do not meet the definition of investment property in the statement of financial position as "Financial Liabilities".

Short-term leases and low value leases

The Group has chosen not to recognize right-of-use assets and lease liabilities for short-term leases of machinery with lease terms of 12 months or less, and leases of low-value assets, including IT equipment. The Group has recognized the lease payments related to these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

For a contract with a lease component and one or more additional lease components or non-lease components, the Group allocates the contract price on the basis of the relative stand-alone price, at the inception of the contract or when the contract with a lease component is modified.

When the Group is a lessor, it classifies each of the leases as operating or finance leases.

To classify each lease, the Group makes an overall assessment of whether the lease essentially transfers all the risks and rewards of ownership of the asset. A lease is a finance lease when it transfers risks and rewards; otherwise, it is an operating lease. As part of this assessment, the Group considers certain other indicators, such as whether the lease term covers most of the economic life of the underlying asset.

If the lease includes a lease component and one or more additional lease components or non-lease components, the Group allocates the contract value by applying TFRS 15 Revenue from Contracts with Customers.

The Group applies the derecognition and impairment provisions in TFRS 9 to the net lease investment. The Group regularly reviews the estimated residual uncommitted values used in calculating the gross lease investment.

In general, accounting policies applied to the Group as a lessor in the comparative period are not different from TFRS 16, except for the classification of a sublease entered in the current reporting period resulting in a finance lease classification.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**2.4 Summary of Significant Accounting Policies (cont'd)****Provisions, contingent liabilities and contingent assets****Provisions**

Provisions are recognized only if the Group has a past and present obligation (legal or structural), there is a possibility of disposal of resources that provide economic benefits to the business due to this obligation, and the amount of the obligation can be determined reliably. When the depreciation of money over time becomes significant, provisions are reflected with the discounted value of the expenses that may occur in the future at the reporting date. When discounted value is used, increases in provisions due to the passage of time are recognized as interest expense.

Contingent assets and liabilities

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity are treated as contingent assets or liabilities and the entity does not account anything in its consolidated financial statements.

Contingent liabilities are disclosed in the notes to the financial statements, except when the probability of an outflow of resources embodying economic benefits is remote. If the situation requiring resource transfer is probable, contingent liabilities are reflected in the financial statements. Contingent assets, on the other hand, are not reflected in the consolidated financial statements and are disclosed in the notes if they are likely to generate economic returns.

Income tax

As Turkish Tax Legislation does not allow the parent company and its subsidiary to prepare consolidated tax returns, tax provisions have been calculated on a separate-entity basis, as reflected in the accompanying consolidated financial statements.

Income tax expense is the sum of current tax and deferred tax expense.

Income tax is recognized in profit or loss, except when associated with business combinations or directly in equity or other comprehensive income.

Current tax

Current tax is the expected tax liability or receivable on taxable profit or loss in the current year and includes adjustments to previous years' tax liabilities.

It is calculated by taking into account the tax rates that are in force as of the end of the reporting period or that are almost certain to enter into force.

Deferred tax

Deferred tax is calculated over the temporary differences between the book values of assets and liabilities in the financial statements and the values used in the tax base. Deferred tax is not recognized for temporary differences in the following cases:

- Temporary differences in the initial recognition of assets or liabilities resulting from a transaction that is not a business combination and does not affect either accounting profit or taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and jointly controlled entities that are not likely to reverse in the foreseeable future and for which the Group has control over the reversal time, and
- Taxable temporary differences during the initial recognition of goodwill.

Deferred tax assets are recognized if it is probable that taxable profits will be sufficient to offset unused tax losses, tax benefits and deductible temporary differences in the future. Taxable profit is determined according to the business plans of each subsidiary in the Group. Deferred tax assets are reviewed at each reporting date and if it is probable that taxable profits will be generated in the future, deferred tax assets that have not been previously recognized are recognized, limited to these amounts.

The Group measures deferred tax liabilities and deferred tax assets in a manner consistent with the tax consequences of its expectations at the end of the reporting period regarding how its assets will recover or pay their liabilities. Deferred tax asset and deferred tax liability are offset only when certain conditions are met.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**2.4 Summary of Significant Accounting Policies (cont'd)****Provisions for Employee Benefits****a) Provision for employment termination benefit**

The provision for employment termination benefits represents the present value of the estimated total provision of the Group's future probable obligation arising from the retirement of the personnel in accordance with the Turkish Labor Law. According to Turkish Labor Law and other laws applicable in Türkiye, the Group is obliged to pay employment termination benefits to all personnel in cases of termination of employment without due cause, call for military service, be retired or death upon the completion of a minimum one-year service. The provision for the present value of the defined social assistance obligation is calculated using the projected liability method. All actuarial gains and losses are recognized in other comprehensive income/expense.

b) Provision for seniority incentive bonus

The Group has a benefit paid to its personnel named as "Seniority Incentive Premium" who served over a definite year. The seniority incentive premium accrued in the financial statements represents the present value of the estimated total reserve of possible future liabilities.

c) Defined contribution plans

The Group has to pay contributions to the Social Security Institution on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. These contributions are recognized as an employee benefit expense when they are accrued.

d) Unused vacation

In accordance with Labor Law in Türkiye, it is obliged to pay for any reason claimed by the employee if the ending, but unused annual leave belonging fee gross salary at the date when the contract expires and contractual other interests him or rights to their owners over the total. Unused leave is the total undiscounted liability amount that all employees deserve but correspond to the days of leave they have not yet used as of the reporting date. Obligations arising from unused leave rights are accrued at the time they are entitled.

Revenue

Revenues are measured at the fair value of the amount of receivables collected or to be collected. Net sales are shown by deducting estimated and realized returns, discounts, commissions, turnover premiums and sales-related taxes from the sales amount of the goods.

In accordance with TFRS 15, a five-stage approach is followed in the recognition of revenue for all contracts with customers.

Step 1: Definition of the contract

When a contract is only legally enforceable, collectible, rights and payment terms for goods and services are identifiable, the contract is considered to be in accordance with TFRS 15 if the terms of the contract have been met, the contract has been approved by the parties and the parties have fulfilled all the obligations under which they are committed.

When contracts are negotiated as a single business package, or if a contract is bound to other contract or goods or services (or part of the goods or services), the Group considers the contracts as a single contract.

Step 2: Definition of performance obligations

The Group determines a "performance obligation" as a unit of account for revenue recognition. The Group evaluates the goods or services promised in a contract with the customer and determines each commitment to the customer to transfer one of the following as a performance obligation:

- (a) good or service (or a bundle of goods or services) that is distinct; or
- (b) series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

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

2.4 Summary of Significant Accounting Policies (cont'd)

Revenue (cont'd)

Step 2: Definition of performance obligations (cont'd)

The Group defines a good or service in the contract separately from other commitments in the contract and defines it as a different good or service if it enables the customer to benefit from the said good or service alone or in combination with other resources available for use. A contract may include commitments to provide a number of different goods or services that are essentially the same. At contract inception, an entity determines whether the series of goods or services is a single performance obligation.

Step 3: Determine the transaction price

To determine the transaction price, the Group evaluates how much it expects to receive after fulfilling its contractual obligation. In making the assessment, it considers elements of variable amounts and whether the contract includes a significant financing component.

Significant financing component

The Group reviews the amount that reflects the cash selling price of the promised good or service with the amount promised to pay for the effect of a significant financing component. As a practical application, the Group does not adjust the transaction price for the effects of a significant financing component if, at contract inception, the period between customer payment and transfer of goods or services is expected to be one year or less. Where the Group's obligations during the period and the advances received and the payment schedule are broadly compatible, the Group considers that the period between the fulfillment of the obligation and the payment should never exceed 12 months.

Variable consideration

The Group determines whether there are items in the customer contract that may result in price concessions, incentives, performance bonuses, early completion bonuses, price adjustment clauses, penalties, discounts or similar variable charges.

Step 4: Distribution of transaction price to performance obligations

In the event that different goods or services are delivered in accordance with a single contract, the contract price shall be distributed on the basis of the individual sales prices of the individual goods or services (different performance obligations). If no direct observable sales prices are available, the total price in contracts is distributed on the basis of the expected cost-plus profit margin.

Step 5: Revenue recognition

The Group recognizes revenue over time when any of the following conditions are met:

- If the customer is simultaneously using the benefits of the business and consuming these benefits;
- In the event that the entity has passed the control of the asset that has been created or developed at the same time as the entity creates or develops it, or
- If the Group fulfills its obligation, the Group does not create an asset with alternative use for the Group and the Group has the right to a legally enforceable payment on the payment to be made against the obligation completed until that date.

For each performance obligation fulfilled over time, the Group selects a single measure of progress that represents transferring control of the goods or services to the customer. The Group uses a method that reliably measures the work performed. The Group uses the costs made to measure progress towards completion of the project using the input method and uses the units transferred to measure progress towards completion of the project using the output method.

If a performance obligation is not satisfied over time, then the Group recognizes revenue when it transfers control of the goods or service to the customer.

In cases where the cost that must be incurred by the Group to fulfill its obligations under the contract exceeds the economic benefit expected to be obtained under the contract, a provision is made in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

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

2.4 Summary of Significant Accounting Policies (cont'd)

Contract changes

If the Group commits to offer additional goods or services, it accepts the contract change as a separate contract. In case of the termination of the existing contract and the creation of a new contract, if the goods or services offered are different, they shall recognize the related changes. If the amendment to the contract does not create separate goods or services, the entity shall, with the first contract, recognize by combining additional goods or services as if it were a part of the initial contract.

Sales of goods

The transfer of the control of the products is realized with the invoice and revenue is recognized as revenue. For goods or services sold together as a package, revenue is recognized when the goods or services are considered to be of a different nature – for example, if the good or service is identifiable separately from other contractual commitments and the customer can benefit from the good or service alone or in combination with other readily available resources. The contract price is distributed to the goods and services that are evaluated as different in a package, on the basis of stand-alone sales prices. Stand-alone selling prices are determined on the basis of the list prices at which the Group sells these goods and services alone. Stand-alone selling prices for goods and services that are not stand-alone are estimated using the expected cost-plus margin approach. The cost of products and services is recognized as an expense when the relevant revenue is recognized.

Related parties

a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group,
- (ii) has significant influence over the Group,
- (iii) is a member of the key management personnel of the Group or of a parent of the Group.

(b) An entity is related to the Group if any of the following conditions exist:

- (i) the entity and the Group are members of the same group.
- (ii) the entity is an associate or joint venture of the other entity (or a member of a group of which the other entity is a member)
- (iii) both entities are joint ventures of the same third party.
- (iv) one of the entities is a joint venture of a third entity and the other entity is an associate of that third entity.
- (v) the entity, the Group, or an entity associated with the Group is a post-employment benefit plans for employees. If the Group itself has such a plan, the sponsoring employers are also related to the Group.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of that entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

Earnings per share

Earnings per share disclosed in the statement of comprehensive income are determined by dividing net earnings by the weighted average number of shares that have been outstanding during the related period.

In Türkiye, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings on equity items. Such kind of bonus shares are taken into consideration in the computation of earnings per share as issued share certificates. Therefore, the weighted average stock share, which is used in the calculation of earnings per share, is determined by retrospective application of bonus share issue.

Events after the reporting date

Events that occur after the reporting date and may affect the Group's position at the reporting date are reflected in the financial statements. Non-adjusting events are disclosed in the notes according to their materiality.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**2.4 Summary of Significant Accounting Policies (cont'd)****Financial instruments***i. Recognition and initial measurement*

The Group's trade receivables and debt instruments are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Reclassification and subsequent measurement

On initial recognition, a financial instrument is classified as specified; measured at amortized cost; those measured at fair value through other comprehensive income—investments in debt instruments, investments in equity instruments measured at fair values in other comprehensive income—or those measured at fair value through profit or loss. After initial recognition, financial instruments are not reclassified unless the Group changes the business model used for the management of financial assets.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Evaluation of the business model

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

2.4 Summary of Significant Accounting Policies (cont'd)

Financial instruments (cont'd)

Financial assets - Evaluation of the business model (cont'd)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

Principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, (i) for a financial asset acquired at a significant discount or premium to its contractual par amount, (ii) a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion (iii) if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. Amortized costs, if any, are reduced by the amount of impairment losses. Interest income, foreign currency gains and losses and impairments are recognized in profit or loss. Gains or losses on derecognition are recognized in profit or loss. For derivatives defined as hedging instruments, see section (iii) below.

Debt instruments measured at FVOCI

These assets are subsequently measured at their fair value. Interest income, foreign currency gains and losses and impairments calculated using the effective interest method are recognized in profit or loss. Other gains and losses are recognized in other comprehensive income. When financial assets are derecognized, total gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

Equity instruments at FVOCI

These assets are subsequently measured at their fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**2.4 Summary of Significant Accounting Policies (cont'd)****Financial instruments (cont'd)****(i) Derecognition**Financial assets

When the contractual rights to the cash flows related to the financial asset expire, or when the Group transfers substantially all the risks and rewards of ownership of that financial asset, or when it neither transfers nor retains substantially all the risks and rewards of ownership of that financial asset, if it does not retain control over the financial asset, it derecognizes that financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL.

(ii) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivative instruments are initially recognized at their fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether changes in the cash flows of the hedged item and the hedging instrument are expected to offset each other.

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

2.4 Summary of Significant Accounting Policies (cont'd)

Financial instruments (cont'd)

(iii) *Derivative financial instruments and hedge accounting (cont'd)*

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve. The ineffective portion of the change in the derivative's fair value is recognized directly in profit or loss. The effective portion of the change in the fair value of the derivative instrument determined on the present value basis from the inception of the hedging relationship recognized in other comprehensive income is limited to the cumulative effect of the change in the fair value of the hedging instrument.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships.

The change in fair value of the forward element of forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognized in a cost of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognized.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Capital

Ordinary shares

Transaction costs arising from equity transactions are accounted for as a deduction from the related equity item. Income taxes on distributions to shareholders of equity instruments and transaction costs arising from equity transactions are accounted for in accordance with TAS 12 Income Taxes.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the relevant qualifying asset, and other borrowing costs are recognized as an expense in the period in which they are incurred.

Government incentives

Unconditional government grants received by the Group are recognized under other income in profit or loss if these grants become receivables. Other government grants are recorded as deferred income at their fair value if there is sufficient assurance that the Group will meet the necessary conditions for the grant and that the grant will be received and are then systematically recognized in profit or loss under other income over the useful life of the asset.

Government grants that cover the expenses incurred by the Group are systematically recognized in profit or loss in the periods in which such expenses are recognized.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**2.4 Summary of Significant Accounting Policies (cont'd)****Finance income and finance expenses**

Finance income consists of bank deposit interest income which is part of the cycle used for financing purposes, receivables from related parties from interest income from invested funds, foreign exchange gains on financial assets and liabilities (other than trade receivables and payables) and gains on derivative instruments recorded in profit or loss.

Finance expenses include interest expenses on bank loans, credit cards and letters of guarantee, commission expenses, exchange rate expenses on financial assets and liabilities (other than trade receivables and debts), and gains on derivative instruments and recorded in profit or loss. Borrowing costs that cannot be directly associated with the acquisition, construction or production of an asset are accounted for in profit or loss using the effective interest rate.

Exchange rate incomes and expenses on financial assets and liabilities (other than trade receivables and debts) are reported separately in finance income or finance expenses according to the net position of the currency difference movements. Exchange rate difference and rediscount income on trade receivables and debts are reported in other income from operating activities, exchange rate difference and rediscount expenses are reported in other expenses from operating activities.

Interest income is calculated using the effective interest method. This income is calculated by applying the effective interest rate to the gross book value of the financial asset, except for:

(a) Financial assets with credit-impairment when purchased or created. For these types of financial assets, the entity applies the effective interest rate corrected according to credit to the amortized cost of the financial asset since it was first included in the financial statements.

(b) Financial assets that are not financial assets with credit-impairment when purchased or created, but subsequently become financial-impaired financial assets. For such financial assets, the entity applies the effective interest rate to the amortized cost of the asset in subsequent reporting periods.

An entity that calculates interest income by applying an effective interest method to the amortized cost of the financial asset in a reporting period, in the event that the credit risk in the financial instrument improves in a way that the financial asset is no longer deemed to be impaired as a credit-impairment, and this improvement can be attributed to an objectively occurring event (a debtor's credit rating increase) calculates the interest income in the next reporting periods by applying the effective interest rate to the gross book value.

Dividend income is recognized in profit or loss on the date the Group is entitled to receive payment.

Statement of cash flows

In the statement of cash flows, cash flows are classified according to operating, investing and financing activities. The Group presents cash flows from operating activities using the indirect method, where net profit or loss is adjusted for the effects of non-cash transactions, accruals or deferrals of cash inflows and outflows related to past or future transactions, and items of income or expense related to investment or financing cash flows.

2.5 Significant accounting judgments, estimates and assumptions

In the preparation of the consolidated financial statements, the Group Management makes 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 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:

- a) 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.

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

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

- b) 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.
- c) 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 20a).
- d) 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 20b.
- e) 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 11). Actual results may differ from the assumptions.
- f) 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 16). 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 attached consolidated financial statements may be affected.
- g) The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between the tax base legal financial statements and the financial statements prepared in accordance with TFRS. The Group's subsidiaries have deferred tax assets consisting of other deductible temporary differences. The partially or wholly recoverable amount of deferred tax assets has been estimated under current conditions. In the light of the data obtained, if the future taxable profit of the Group is not sufficient to cover all deferred tax assets, a provision is made for all and part of the deferred tax asset.
- h) The Group calculates the fair values of financial instruments that do not have an active market, using market data, using arm's-length similar transactions, taking the fair values of similar instruments as a reference, and discounted cash flow analysis (Note 4).

2.6 Going Concern

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will realise the benefits from its assets and settle its liabilities within the next year and in the normal course of business. As of 31 December 2025, the Group's current liabilities exceed its current assets by TL 5,503,229,867. The Group's net loss for the year 2025 is TL 4,046,103,535 and accumulated losses totalling TL 2,978,412,010.

The Group has available lines of credit with financial institutions in case of need. In addition, the main shareholder of the Group has committed to provide the necessary financial support for at least 12 months as of the reporting date, if required, in order to provide financing for the Group's operations and to fulfil its financial obligations. Considering these matters, it is assessed that the Group has the capacity to fulfil its current liabilities and will be able to continue its operations within the framework of the going concern assumption.

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3. CASH AND CASH EQUIVALENTS

	31 December 2025	31 December 2024
Cash	267,372	419,510
Cash at banks	239,461,999	2,307,717,995
<i>Demand deposits</i>	22,507,069	724,471,225
<i>Time deposits with a maturity of less than three months</i>	216,954,930	1,583,246,770
Other current assets (*)	1,138,741,429	142,568,622
Cash and cash equivalents in the consolidated statement of financial position	1,378,470,800	2,450,706,127
Less : interest accruals	(497,264)	(10,219,536)
Cash and cash equivalents according to the cash flow statements	1,377,973,536	2,440,486,591

(*) Other cash and cash equivalents consist of checks and money market fund and credit card receivables due as of 31 December 2025 and 2024. The maturity of the financing bond is less than 3 months.

As of 31 December 2025, the Group has USD time deposits amounting to TL 209,943,930 with an interest rate of 1.00 percent and maturity less than 3 months (As of 31 December 2024, the Group has USD time deposits amounting to TL 692,688,092 with an interest rate of 1.00 and maturity less than 3 months).

As of 31 December 2025, the Group has TL time deposits amounting to TL 7,011,000 with an interest rate of 38.50 percent. Maturities are shorter than 3 months (As of 31 December 2024, TL time deposits amounting to TL 890,558,678 with an interest rate of 48.50 percent and maturity less than 3 months).

4. FINANCIAL INVESTMENTS

Financial investments at fair value through other comprehensive income:

Company Title	Share Rate %	31 December 2025	Share Rate %	31 December 2024
Çantaş	0.37	310,755	0.37	310,755
		310,755		310,755
Impairment provision		(310,755)		(310,755)
		-		-
		31 December 2025		31 December 2024
Unused restricted bank deposits (*)		411,263,791		1,523,849,350
Other		535,037		677,681
		411,798,828		1,524,527,031

(*) As of 31 December 2025, restricted cash and cash equivalents amounting to TL 411,263,791 (TL 1,523,849,350 as of 31 December 2024) are separately classified under 'Financial Investments' since their use is restricted in the Group's ongoing operations and fulfilling its obligations.

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5. FINANCIAL LIABILITIES

	31 December 2025	31 December 2024
Short-Term Financial Liabilities		
Bank loans	8,026,364,772	5,869,705,569
Lease liabilities	95,600,906	74,149,255
	<u>8,121,965,678</u>	<u>5,943,854,824</u>
Long-Term Financial Liabilities		
Bank loans	1,026,754,070	2,885,397,183
Lease liabilities	772,425,932	667,242,268
	<u>1,799,180,002</u>	<u>3,552,639,451</u>

Details of Short-Term Bank Loans are as follows;

Currency	Weighted Average Interest Rate %	31 December 2025 Short-term
TL	42.18	2,906,022,054
USD	7.65	5,120,342,718
		<u>8,026,364,772</u>
Currency	Weighted Average Interest Rate %	31 December 2024 Short-term
TL	48.30	2,118,862,472
USD	7.22	3,750,843,097
		<u>5,869,705,569</u>

Details of Long-Term Bank Loans are as follows;

Currency	Weighted Average Interest Rate %	31 December 2025 Long-term
TL	17.00	15,000,000
USD	8.68	1,011,754,070
		<u>1,026,754,070</u>

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5. FINANCIAL LIABILITIES (cont'd)

Details of Long-Term Bank Loans are as follows (cont'd);

Currency	Weighted Average Interest Rate %	31 December 2024 Long-term
TL	13.32	45,376,009
USD	8.61	2,840,021,174
		<u>2,885,397,183</u>

The maturities of the lease liabilities are as follows;

	31 December 2025	31 December 2024
Payable in 1 year	95,600,906	74,149,255
Payable in 1-5 years	191,993,693	130,781,999
5 years and longer	580,432,239	536,460,269
	<u>868,026,838</u>	<u>741,391,523</u>

The maturities of bank loans, issued debt instruments and other financial liabilities are as follows:

	31 December 2025	31 December 2024
Payable in 1 year	8,026,364,772	5,869,705,569
Payable in 1-2 years	419,701,637	1,796,887,326
Payable in 2-3 years	404,701,623	435,403,945
Payable in 3-4 years	202,350,810	435,403,945
Payable in 4-5 years	-	217,701,967
	<u>9,053,118,842</u>	<u>8,755,102,752</u>

As of 31 December, 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 - 31 December 2025 and 2024, the reconciliation of liabilities arising from financing activities is as follows;

	1 January- 31 December 2025	1 January- 31 December 2024
Financial liabilities as of 1 January	9,496,494,275	27,281,377,613
Capital inflow within the period	6,485,266,388	11,317,147,911
Payments within the period	(5,615,550,838)	(21,820,452,503)
Foreign exchange rate changes	1,445,310,801	1,479,193,809
Change in interest accrual	350,923,858	(375,093,627)
Inflation accounting effect	(2,241,298,804)	(8,385,678,928)
	<u>9,921,145,680</u>	<u>9,496,494,275</u>

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6. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables

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

	31 December 2025	31 December 2024
Short-term trade receivables		
Trade receivables	964,253,915	1,160,833,832
Notes receivable	470,016,034	726,021,354
Trade receivables from related parties (Note 32)	52,336,852	81,013,575
Provision for expected loss (-)	(223,055,507)	(232,713,240)
	<u>1,263,551,294</u>	<u>1,735,155,521</u>
Long-term trade receivables		
Notes receivable	-	679,565
	<u>-</u>	<u>679,565</u>

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

	31 December 2025	31 December 2024
Not overdue and impaired	1,171,897,730	1,581,345,746
Overdue for 1-30 days, not impaired	48,358,166	114,123,414
Overdue for 1-3 months, not impaired	42,433,269	25,443,805
Overdue for 3-12 months, not impaired	862,129	14,737,386
Overdue for 1-5 years, not impaired	-	184,735
	<u>1,263,551,294</u>	<u>1,735,835,086</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 88 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 doubtful trade receivables is as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Expected loss provision movements		
Opening balance	232,713,240	237,460,689
Charge for the period	52,341,673	89,588,536
Collections	(6,446,655)	(16,589,646)
Disposal from sale of subsidiary	57,065	-
Inflation accounting effect	(55,609,816)	(77,746,339)
Closing balance	<u>223,055,507</u>	<u>232,713,240</u>

The nature and level of risks related to trade receivables are disclosed in Note 33.

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6. TRADE RECEIVABLES AND PAYABLES (cont'd)

b) Trade Payables

As of 31 December 2025 and 2024, the details of the Group's trade payables are as follows:

	31 December 2025	31 December 2024
Short-term trade payables		
Trade payables (*)	1,817,414,976	1,535,093,033
Trade payables to related parties (Note 32)	174,214,721	178,939,009
Expense accruals	22,772,782	34,883,155
	<u>2,014,402,479</u>	<u>1,748,915,197</u>

(*) As of 31 December 2025, letters of credit amounting to TL 1,489,264,692 are included in trade payables (31 December 2024: TL 597,689,342).

The average payment period of trade payables for the purchase of goods is 101 days (31 December 2024: 104).

7. PAYABLES FOR EMPLOYEE BENEFITS

	31 December 2025	31 December 2024
Payables to personnel	1,159,095	2,088,494
Premium provisions payable to personnel	141,088,972	187,834,203
Social security premiums payable	19,956,489	19,803,850
	<u>162,204,556</u>	<u>209,726,547</u>

8. OTHER RECEIVABLES AND PAYABLES

a) Other Receivables

	31 December 2025	31 December 2024
Other Short-Term Receivables		
VAT and other refund receivables	21,690,573	251,806,463
Special consumption tax ("SCT") refund receivable (*)	15,529,607	1,801,999
Corporate and provisional tax refund receivable	10,771,775	1,512,933
Deposits and guarantees given	389,922	640,635
	<u>48,381,877</u>	<u>255,762,030</u>

(*) In case the raw materials subject to SCT are used in the production of goods that are not subject to SCT, the Special Consumption Tax paid for the purchase of such raw materials can be refunded if the issues specified in the Special Consumption Tax Communiqué numbered 25 are fulfilled. In this context, the SCT amount requested for refund is TL 15,529,607 (31 December 2024: TL 1,801,999).

	31 December 2025	31 December 2024
Other Long-Term Receivables		
Deposits and guarantees given	3,021,609	5,914,393
	<u>3,021,609</u>	<u>5,914,393</u>

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8. OTHER RECEIVABLES AND PAYABLES (cont'd)**b) Other Payables**

	31 December 2025	31 December 2024
Other Short-Term Payables		
Other payables to related parties (Note 32) (*)	1,195,584,649	1,562,178,701
Taxes and funds payable	28,346,757	26,264,630
Other miscellaneous payables	3,932,637	4,001,430
	<u>1,227,864,043</u>	<u>1,592,444,761</u>

(*) TL 1,188,463,012 of the relevant amount consists of the principal and interest accrual amounts related to the borrowings.

	31 December 2025	31 December 2024
Other Long-Term Payables		
Other payables to related parties (Note 32)	<u>166,053,368</u>	<u>163,623,658</u>
	<u>166,053,368</u>	<u>163,623,658</u>

9. PREPAID EXPENSES

	31 December 2025	31 December 2024
Short-Term Prepaid Expenses		
Order advances given	64,280,858	55,491,926
Prepaid expenses	72,007,621	117,124,722
Advances given to related parties (Note 32)	<u>79,534</u>	<u>787,427</u>
	<u>136,368,013</u>	<u>173,404,075</u>
Long-Term Prepaid Expenses		
Advances given for the purchase of fixed assets	<u>3,254,393,939</u>	<u>2,180,277,807</u>
	<u>3,254,393,939</u>	<u>2,180,277,807</u>

10. DEFERRED INCOME

	31 December 2025	31 December 2024
Short-Term Deferred Income		
Order advances received	<u>131,669,571</u>	<u>65,307,944</u>
	<u>131,669,571</u>	<u>65,307,944</u>

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11. INVENTORIES

	31 December 2025	31 December 2024
Raw material	936,341,978	2,272,952,113
Work-in-process	160,956,774	442,101,992
Finished goods	647,066,989	1,158,603,933
Trade goods	316,556,069	670,596,041
Other inventories (*)	607,449,292	520,628,156
Provision for impairment on inventories (-)	(183,233,114)	(637,265,589)
	<u>2,485,137,988</u>	<u>4,427,616,646</u>

(*) As of 31 December 2025, TL 564,246,689 (31 December 2024: TL 495,093,391) of other inventories consist of goods in transit.

	1 January- 31 December 2025	1 January- 31 December 2024
<u>Movement of provision for impairment on inventory</u>		
Opening balance	(637,265,589)	(344,309,496)
Charge for the period	(202,265,470)	(626,474,581)
Provision used/reversed	656,297,945	333,518,488
Closing balance	<u>(183,233,114)</u>	<u>(637,265,589)</u>

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(All amounts expressed in TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2025, unless otherwise stated.)

12. 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	92,901,173	20,000,443	1,243,629,976	3,908,672,566	69,660,440	899,691,958	4,468,348,355	3,874,901,559	14,577,806,470
Foreign currency translation differences	-	-	-	6,285	(15,924)	9,617	-	41,545,880	41,545,858
Additions	-	-	34,897,547	234,560,770	1,804,383	19,542,055	12,278,311	751,010,390	1,054,093,456
Disposals	-	-	-	(2,261,593)	(1,980,731)	(6,927,454)	-	(6,015,194)	(17,184,972)
Transfers (*)	-	7,754,783	10,015,611	1,154,938,637	(1,069,087)	34,642,482	-	(1,503,973,660)	(297,691,234)
Closing balance as of 31 December 2025	92,901,173	27,755,226	1,288,543,134	5,295,916,665	68,399,081	946,958,658	4,480,626,666	3,157,468,975	15,358,569,578
<u>Accumulated Depreciation</u>									
Opening balance as of 1 January 2025	-	(6,357,864)	(99,578,405)	(1,233,252,781)	(43,785,090)	(409,808,227)	(282,550,829)	-	(2,075,333,196)
Foreign currency translation differences	-	-	-	(165,214)	(53,136)	(21,680)	-	-	(240,030)
Charge for the period	-	(2,014,791)	(25,524,039)	(500,903,109)	(10,208,378)	(134,194,327)	(91,027,009)	-	(763,871,653)
Disposals	-	-	-	1,982,899	1,792,274	6,108,458	-	-	9,883,631
Closing balance as of 31 December 2025	-	(8,372,655)	(125,102,444)	(1,732,338,205)	(52,254,330)	(537,915,776)	(373,577,838)	-	(2,829,561,248)
Carrying value as of 31 December 2025	92,901,173	19,382,571	1,163,440,690	3,563,578,460	16,144,751	409,042,882	4,107,048,828	3,157,468,975	12,529,008,330

(*) TL 297,691,234 has been transferred from intangible assets from construction in progress (Note 14).

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(All amounts expressed in TL in terms of the purchasing power of Turkish Lira ("TL") as of 31 December 2025, unless otherwise stated.)

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

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	92,901,173	20,000,443	798,133,964	3,760,403,103	71,457,084	737,490,782	-	4,043,192,855	9,523,579,404
Foreign currency translation differences	-	-	-	(4,746,191)	(1,908,536)	(99,346)	-	-	(6,754,073)
Additions	-	-	5,902,660	154,455,129	1,709,871	166,054,713	41,968,961	490,989,862	861,081,196
Revaluation fund	-	-	-	(1,439,475)	(1,597,979)	(3,754,191)	-	-	(6,791,645)
Transfers (*)	-	-	439,593,352	-	-	-	4,426,379,394	(659,281,158)	4,206,691,588
Closing balance as of 31 December 2024	92,901,173	20,000,443	1,243,629,976	3,908,672,566	69,660,440	899,691,958	4,468,348,355	3,874,901,559	14,577,806,470
<u>Accumulated Depreciation</u>									
Opening balance as of 1 January 2024	-	(4,963,906)	(77,867,223)	(877,387,925)	(34,637,381)	(278,471,135)	-	-	(1,273,327,570)
Foreign currency translation differences	-	-	-	1,414,390	927,583	65,756	-	-	2,407,729
Charge for the period	-	(1,393,958)	(21,711,182)	(358,433,076)	(11,425,649)	(134,208,589)	(132,547,208)	-	(659,719,662)
Disposals	-	-	-	1,153,830	1,350,357	2,805,741	-	-	5,309,928
Transfers (*)	-	-	-	-	-	-	(150,003,621)	-	(150,003,621)
	-	-	-	-	-	-	-	-	-
Closing balance as of 31 December 2024	-	(6,357,864)	(99,578,405)	(1,233,252,781)	(43,785,090)	(409,808,227)	(282,550,829)	-	(2,075,333,196)
Carrying value as of 31 December 2024	92,901,173	13,642,579	1,144,051,571	2,675,419,785	25,875,350	489,883,731	4,185,797,526	3,874,901,559	12,502,473,274

(*) TL 4,426,379,394 has been transferred from intangible assets to leasehold improvements, while the remaining TL 219,687,806 has been transferred from construction in progress to intangible assets (Note 14).

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13. RIGHT-OF-USE ASSETS

Cost Value	Lands improvements	Properties	Vehicles	Total
Opening balance as of 1 January 2025	-	1,309,259,548	401,780,474	1,711,040,022
Foreign currency translation differences	5,338,015	-	-	5,338,015
Additions	39,587,958	269,539,827	179,272,596	488,400,381
Disposals	-	(1,743,282)	(12,730,724)	(14,474,006)
Closing balance as of 31 December 2025	44,925,973	1,577,056,093	568,322,346	2,190,304,412
<u>Accumulated Amortization</u>				
Opening balance as of 1 January 2025	-	(548,760,690)	(325,574,880)	(874,335,570)
Foreign currency translation differences	(216,138)	-	-	(216,138)
Charge for the period	(1,602,932)	(115,205,740)	(94,634,108)	(211,442,780)
Disposals	-	581,094	5,271,064	5,852,158
Closing balance as of 31 December 2025	(1,819,070)	(663,385,336)	(414,937,924)	(1,080,142,330)
Carrying value as of 31 December 2025	43,106,903	913,670,757	153,384,422	1,110,162,082

Cost Value	Properties	Vehicles	Total
Opening balance as of 1 January 2024	533,383,276	417,642,163	951,025,439
Additions	775,876,272	62,716,049	838,592,321
Disposals	-	(78,577,738)	(78,577,738)
Closing balance as of 31 December 2024	1,309,259,548	401,780,474	1,711,040,022
<u>Accumulated Amortization</u>			
Opening balance as of 1 January 2024	(433,496,425)	(237,153,726)	(670,650,151)
Charge for the period	(115,264,265)	(125,247,006)	(240,511,271)
Disposals	-	36,825,852	36,825,852
Closing balance as of 31 December 2024	(548,760,690)	(325,574,880)	(874,335,570)
Carrying value as of 31 December 2024	760,498,858	76,205,594	836,704,452

Amortization periods of right-of-use assets are as follows:

	Useful Life
Properties	1-35 years
Vehicles	1-3 years

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14. INTANGIBLE ASSETS

Cost Value	Rights	Development costs	Total
Opening balance as of 1 January 2025	1,915,709,117	317,463,141	2,233,172,258
Foreign currency translation differences	(845,112)	37,033	(808,079)
Additions	26,225,789	-	26,225,789
Transfers	10,824,058	286,867,176	297,691,234
Closing balance as of 31 December 2025	1,951,913,852	604,367,350	2,556,281,202
<u>Accumulated Amortization</u>			
Opening balance as of 1 January 2025	(573,594,941)	(143,442,388)	(717,037,329)
Foreign currency translation differences	(1,372,700)	(60,499)	(1,433,199)
Charge for the period	(118,262,275)	(72,641,210)	(190,903,485)
Closing balance as of 31 December 2025	(693,229,916)	(216,144,097)	(909,374,013)
Carrying value as of 31 December 2025	1,258,683,936	388,223,253	1,646,907,189

Cost Value	Rights	Development costs	Other intangible assets	Total
Opening balance as of 1 January 2024	1,875,526,834	184,341,783	4,443,036,539	6,502,905,156
Foreign currency translation differences	(66,552,348)	-	(4,088,243)	(70,640,591)
Additions	13,678,794	70,638	-	13,749,432
Disposals	(744,530)	-	(5,405,621)	(6,150,151)
Transfers (*)	93,800,367	133,050,720	(4,433,542,675)	(4,206,691,588)
Closing balance as of 31 December 2024	1,915,709,117	317,463,141	-	2,233,172,258
<u>Accumulated Amortization</u>				
Opening balance as of 1 January 2024	(428,030,554)	(116,990,435)	(151,647,586)	(696,668,575)
Foreign currency translation differences	7,528,859	-	374,566	7,903,425
Charge for the period	(153,837,776)	(25,087,661)	(94,893)	(179,020,330)
Disposals	744,530	-	-	744,530
Transfers	-	(1,364,292)	151,367,913	150,003,621
Closing balance as of 31 December 2024	(573,594,941)	(143,442,388)	-	(717,037,329)
Carrying value as of 31 December 2024	1,342,114,176	174,020,753	-	1,516,134,929

(*) TL 4,426,379,394 of TL 4,433,542,675 in other intangible assets has been transferred to leasehold improvements under property, plant and equipment and TL 7,163,281 has been transferred to development costs.

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15. INVESTMENT PROPERTIES

Cost Value	Lands	Land and land improvements	Buildings	Total
Opening balance as of 1 January 2025	72,193,508	18,066,460	102,538,904	192,798,872
Closing balance as of 31 December 2025	72,193,508	18,066,460	102,538,904	192,798,872
Accumulated Depreciation				
Opening balance as of 1 January 2025	-	(9,244,004)	(42,417,342)	(51,661,346)
Charge for the period	-	(361,329)	(1,762,878)	(2,124,207)
Closing balance as of 31 December 2025	-	(9,605,333)	(44,180,220)	(53,785,553)
Carrying value as of 31 December 2025	72,193,508	8,461,127	58,358,684	139,013,319
Cost Value				
Opening balance as of 1 January 2024	4,198,354	18,066,460	101,581,198	123,846,012
Additions	67,995,154	-	957,706	68,952,860
Closing balance as of 31 December 2024	72,193,508	18,066,460	102,538,904	192,798,872
Accumulated Depreciation				
Opening balance as of 1 January 2024	-	(8,882,674)	(40,753,961)	(49,636,635)
Charge for the period	-	(361,330)	(1,663,381)	(2,024,711)
Closing balance as of 31 December 2024	-	(9,244,004)	(42,417,342)	(51,661,346)
Carrying value as of 31 December 2024	72,193,508	8,822,456	60,121,562	141,137,526

The Group has leased the factory buildings in Şanlıurfa and Adana which are not actively used in production. Therefore, the related assets are recognised as investment property. The rental income obtained from these properties in the current period is TL 5,966,760 (31 December 2024: TL 4,967,938 rental income) (Note 28a).

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15. INVESTMENT PROPERTIES (cont'd)

Fair value measurements of the Group's investment properties

As of 31 December 2025, the fair values of the Group's investment properties have been determined by Aden Gayrimenkul Değerleme ve Danışmanlık Anonim Şirketi, an independent valuation company. As of 31 December 2024, the fair values of the Group's investment properties have been determined by Yetkin Gayrimenkul Değerleme ve Danışmanlık Anonim Şirketi. The relevant companies are authorized by the CMB and provide real estate valuation services in accordance with capital market legislation and has sufficient experience and qualifications in measuring the fair value of real estates in the relevant regions. The fair value of the freehold land was determined based on the market comparative approach that reflects recent transaction prices for similar properties. No different valuation technique has been used in the current period.

As of 31 December 2025 and 2024, the Group's investment properties and the fair value hierarchy of the assets are shown in the table below:

Fair value level as of reporting date			
	Level 1	Level 2	Level 3
	TL	TL	TL
2025			
Lands	-	147,023,000	-
Land Improvements and Buildings	-	149,695,000	-
	Level 1	Level 2	Level 3
	TL	TL	TL
2024			
Lands	-	142,274,588	-
Land Improvements and Buildings	-	148,117,759	-

16. GOODWILL

Company	Acquisition Date	31 December 2025	31 December 2024
Sunset	2020	445,398,976	445,398,976
Ferbis	2017	111,537,894	111,537,894
		<u>556,936,870</u>	<u>556,936,870</u>

In accordance with the accounting policy set out in Note 2, the Group tests annually or more frequently for any impairment on goodwill. The impairment test for cash-generating units was performed as of 31 December 2025. The test was conducted in accordance with the discounted cash flow method, taking into account the "net fair value less cost to sell".

The Group Management has calculated the value in use of the cash-generating unit to which the goodwill amount is related in the impairment studies performed for goodwill.

The estimated fair value calculated according to the discounted cash flow method exceeds the recoverable amount as of 31 December. No impairment provision was made during 2025 and 2024.

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16. GOODWILL (cont'd)

The important assumptions used in the calculation of recoverable amounts are discount rates, final growth rates and EBITDA (Earnings before interest, depreciation and tax) growth rates. The values used in the assumptions are based on Group Management's assessment of future trends in the pesticide market and internal and external sources (historical data). The main assumptions reflecting the weighted average of all cash-generating units included in the relevant operating segments are as follows:

Weighted average	31 December 2025	31 December 2024
Discount rate, gross	17%-31%	17%-33%
Final growth rate	10%	10%
Budgeted EBITDA growth rate (average of the next five years)	26%-75%	10%-57%

In the discounted cash flow model, estimated cash flows during the license period are included. The long-term growth rate has been determined based on the long-term compound EBITDA growth rate estimated by Group Management and believed to be consistent with the assumptions made by a market participant.

Budgeted EBITDA has been determined based on expected future results, taking into account past experience, and has been adjusted for the following factors.

After determining the basic revenue figures, it is assumed that these prices will increase in line with the estimated inflation in the first five years.

The Group compared the estimated recoverable amount of the cash-generating unit with its carrying amount and concluded that there was no impairment.

17. GOVERNMENT GRANTS AND INCENTIVES

The Company has benefited from investment incentive certificates amounting in total to TL 366,740,556, issued by the T.C. Ekonomi Bakanlığı, within the scope of the manufacture of pesticides (crop protection products) and other agricultural and chemical products. These certificates, which include VAT exemption, employer's social security premium support, tax reduction and customs duty exemption incentives, comprise Investment Incentive Certificates No. 510660 (dated 1 May 2020; effective from 30 April 2020 to 28 October 2024), No. 507656 (dated 31 December 2019; effective from 26 December 2019 to 26 June 2024), No. 516676 (dated 3 November 2020; effective from 3 November 2020 to 3 November 2026), No. 528148 (dated 1 October 2021; effective from 29 September 2021 to 29 September 2024), No. 576031 (dated 31 December 2024; effective from 31 December 2024 to 31 December 2027), No. 534402 (dated 20 March 2022; effective from 5 March 2022 to 5 March 2025), No. 576649 (dated 21 January 2025; effective from 31 December 2024 to 31 December 2027) and No. 506178 (dated 13 May 2019; effective from 13 May 2019 to 12 November 2023).

As of 31 December 2025, the Company has a tax advantage of TL 366,740,557 that can be used in the future years related to the incentive. The entire amount is included in the deferred tax calculation (31 December 2024: TL 383,228,462).

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18. GUARANTEES, PLEDGE AND MORTGAGES

The details of the Company's Guarantees/Pledge/Mortgages ("GPM") are as follows:

31 December 2025		TL equivalent	Turkish Lira	USD
A. GPMs Given for Company's Own Legal Personality				
	-Guarantee	779,008,549	777,637,487	32,000
	-Pledge	-	-	-
	-Mortgage	-	-	-
B. GPMs Given on Behalf of Fully Consolidated Companies				
	-Guarantee	-	-	-
	-Pledge	-	-	-
	-Mortgage	-	-	-
	-Other (*)	1,930,000,000	1,930,000,000	-
C. GPMs Given in the Normal Course of Business Activities on Behalf of Third Parties				
	-Guarantee	-	-	-
	-Pledge	-	-	-
	-Mortgage	-	-	-
D. Total Amount of Other GPMs				
i. Total Amount of GPMs Given on Behalf of the Parent				
	-Guarantee	-	-	-
	-Pledge	-	-	-
	-Mortgage	-	-	-
ii. Total Amount of GPMs Given to on Behalf of Other Group Companies which are not in Scope of B and C				
	-Guarantee	-	-	-
	-Pledge	-	-	-
	-Mortgage	-	-	-
	-Other (*)	70,000,000	70,000,000	-
iii. Total Amount of GPMs Given on Behalf of Third Parties which are not in Scope of C				
	-Guarantee	-	-	-
	-Pledge	-	-	-
	-Mortgage	-	-	-
Total		<u>2,779,008,549</u>	<u>2,777,637,487</u>	<u>32,000</u>

(*) The balance consists of guarantees given on behalf of the Group's subsidiaries for their financial borrowings as of 31 December 2025.

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18. GUARANTEES, PLEDGE AND MORTGAGES (cont'd)

31 December 2024	TL equivalent	Turkish Lira
A. GPMs Given for Company's Own Legal Personality		
-Guarantee	612,891,414	612,891,414
-Pledge	-	-
-Mortgage	-	-
B. GPMs Given on Behalf of Fully Consolidated Companies		
-Guarantee	-	-
-Pledge	-	-
-Mortgage	-	-
-Other (*)	2,617,846,566	2,617,846,566
C. GPMs Given in the Normal Course of Business Activities on Behalf of Third Parties		
-Guarantee	-	-
-Pledge	-	-
-Mortgage	-	-
D. Total Amount of Other GPMs		
i. Total Amount of GPMs Given on Behalf of the Parent		
-Guarantee	-	-
-Pledge	-	-
-Mortgage	-	-
ii. Total Amount of GPMs Given to on Behalf of Other Group Companies which are not in Scope of B and C		
-Guarantee	-	-
-Pledge	-	-
-Mortgage	-	-
-Other (*)	91,624,630	91,624,630
iii. Total Amount of GPMs Given on Behalf of Third Parties which are not in Scope of C		
-Guarantee	-	-
-Pledge	-	-
-Mortgage	-	-
Total	3,322,362,610	3,322,362,610

(*) The balance consists of guarantees given on behalf of the Group's subsidiaries for their financial borrowings as of 31 December 2024.

As of 31 December, there are no guarantees, pledges and mortgages other than the letters of guarantee given on behalf of the Company's legal entity as presented above.

The ratio of the Group's other GPMs to equity is 0% as of 31 December 2025 (2024: 0%).

19. CURRENT TAX ASSETS

	31 December 2025	31 December 2024
Current tax assets		
Prepaid tax and funds	7,227,542	138,472,527
	<u>7,227,542</u>	<u>138,472,527</u>

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20. SHORT-TERM AND LONG-TERM PROVISIONS

a) Short-term Provisions

Short-term provisions	31 December 2025	31 December 2024
Provisions for legal cases (*)	9,145,008	6,801,957
Provision for unused vacation	18,238,347	25,527,796
	<u>27,383,355</u>	<u>32,329,753</u>

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

The movements of the provisions for litigation in the accounting period ending on 31 December 2025 and 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Provision as of 1 January	6,801,957	6,081,032
Provision expense for the period	6,348,798	3,406,333
Provisions released	(1,990,277)	(460,074)
Inflation effect	(2,015,470)	(2,225,334)
Provision as of 31 December	<u>9,145,008</u>	<u>6,801,957</u>

The movements of the provision for unused vacation for the period ending on 31 December 2025 and 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Provision as of 1 January	25,527,796	25,033,900
Provision expense for the period	(2,103,431)	9,194,941
Foreign currency translation difference	640,957	105,351
Inflation accounting effect	(5,826,975)	(8,806,396)
Provision as of 31 December	<u>18,238,347</u>	<u>25,527,796</u>

b) Long-Term Provisions

Long-term provisions for employee benefits as of 31 December 2025 and 2024 are presented below:

Long-term provisions	31 December 2025	31 December 2024
Provision for employment termination benefit	95,280,480	112,441,086
Seniority incentive premium provision	21,336,726	24,985,602
	<u>116,617,206</u>	<u>137,426,688</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.

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

b) Long-Term Provisions (cont'd)

Provision for Severance Incentive Bonus (cont'd):

Transactions of the provisions for severance incentive premium in the fiscal period ending on 31 December 2025 and 2024 are presented below:

	1 January- 31 December 2025	1 January- 31 December 2024
Provision as of 1 January	24,985,602	14,790,812
Service cost	(2,401,400)	14,770,853
Interest cost	6,055,931	3,663,610
Amount paid during the period	(1,172,967)	(1,715,411)
Earnings from reducing benefits / layoffs	-	49,145
Inflation accounting effect	(6,130,440)	(6,573,407)
Provision as of 31 December	21,336,726	24,985,602

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 employment termination benefit payable as of 31 December 2025 is subject to a monthly cap of TL 53,919.68 (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 ("Benefits Provided to Employees") 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.

	31 December 2025	31 December 2024
Discount rate	27.12%	25.88%
Inflation rate	22.06%	21.81%

The estimated rate of employment termination benefit amounts which will not be paid as a result of voluntary resignations and which will remain within the Group has been taken into account as well. It has been assumed that the voluntary resignation rates of employees would depend on their past service period; the past experience was analyzed and the assumed voluntary resignations expected prospectively were reflected in the calculation in order to calculate the total severance pay liability. In the actuarial calculations made, the voluntary resignation possibility of employees was included in the calculation at the rates which decline as the previous service period increases. Accordingly, the possibility of voluntary resignation is between 11 per cent and 0 per cent for personnel whose previous service period is between 0 and 15 years and above.

The important estimates used in the calculation of the severance pay liability are the discount rate and the probability of voluntary dismissal.

- If the discount rate is increased by 1 percent annually, the amount of severance pay decreases by 7.7 percent.
- If the discount rate is decreased by 1 percent annually, the amount of severance pay increases by 9.1 percent.
- If the annual inflation rate is increased by 1 percent, the amount of severance pay increases by 9.4 percent.
- If the annual inflation rate is decreased by 1 percent, the amount of severance pay decreases by 8.0 percent.
- If the possibility of voluntary departure is not used, the amount of severance pay increases by 6.3 percent.

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

b) Long-Term Provisions (cont'd)

Provision for employment termination benefit (cont'd):

As of 31 December 2025 and 2024, the movement of provision for employment termination benefits is as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Provision as of 1 January	112,441,086	124,800,512
Service cost	16,375,152	24,636,547
Interest cost	23,200,629	21,154,280
Employment termination benefits paid	(19,961,828)	(18,987,508)
Earnings from reducing benefits / layoffs	6,539,935	5,117,198
Actuarial gain / (loss)	(15,883,906)	(2,364,908)
Inflation accounting effect	(27,430,588)	(41,915,035)
Provision as of 31 December	95,280,480	112,441,086

21. OTHER CURRENT ASSETS

	31 December 2025	31 December 2024
<u>Other Current Assets</u>		
Transferred VAT	421,048,666	844,971,936
Other miscellaneous current assets	30,331,136	31,280,425
	<u>451,379,802</u>	<u>876,252,361</u>

22. EQUITY

a) Share Capital

The paid-in capital structure of the Company as of 31 December 2025 and 2024 is as follows:

Shareholders	%	31 December 2025	%	31 December 2024
Ordu Yardımlaşma Kurumu	55.4	4,667,398,975	55.4	4,667,398,975
Public	44.6	3,762,601,025	44.6	3,762,601,025
		<u>8,430,000,000</u>		<u>8,430,000,000</u>
Share Capital Adjustment Differences		12,164,650,582		12,164,650,582
		<u>20,594,650,582</u>		<u>20,594,650,582</u>

The Company's registered capital ceiling is TL 8,500,000,000 (31 December 2024: TL 8,500,000,000).

The capital consists of 8,430,000,000,000 shares with a nominal value of TL 0.01 and there are no privileged shares.

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22. EQUITY (cont'd)

a) Share Capital (cont'd)

After the exercise of the rights to acquire new shares (pre-emptive rights), the shares with a total nominal value of TL 43,732,413,926 corresponding to the rights to acquire new shares that were not exercised in due time were offered for sale in the Primary Market of Borsa Istanbul A.Ş. for 2 (two) business days on 07 October-08 October 2024, and all of the remaining shares were sold for TL 178,089,491 and the capital increase was completed on 08 October 2024. Our company has provided total nominal funds amounting to TL 6,034,359,312 due to the capital increase.

b) Restricted Reserves Appropriated from Profit

	31 December 2025	31 December 2024
Legal Reserves	597,606,222	597,606,222
	<u>597,606,222</u>	<u>597,606,222</u>

In accordance with Turkish Commercial Law, legal reserves are classified as first and second reserves. The Group reserves 5% of the historical statutory profit as first legal reserve, until the total reserve reaches 20% of the historical paid in share capital. The other legal reserve is appropriated at the rate of 10% per annum of all cash dividend distributions after the payment of dividends to the shareholders at a rate of 5%. According to Turkish Commercial Law, general legal reserves cannot be distributed unless it exceeds 50% of the issued capital yet can be used to close the losses when the profit reserves are insufficient.

Publicly traded companies distribute their dividends in this way: in accordance with the CMB decision dated 25 February 2005 and numbered 7/242; if the entire profit distribution amount calculated in accordance with the regulations of the CMB regarding the minimum profit distribution obligation over the net distributable profit found in accordance with the CMB regulations can be met from the distributable profit in the legal records, the whole of this amount, and if not, the entire net distributable profit in the legal records will be distributed. If there is a period loss in the financial statements prepared in accordance with the CMB regulations or in any of the legal records, profit distribution will not be made.

With the decision of the Capital Markets Board dated 27 January 2010, no minimum profit distribution obligation was introduced for the dividend distribution to be made for publicly held joint stock companies whose shares are traded on the stock exchange.

Equity inflation adjustment differences and registered values of extraordinary reserves, bonus issue capital increase; cash can be used for profit distribution or loss offset. However, if the equity inflation adjustment differences are used in cash profit distribution, they will be subject to corporate tax.

c) Actuarial Gain/Loss Fund for Employee Benefits

	31 December 2025	31 December 2024
Defined benefit plans remeasurement losses	(82,801,306)	(98,685,212)
Deferred tax	17,918,946	21,889,923
	<u>(64,882,360)</u>	<u>(76,795,289)</u>

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22. EQUITY (cont'd)

d) Additional Information on Share Capital, Reserves and Other Equity Items

As of 31 December 2025 and 2024, the comparison of the inflation adjusted equity items presented in the consolidated financial statements with the inflation adjusted amounts in the financial statements prepared in accordance with the Tax Procedure Law are as follows:

	Inflation-adjusted amounts included in the financial statements prepared in accordance with the Tax Procedure Law	Inflation-adjusted amounts in the financial statements prepared in accordance with TAS/IFRS Financial Statements	Difference in prior years' losses
31 December 2025			
Share Capital Adjustment Differences	5,132,279,085	12,164,650,583	(7,032,371,498)
Premiums/Discounts on Shares	46,743,583	119,035,510	(72,291,927)
Restricted Reserves Appropriated from Profit	500,525,188	517,202,225	(16,677,037)

	Inflation-adjusted amounts included in the financial statements prepared in accordance with the Tax Procedure Law	Inflation-adjusted amounts in the financial statements prepared in accordance with TAS/IFRS Financial Statements	Difference in prior years' losses
31 December 2024			
Share Capital Adjustment Differences	6,717,759,590	9,560,427,303	(2,842,667,713)
Premiums/Discounts on Shares	61,183,764	70,474,773	(9,291,009)
Restricted Reserves Appropriated from Profit	655,149,072	492,363,559	162,785,513

23. REVENUE AND COST OF SALES

a) Revenue

	1 January- 31 December 2025	1 January- 31 December 2024
Domestic sales	6,209,192,660	6,594,268,166
Foreign sales	474,372,731	582,381,418
Other sales	9,839,740	33,358,572
Sales returns (-)	(93,663,510)	(116,549,838)
Sales discounts (-)	(471,827,264)	(722,813,266)
	<u>6,127,914,357</u>	<u>6,370,645,052</u>

b) Cost of Sales

	1 January- 31 December 2025	1 January- 31 December 2024
Raw material expenses	(2,929,890,213)	(3,003,026,215)
Personnel expenses	(413,224,206)	(426,081,173)
General production expenses	(338,426,534)	(326,671,178)
Depreciation and amortization expenses	(394,881,066)	(281,317,596)
Transportation expenses	(192,002,793)	(315,644,166)
Changes in work in-process inventories	(281,145,218)	(324,836,290)
Changes in finished goods inventories	(511,536,944)	(943,292,394)
Cost of goods sold	(5,061,106,974)	(5,620,869,012)
Cost of trade goods sold and other sales	(1,660,064,908)	(2,072,015,406)
	<u>(6,721,171,882)</u>	<u>(7,692,884,418)</u>

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24. MARKETING EXPENSES, GENERAL ADMINISTRATIVE EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

	1 January- 31 December 2025	1 January- 31 December 2024
General administrative expenses (-)	(1,169,701,065)	(1,327,867,068)
Marketing expenses (-)	(612,069,994)	(634,321,983)
Research and development expenses (-)	(446,835,229)	(505,430,363)
	<u>(2,228,606,288)</u>	<u>(2,467,619,414)</u>

a) Marketing Expenses

	1 January- 31 December 2025	1 January- 31 December 2024
Personnel expenses	(342,639,378)	(406,000,663)
Depreciation expenses	(127,357,013)	(76,988,747)
Advertisement expenses	(33,461,016)	(38,934,838)
Transport expenses	(16,624,111)	(18,965,238)
Travel expenses	(10,647,995)	(9,247,898)
Exhibition and fair expenses	(10,272,323)	(6,721,320)
Insurance expenses	(9,199,402)	(17,497,080)
Taxes, duties and charges	(6,702,483)	(4,549,826)
Energy and maintenance costs	(5,794,446)	(2,655,648)
Outsourced security costs	(5,704,868)	(3,852,689)
Information technology expenses	(5,363,972)	(4,325,902)
Cleaning Expenses	(5,246,814)	(7,694,608)
Litigation follow-up and consultancy expenses	(4,579,144)	(2,901,662)
Dealer meeting expenses	(3,446,589)	(3,020,981)
Representation expenses	(3,009,381)	(2,406,301)
Telephone Expenses	(844,247)	(673,427)
Rent expenses	(681,066)	(8,245,414)
Other	(20,495,746)	(19,639,741)
	<u>(612,069,994)</u>	<u>(634,321,983)</u>

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24. MARKETING EXPENSES, GENERAL ADMINISTRATIVE EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES (cont'd)**b) General Administrative Expenses**

	1 January- 31 December 2025	1 January- 31 December 2024
Depreciation expenses	(395,107,953)	(484,149,204)
Personnel expenses	(320,707,579)	(351,118,790)
Repair, maintenance and cleaning expenses	(193,141,258)	(233,639,625)
Consultancy expenses	(48,653,275)	(37,572,581)
Provision for doubtful receivables (net)	(45,895,018)	(72,998,890)
Outsourced security costs	(38,748,652)	(36,468,078)
Insurance expenses	(36,282,348)	(7,207,031)
Energy costs	(18,112,951)	(24,215,649)
Transport expenses	(11,510,983)	(11,717,132)
Taxes, duties and charges	(9,617,804)	(8,455,130)
Travel expenses	(8,563,386)	(4,435,321)
Litigation follow-up and consultancy expenses	(8,252,486)	(10,107,339)
Rent expenses	(6,180,122)	(3,707,026)
Information technology expenses	(5,934,311)	(5,553,535)
Advertisement and general assembly expenses	(1,299,428)	(4,682,706)
Representation expenses	(604,456)	(435,672)
PTT expenses	(253,024)	(269,583)
Stationery expenses	(245,989)	(575,170)
Meeting expenses	(219,523)	(79,949)
Dues expenses	(84,662)	(133,976)
Other	(20,285,857)	(30,344,681)
	<u>(1,169,701,065)</u>	<u>(1,327,867,068)</u>

c) Research and Development Expenses

	1 January- 31 December 2025	1 January- 31 December 2024
Depreciation expenses	(248,871,886)	(236,795,716)
Personnel expenses	(125,764,360)	(154,245,288)
Information technology expenses	(11,139,255)	(23,814,215)
Licence and Licence Usage Expenses	(10,697,327)	(23,241,750)
Repair, maintenance and cleaning expenses	(9,271,299)	(12,642,911)
Transport expenses	(7,329,150)	(11,941,102)
Consultancy expenses	(5,341,188)	(10,123,486)
Outsourced security costs	(3,224,448)	(1,480,790)
Stationery expenses	(1,429,914)	(768,030)
Energy costs	(895,083)	(829,154)
Taxes, duties and charges	(411,100)	(449,355)
Insurance expenses	(235,728)	(1,085,532)
PTT expenses	(149,744)	(245,369)
Other	(22,074,747)	(27,767,665)
	<u>(446,835,229)</u>	<u>(505,430,363)</u>

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25. EXPENSES BY NATURE

As of 31 December 2025 and 2024, details of depreciation and amortization expenses are as follows:

a) Depreciation and Amortization Expenses

	1 January- 31 December 2025	1 January- 31 December 2024
Property, plant and equipment and right-of-use assets	(975,314,433)	(900,230,933)
Production cost	(362,704,859)	(267,117,133)
Marketing expenses	(105,294,857)	(54,647,792)
General administrative expenses	(385,810,142)	(452,154,688)
Research and development expenses	(121,504,575)	(126,311,320)
Intangible assets	(190,903,485)	(179,020,330)
Production cost	(32,176,207)	(14,200,463)
Marketing expenses	(22,062,156)	(22,340,955)
General administrative expenses	(9,297,811)	(31,994,516)
Research and development expenses	(127,367,311)	(110,484,396)
Investment properties	(2,124,207)	(2,024,711)
Expenses from investing activities	(2,124,207)	(2,024,711)
	<u>1,168,342,125</u>	<u>(1,081,275,974)</u>

b) Employee Benefits

	1 January- 31 December 2025	1 January- 31 December 2024
Personnel Expenses		
Salary and wages	(913,399,712)	(935,142,826)
Social insurance expenses	(136,587,037)	(117,764,150)
Other benefit and services	(152,348,774)	(284,538,938)
	<u>(1,202,335,523)</u>	<u>(1,337,445,914)</u>

26. OTHER OPERATING INCOME

Other operating income for the years ended 31 December 2025 and 2024 is as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Foreign exchange gain (*)	93,430,697	165,859,350
Service income	23,576,105	36,486,077
Reversal of expected credit loss provision	22,315,248	12,811,790
Scrap, waste and recycling income	6,371,487	5,009,613
Damage compensation income	5,480,668	4,925,516
Income from maturity difference	1,449,910	6,588,886
Other income	24,328,427	40,182,531
	<u>176,952,542</u>	<u>271,863,763</u>

(*) It arises from trade receivables and trade payables.

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27. OTHER OPERATING EXPENSES

Other operating expenses for the years ended 31 December 2025 and 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Foreign exchange loss (*)	(187,817,679)	(102,335,642)
Provision for expected credit losses	(11,426,659)	-
Damage compensation expenses	(2,299,054)	(27,926,483)
Other expenses and losses	(307,110,486)	(34,582,842)
	<u>(508,653,878)</u>	<u>(164,844,967)</u>

(*) It arises from trade receivables and trade payables.

28. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

a) Income from Investing Activities

The details of income from investing activities for the year ended 31 December 2025 and 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Gain on sale of fixed assets	2,626,683	3,529,962
Rents received	5,966,760	4,967,938
Other (*)	247,205	16,027,371
	<u>8,840,648</u>	<u>24,525,271</u>

(*) Consists of currency hedged deposits and investment fund income.

b) Expenses from Investing Activities

The details of expenses from investing activities for the years ended 31 December 2025 and 2024 are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
Fixed asset sales loss	(28,656)	(404,841)
Depreciation of investment property (Note 15)	(2,124,207)	(2,024,711)
Diğer	-	(427)
	<u>(2,152,863)</u>	<u>(2,429,979)</u>

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29. FINANCE INCOME AND EXPENSES

a) Finance Income

The details of finance income for the years ended 31 December 2025 and 2024 are as follows:

	1 January - 31 December 2025	1 January - 31 December 2024
Interest income	411,085,707	2,057,324,562
Exchange difference income	205,922,102	550,906,734
Income from maturity difference	63,999,002	183,764,907
	<u>681,006,811</u>	<u>2,791,996,203</u>

b) Finance Expenses

The details of finance expenses for the years ended 31 December 2025 and 2024 are as follows:

	1 January - 31 December 2025	1 January - 31 December 2024
Bank loan interest expenses	(1,581,004,983)	(5,840,285,080)
Interest expense related to bond and bill transactions	-	(236,649,141)
Interest expenses related to lease liabilities	(119,107,385)	(78,058,753)
Employment termination benefit interest expenses	(29,256,560)	(24,817,890)
Banking transaction expenses	(146,599,278)	(227,131,246)
Interest expense on maturity difference	(511,306,583)	(610,514,477)
Factoring expenses	-	(435,673,626)
Exchange difference expense	(1,242,845,420)	(814,663,751)
	<u>(3,630,120,209)</u>	<u>(8,267,793,964)</u>

30. 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.

The corporate tax rate to be accrued on the taxable corporate profits is calculated over the tax base remaining after addition of non-deductible expenses that are booked as expense in the determination of business profits and after deduction of non-taxable incomes and other deductions (previous years' losses, if any, and investment allowances used if preferred).

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.

According to the provisional article added to the Tax Procedure Law ("TPL") by Law No. 7571, published in the Official Gazette on 24 December 2025, even if the conditions are met, inflation adjustments based on the Producer Price Index ("PPI") will not be applied to the 2025, 2026, and 2027 accounting periods. Therefore, inflation adjustments will not be applied to the TPL financial statements that will serve as the basis for corporate tax returns for these periods. The Group is evaluating the impact of these changes on its consolidated financial statements.

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

Corporate Tax (cont'd)

	31 December 2025	31 December 2024
Provision for current corporate tax	(579,775)	-
Less: Prepaid taxes and funds	7,750,988	138,472,527
Current tax assets	7,171,213	138,472,527

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- 31 December 2025	1 January- 31 December 2024
<u>Tax (expense) / income consists of:</u>		
Current tax expense	(579,775)	-
Deferred tax (expense) / income	132,563,199	1,034,986,475
Total tax (expense) / income	131,983,424	1,034,986,475
<u>Deferred tax assets / (liabilities) :</u>		
	31 December 2025	31 December 2024
Tax advantage from investment discount	366,740,557	383,228,462
Interest deduction on cash capital increase	1,231,475,024	764,801,533
Accumulated financial loss tax advantage	1,570,468,699	1,394,273,308
Employment termination benefit and severance incentive premium provisions	29,154,301	34,356,671
Provision for unused vacation and premium	38,987,290	52,794,553
Differences in book values of inventories	(24,809,197)	(208,359,709)
Depreciation of property, plant and equipment/amortization of other intangible assets	(703,530,399)	(319,822,616)
Other	1,715,026	(166,891)
	2,510,201,301	2,101,105,311
Deferred tax provision (-)	(290,240,599)	-
Total	2,219,960,702	2,101,105,311
Deferred tax asset	2,308,147,503	2,193,263,355
Deferred tax liability	(88,186,801)	(92,158,044)
	2,219,960,702	2,101,105,311

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

Deferred Tax: (cont'd)

As of 31 December 2025 and 2024, the movement of deferred tax (assets)/liabilities for the years ended are as follows:

	1 January- 31 December 2025	1 January- 31 December 2024
<u>Movement of deferred tax asset / (liability):</u>		
Opening balance as of 1 January	2,101,105,311	1,071,204,906
(Expense) / income recognized in statement of income	132,563,199	1,034,986,475
Income recognized in the statement of other comprehensive income	(3,970,977)	(591,226)
Foreign currency translation differences	(9,736,831)	(4,494,844)
Closing balance as of 31 December	2,219,960,702	2,101,105,311
	1 January- 31 December 2025	1 January- 31 December 2024
<u>Reconciliation of tax provision:</u>		
Loss before tax	(4,206,331,897)	(4,639,967,377)
Income tax rate of 25% (2024: 25%)	25%	25%
Expected tax income	1,051,582,974	1,159,991,844
Tax effects of:		
- non-taxable income	9,375,521	18,084,977
- non-deductable expenses	(562,754,402)	(97,452,310)
- inflation effect	(754,691,069)	(608,254,014)
- investment incentive discount	73,959,103	51,104,056
- cash capital interest discount	659,818,218	522,175,434
- reversal of deferred tax provision	(290,240,599)	-
- effect of other non-taxable items	(55,066,322)	(10,663,512)
Tax provision income / (expense) in the statement of profit or loss	131,983,424	1,034,986,475

(*) As of 31 December 2025, the Group has unused tax losses of TL 6,670,536,288 (31 December 2024: TL 5,671,025,528) and a deferred tax asset of TL 1,280,228,100 (31 December 2024: TL 1,394,273,308) has been recognised for these losses. Due to the uncertainty of future profitability, the remaining deferred tax asset of TL 387,405,972 (31 December 2024: TL 68,774,755) has not been recognised.

	31 December 2025	31 December 2024
0-1 year	2,755,144	812,996
1-2 years	8,396,595	3,606,272
2-3 years	301,950,815	10,990,499
3-4 years	29,059,926	15,327,774
4-5 years	45,243,492	38,037,214
	387,405,972	68,774,755

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31. EARNINGS PER SHARE

	1 January- 31 December 2025	1 January- 31 December 2024
Earnings per share		
Weighted average number of shares outstanding during the period	843,000,000,000	343,520,547,945
Parent net profit for the period	(4,046,103,535)	(3,569,074,537)
Profit per share from continuing operations		
-one hundred shares of common stock (TL)	(0.48)	(1.04)

32. RELATED PARTY DISCLOSURES

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

	31 December 2025		31 December 2024	
	Trade		Trade	
Balances with related parties	Receivables	Payables	Receivables	Payables
Parent Company				
OYAK	-	45,648,203	-	42,343,982
Other Companies Managed by the Parent				
Arma İlaç Sanayi ve Ticaret A.Ş.	28,829,444	-	59,592,840	-
OYAK Biyoteknoloji San.ve Ticaret A.Ş.	23,498,368	16,270,679	661,806	19,935,473
OYAK Grup Sigorta ve Reasürans Brokerliği A.Ş.	-	68,845,970	-	76,956,640
OYAK Otomotiv Enerji ve Lojistik Holding A.Ş.	-	14,424,148	-	13,307,987
OYAK Pazarlama Hizmet Turizm A.Ş.	-	11,964,765	20,193,400	8,664,220
OYAK Savunma ve Güvenlik Hiz. A.Ş.	-	5,520,754	-	8,419,406
Akdeniz Chemson Kimya Sanayi ve Ticaret A.Ş.	-	3,236,969	371,230	-
Omsan Lojistik A.Ş.	-	2,811,649	-	2,919,094
Güzel Enerji Akaryakıt A.Ş.	-	1,521,338	-	2,160,103
OYAK İnşaat A.Ş.	-	1,141,675	-	-
Tamek Grup Gıda Üretim A.Ş.	-	140,963	-	-
Other	9,040	2,687,608	194,299	4,232,104
	52,336,852	174,214,721	81,013,575	178,939,009

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.

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32. RELATED PARTY DISCLOSURES (cont'd)

	31 December 2025	31 December 2024
Short-term advances given to related parties		
Other Companies Managed by the Parent		
OYPOWER Elektrik Ticareti ve Hizmetleri A.Ş.	-	787,427
OYAK Gıda Ve Tarım Holding Anonim Şirketi	79,534	-
	<u>79,534</u>	<u>787,427</u>
Other short-term payables to related parties		
Parent		
OYAK	514,375,000	658,079,360
Other Companies Managed by the Parent		
OYAK Otomotiv Enerji ve Lojistik Holding A.Ş.	674,088,014	894,777,667
Other		
Dividends to be Paid Founder Shares (*)	7,121,635	9,321,674
	<u>1,195,584,649</u>	<u>1,562,178,701</u>

(*) Consists of the portion of previous years' dividend payments not yet completed as of 31 December 2025.

	31 December 2025	31 December 2024
Other long-term payables to related parties		
Other Companies Managed by the Parent		
OYAK Sermaye Yatırımları A.Ş.	166,053,368	163,623,658
	<u>166,053,368</u>	<u>163,623,658</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 43% - 56%. For long term other payables to related parties, 2% interest rate is used in AUD.

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32. RELATED PARTY DISCLOSURES (cont'd)

	1 January - 31 December 2025		1 January - 31 December 2024	
Transactions with related parties	Purchases	Sales	Purchases	Sales
Parent				
OYAK	168,815,178	-	134,350,827	-
Other Companies Managed by the Parent				
OYAK Savunma ve Güvenlik Hiz. A.Ş.	92,449,372	-	79,323,234	-
OYAK Pazarlama Hizmet Turizm A.Ş.	62,953,767	17,689,581	67,869,397	35,725,725
OYPOWER Elektrik Ticareti ve Hizmetleri A.Ş.	41,558,910	-	38,908,331	-
Güzel Enerji Akaryakıt A.Ş.	18,079,483	-	23,807,706	-
İndisol Bilişim ve Teknoloji A.Ş.	17,366,566	-	12,951,855	-
Omsan Lojistik A.Ş.	16,917,693	-	35,734,353	-
OYAK İnşaat A.Ş.	8,774,894	-	30,956,792	-
Akdeniz Chemson Kimya Sanayi ve Ticaret A.Ş.	7,513,452	-	122,626	-
Doco Petrol ve Danışmanlık A.Ş.	2,351,909	-	3,345,820	-
OYAK Biyoteknoloji Sanayi ve Tic.A.Ş.	2,165,950	24,198,721	32,339,337	425,589
Satem Grup Gıda Dağıtım ve Pazarlama A.Ş.	543,722	-	-	1,795,574
OYAK Yatırım Menkul Değerler A.Ş.	127,719	-	2,116,236	-
Arma İlaç Sanayi ve Ticaret A.Ş.	51,974	128,575,034	124,121,378	151,077,525
Likitgaz Dağıtım Ve Endüstri A.Ş.	1,927	-	-	-
Tamek Grup Gıda Üretim A.Ş.	-	1,760,857	-	5,260,614
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. (*)	-	16,777	-	-
Kümaş Manyezit San.A.Ş.	-	9,160	-	-
OYAK Gıda Ve Tarım Holding A.Ş.	-	-	-	49,659,937
OYAK Otomotiv Enerji ve Lojistik Holding A.Ş.	-	-	5,788,572	-
	<u>439,672,516</u>	<u>172,250,130</u>	<u>591,736,464</u>	<u>243,944,964</u>

	1 January- 31 December 2025	1 January- 31 December 2024
Maturity difference expenses to related parties		
Parent		
OYAK	281,298,371	295,554,566
Other Companies Managed by the Parent		
OYAK Otomotiv Enerji ve Lojistik Holding A.Ş.	230,008,212	314,959,911
	<u>511,306,583</u>	<u>610,514,477</u>
Maturity difference income from related parties		
Other Companies Managed by the Parent		
Arma İlaç Sanayi ve Ticaret A.Ş.	63,999,002	183,764,907
	<u>63,999,002</u>	<u>183,764,907</u>

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32. RELATED PARTY DISCLOSURES (cont'd)

	1 January- 31 December 2025	1 January- 31 December 2024
Exchange rate difference income from related parties		
Other Companies Managed by the Parent		
Arma İlaç Sanayi ve Ticaret A.Ş.	-	69,196,252
OYAK Gıda Ve Tarım Holding A.Ş.	-	46,450,487
	-	115,646,739

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- 31 December 2025	1 January- 31 December 2024
Salaries and other short-term benefits	76,994,929	83,468,628
	76,994,929	83,468,628

33. 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 capital structure of the Group consists of debts including the loans disclosed in Note 3 and Note 5, cash and cash equivalents, and equity items including issued capital, reserves and previous year profits disclosed respectively in Note 22.

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 protection against financial risks.

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33. 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						
	Trade Receivables		Other Receivables		Deposits at Banks	Other Cash Equivalents	Financial Investments
	Related Party	Other Party	Related Party	Other Party			
31 December 2025							
Maximum credit risk exposed as of reporting date (A+B+C+D) (*)	52,336,852	1,211,214,442	-	51,403,486	239,461,999	1,138,741,429	411,798,828
- Secured portion of the maximum risk with guarantee etc. (**)	-	471,511,570	-	-	-	-	-
A. Financial assets not past due nor impaired instruments	52,336,852	1,119,560,878	-	51,403,486	239,461,999	1,138,741,429	411,798,828
B. Assets past due but not impaired	-	91,653,564	-	-	-	-	-
- Secured portion with guarantee etc.	-	11,897,837	-	-	-	-	-
C. Net book value of impaired assets	-	223,055,507	-	-	-	-	-
- Past due (gross book value)							
- Impairment (-)	-	(223,055,507)	-	-	-	-	-
- 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 balance.

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

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33. 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				Deposits at Banks	Other Cash Equivalents	Financial Investments
	Trade Receivables		Other Receivables				
31 December 2024	Related Party	Other Party	Related Party	Other Party			
Maximum credit risk exposed as of reporting date (A+B+C+D) (*)	81,013,575	1,654,821,511	-	261,676,423	2,307,717,995	142,568,622	1,524,527,031
- Secured portion of the maximum risk with guarantee etc. (**)	-	598,556,270	-	-	-	-	-
A. Financial assets not past due nor impaired instruments	81,013,575	1,500,147,436	-	261,676,423	2,307,717,995	142,568,622	1,524,527,031
B. Assets past due but not impaired	-	154,489,340	-	-	-	-	-
- Secured portion with guarantee etc.	-	10,739,192	-	-	-	-	-
C. Net book value of impaired assets	-	232,897,948	-	-	-	-	-
- Past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	(232,713,240)	-	-	-	-	-
- Secured portion of the net value with guarantee etc.	-	184,735	-	-	-	-	-
- 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 balance.

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

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33. 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>31 December 2025</u>	<u>31 December 2024</u>
	<u>Trade</u>	<u>Trade</u>
	<u>Receivables</u>	<u>Receivables</u>
1-30 days overdue	48,358,166	114,123,414
1-3 months overdue	42,433,269	25,443,805
3-12 months overdue	862,129	14,737,386
1-5 years overdue	223,055,507	233,061,427
Total overdue receivables	<u>314,709,071</u>	<u>387,366,032</u>
Secured portion with guarantee etc.	<u>11,897,837</u>	<u>10,923,927</u>

As of the balance sheet date, provision for overdue trade receivables amounting to TL 223,055,507 (31 December 2024: TL 232,713,240). The guarantees received for overdue trade receivables for which no provision has been recognized are as follows:

	<u>31 December</u>	<u>31 December</u>
	<u>2025</u>	<u>2024</u>
Letters of guarantee	<u>11,897,837</u>	<u>10,923,927</u>
	<u>11,897,837</u>	<u>10,923,927</u>

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33. 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 financial liabilities which are not in the nature of derivatives. The following tables have been prepared based on the earliest dates when payment should be made and without discounting the Group's liabilities. Interests payable over the liabilities in question are included in the table below. Derivative financial liabilities on the other hand have been arranged 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.

31 December 2025

<u>Contractual maturities</u>	<u>Book Value</u>	<u>Total contractual cash outflows (I+II+III+IV)</u>	<u>Less than 3 months (I)</u>	<u>Between 3-12 months (II)</u>	<u>Between 1-5 years (III)</u>	<u>Over 5 years (IV)</u>
Non-derivative financial liabilities						
Financial liabilities	9,921,145,680	12,883,609,026	903,918,003	8,637,656,225	1,748,800,014	1,593,234,784
Trade payables	2,014,402,479	2,014,402,479	903,376,419	1,111,026,060	-	-
Payables related to employee benefits	162,204,556	162,204,556	21,115,585	141,088,971	-	-
Other payables	1,393,917,411	1,885,854,073	347,537,043	1,372,263,662	166,053,368	-
	13,491,670,126	16,946,070,134	2,175,947,050	11,262,034,918	1,914,853,382	1,593,234,784

31 December 2024

<u>Contractual maturities</u>	<u>Book Value</u>	<u>Total contractual cash outflows (I+II+III+IV)</u>	<u>Less than 3 months (I)</u>	<u>Between 3-12 months (II)</u>	<u>Between 1-5 years (III)</u>	<u>Over 5 years (IV)</u>
Non-derivative financial liabilities						
Financial liabilities	9,496,494,275	12,299,346,395	1,355,742,176	5,661,372,253	4,107,300,691	1,174,931,275
Trade payables	1,748,915,197	1,748,915,197	1,046,451,672	702,463,525	-	-
Payables related to employee benefits	209,726,547	209,726,547	21,892,344	187,834,203	-	-
Other payables	1,756,068,419	1,930,357,843	654,701,283	1,112,032,902	163,623,658	-
	13,211,204,438	16,188,345,982	3,078,787,475	7,663,702,883	4,270,924,349	1,174,931,275

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33. 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.

In the current year, there has been no changes in the market risk to which the Group is exposed or the management and measurement methods for the risks, compared to the previous year.

Exchange rate risk management

Transactions in foreign currency result in exchange rate risks. Exchange rate risk is managed through the forward foreign exchange purchase / sale contracts concluded based on approved policies. Distribution of the Group's monetary assets and monetary liabilities in foreign currency as of the reporting date is as follows:

	TL Equivalent (Functional currency)	31 December 2025			
		USD	EUR	CNY	GBP
Trade Receivable	123,706,890	2,887,265	-	-	-
Monetary Financial Assets	626,754,464	14,616,041	10,340	-	-
Non-Monetary Financial Assets	90,567,163	1,877,642	201,215	-	-
CURRENT ASSETS	841,028,517	19,380,948	211,555	-	-
Non-Monetary Financial Assets	1,719,619,116	39,199,551	797,180	-	-
NON-CURRENT ASSETS	1,719,619,116	39,199,551	797,180	-	-
TOTAL ASSETS	2,560,647,633	58,580,499	1,008,735	-	-
Financial Liabilities	5,120,342,718	119,291,630	-	-	-
Trade Payables	1,574,050,301	20,039,390	788,804	109,197,639	-
CURRENT LIABILITIES	6,694,393,019	139,331,020	788,804	109,197,639	-
Financial Liabilities	1,011,754,070	23,571,429	-	-	-
NON-CURRENT LIABILITIES	1,011,754,070	23,571,429	-	-	-
TOTAL LIABILITIES	7,706,147,089	162,902,449	788,804	109,197,639	-
Net foreign currency asset liability position	(5,145,499,456)	(104,321,950)	219,931	(109,197,639)	-
Export	451,772,370	10,821,438	-	-	-
Import	1,842,184,749	31,853,625	4,621,973	72,883,712	2,114,210

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

Exchange rate risk management (cont'd)

	31 December 2024		
	TL Equivalent (Functional currency)	USD (*)	EUR (*)
Trade Receivable	78,495,415	1,699,800	-
Monetary Financial Assets	1,641,781,809	35,547,853	4,371
Non-Monetary Financial Assets	32,497,104	683,777	19,150
Other	-	-	-
CURRENT ASSETS	1,752,774,328	37,931,430	23,521
Non-Monetary Financial Assets	694,202,933	13,975,946	1,014,973
NON-CURRENT ASSETS	694,202,933	13,975,946	1,014,973
TOTAL ASSETS	2,446,977,261	51,907,376	1,038,494
Financial Liabilities	3,750,843,097	81,223,638	-
Trade Payables	1,324,030,686	24,545,928	3,962,145
CURRENT LIABILITIES	5,074,873,783	105,769,566	3,962,145
Financial Liabilities	2,840,021,174	61,500,000	-
NON-CURRENT LIABILITIES	2,840,021,174	61,500,000	-
TOTAL LIABILITIES	7,914,894,957	167,269,566	3,962,145
Net foreign currency asset liability position	(5,467,917,696)	(115,362,190)	(2,923,651)
Export	472,421,399	10,257,749	-
Import	1,477,213,774	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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33. NATURE AND LEVEL OF THE RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Sensitivity to exchange rate risk

The Group is exposed to exchange rate risk, primarily in USD and Euro.

The following table shows the Group's sensitivity to a 10% increase and decrease in USD and Euro rates. The 10% rate refers to the rate used while reporting the exchange rate risk to senior managers within the Group. The sensitivity analysis only covers the monetary items in open foreign currency at the end of the year and shows the effects of the 10% change in exchange rates at the end of the year for these items. A negative value signifies a decline in the profit/loss and other equity items.

	31 December 2025	
	Profit / Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
In case USD appreciates 10% against TL		
Net asset/liability of USD	(448,232,304)	448,232,304
Portion hedged from USD risk (-)	-	-
USD net effect	(448,232,304)	448,232,304
In case EUR appreciates 10% against TL		
Net asset/liability of EUR	1,098,796	(1,098,796)
Portion hedged from EUR risk (-)	-	-
EUR net effect	1,098,796	(1,098,796)
In case CNY appreciates 10% against TL		
Net asset/liability of CNY	(67,416,438)	67,416,438
Portion hedged from CNY risk (-)	-	-
CNY net effect	(67,416,438)	67,416,438
TOTAL	(514,549,946)	514,549,946

	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	(532,733,433)	532,733,433
Portion hedged from USD risk (-)	-	-
USD net effect	(532,733,433)	532,733,433
In case EUR appreciates 10% against TL		
Net asset/liability of EUR	(14,058,337)	14,058,337
Portion hedged from EUR risk (-)	-	-
EUR net effect	(14,058,337)	14,058,337
TOTAL	(546,791,770)	546,791,770

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 financial liabilities of the Group consist of fixed-interest instruments. Therefore, the Group does not have any risks which may be from fluctuations in the interest rate.

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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34. 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

Classes and fair values of financial instruments

31 December 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	1,378,470,800	-	-	3
Trade receivables	1,263,551,294	-	-	6a
Financial investments	-	411,798,828	-	4
<u>Financial liabilities</u>				
Financial liabilities	-	-	9,921,145,680	5
Trade payables	-	-	2,014,402,479	6b
Payables related to employee benefits	-	-	162,204,556	7
Other payables	-	-	1,393,917,411	8b
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	2,450,706,127	-	-	3
Trade receivables	1,735,835,086	-	-	6a
Financial investments	-	1,524,527,031	-	4
<u>Financial liabilities</u>				
Financial liabilities	-	-	9,496,494,275	5
Trade payables	-	-	1,748,915,197	6b
Payables related to employee benefits	-	-	209,726,547	7
Other payables	-	-	1,756,068,419	8b

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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35. FEES FOR SERVICES RECEIVED FROM THE INDEPENDENT AUDIT FIRM

The fees related to the services received by the Group from the Independent Audit Firm (IAF) for the periods 1 January - 31 December 2025 and 2024 are as follows:

	2025			2024		
	IAF	Other IAF	Total	IAF	Other IAF	Total
Independent audit fee for the reporting period	5,960,896	1,457,660	7,418,556	5,419,640	-	5,419,640
	<u>5,960,896</u>	<u>1,457,660</u>	<u>7,418,556</u>	<u>5,419,640</u>	<u>-</u>	<u>5,419,640</u>

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

The Group's net monetary position gains and (losses) as of 31 December 2025 and 2024 are as follows:

Non-Monetary Items	31 December 2025	31 December 2024
Financial statement items	808,526,034	2,309,597,684
Inventories	186,313,398	749,510,605
Prepaid expenses	285,686,988	311,109,234
Financial investments	628,704,342	403,857,134
Investment properties	26,486,546	18,807,358
Property, plant and equipment	2,904,014,847	3,976,112,087
Right-of-use assets	153,890,420	37,186,865
Goodwill	131,444,500	171,189,808
Intangible assets	333,588,433	349,416,296
Deferred tax asset	505,350,880	340,172,967
Share capital	(4,860,611,126)	(4,011,556,769)
Share Premiums/Discounts	(65,193,719)	(34,863,193)
Resctricted reserves appropriated from profit	(141,043,007)	(186,349,156)
Defined benefit plans remeasurement gains (losses)	16,948,727	23,921,900
Prior years' profit	702,944,805	161,082,548
Statement of profit or loss items	1,081,132,831	2,186,977,392
Revenue	(779,186,747)	(1,068,166,874)
Cost of sales (-)	1,508,779,436	2,124,199,200
Research and Development Expenses (-)	20,943,271	36,481,098
Marketing expenses (-)	51,525,737	72,704,894
General administrative expenses (-)	73,879,220	97,448,481
Other operating income	(17,183,674)	(89,226,859)
Other operating expenses (-)	31,295,052	29,218,827
Income from investment activities	(1,087,888)	(1,602,932)
Expenses from investment activities (-)	1,579	21,833
Finance income	(72,314,698)	(378,971,561)
Finance expenses (-)	264,481,543	1,364,871,285
	<u>1,889,658,865</u>	<u>4,496,575,076</u>

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37. EVENTS AFTER THE REPORTING DATE

The Board of Directors, on 6 January 2026, resolved to: To increase the Company's registered capital ceiling from TL 8,500,000,000 to TL 25,000,000,000, to extend the validity period until the end of 2027 to 2030, and consequently to amend Article 7 of the Company's Articles of Association entitled 'Capital'; To this end, it has been decided to obtain the necessary approvals from the Capital Markets Board and the Ministry of Trade of the Republic of Türkiye, and following the receipt of such approvals, to submit the amendments to the shareholders for approval at the first general meeting to be held, and to authorise the General Directorate to act on these matters.

An application has been submitted to the Capital Markets Board on 9 January 2026 to amend Article 7 of the Company's Articles of Association entitled 'Capital' regarding the increase in the registered capital ceiling and the extension of the term.

As a result of the partnership negotiations conducted between the Company and Uzbek-Oman Investment Company JV LLC regarding the ongoing investments of Hektaş Asia LLC, the Group's wholly owned subsidiary, it has been resolved to admit Uzbek-Oman Investment Company JV LLC as a shareholder in Hektaş Asia LLC with a 33.3% ownership interest for a consideration of USD 24,905,317.23 (UZS 304,895,127,444.68). In this context, the General Assembly of Hektaş Asia LLC resolved to convene an extraordinary meeting on 3 February 2026 to approve a capital increase of 49.93%, to be fully subscribed in cash, with the pre-emptive rights of HEKTAŞ restricted for the purposes of the aforementioned partnership. Following the General Assembly and provided that only Uzbek-Oman Investment Company JV LLC participates in the 49.93% capital increase, the Company's ownership interest in Hektaş Asia LLC will be 66.7%.

The trade name of our subsidiary Areo Tohumculuk Arge Sanayi ve Dış Ticaret Anonim Şirketi was changed to HEKTAŞ Tohumculuk Sanayi ve Dış Ticaret Anonim Şirketi.

Pursuant to the resolution adopted at the Board of Directors meeting of the Company's ultimate parent, Ordu Yardımlaşma Kurumu (OYAK) General Directorate, dated 28 February 2026, certain structural arrangements have been considered in order to ensure the continuity of strategic decisions regarding the establishment of financing options using the equity method at the Company and the reduction of financing costs. Within this scope, a request has been submitted to the Company to amend the Articles of Association to restructure the Company's shares as Class A (privileged) and Class B (non-privileged) shares; to recognize privileges for Class A shares, including voting rights, the right to nominate candidates to the Board of Directors, and pre-emptive rights, in order to maintain control, ensure stability in management, and strengthen the decision-making processes related to the financing of operations. This request is currently under evaluation by the Company's Board of Directors, and following the completion of the required corporate and legal procedures in accordance with the relevant legislation, developments regarding this matter will be disclosed to the public.

Based on the resolution of our Board of Directors dated 5 March 2026; Pursuant to the separation of the shares representing the capital of our Company into A and B Groups and the creation of privileges for A Group shares, our application to the Capital Markets Board through the E-Application system regarding the amendment of Article 7 titled "Capital", Article 11 titled "Board of Directors", Article 12 titled "Term of the Board of Directors", Article 13 titled "Meetings", Article 14 titled "Powers of the Board of Directors", and Article 22 titled "Voting Rights and Form of Representation" of our Company's Articles of Association, and the addition of Article 38 titled "Transfer of Shares" to the Articles of Association, was submitted on 5 March 2026.