

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTHS INTERIM PERIOD
AS OF 31 MARCH 2025

(ORIGINALLY ISSUED IN TURKISH)

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HEKTAŞ GROUP

NOT REVIEWED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2025

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated).

	Notes	Current Period	Prior Period
		Not Reviewed	Audited
		31 March	31 December
		2025	2024
ASSETS			
Current Assets		8,159,168,864	9,738,810,266
Cash and Cash Equivalents	3	1,186,482,380	2,060,712,800
Financial Investments	4	1,246,796,726	1,281,921,293
Trade Receivables	6a	2,089,137,027	1,459,031,400
<i>From Related Parties</i>	<i>19</i>	<i>165,116,059</i>	<i>68,121,473</i>
<i>From Third Parties</i>		<i>1,924,020,968</i>	<i>1,390,909,927</i>
Other Receivables	7a	123,707,690	215,061,317
Inventories	8	2,643,748,180	3,723,027,496
Prepaid Expenses		165,236,699	145,809,403
<i>From Related Parties</i>	<i>19</i>	<i>-</i>	<i>662,120</i>
<i>From Third Parties</i>		<i>165,236,699</i>	<i>145,147,283</i>
Current Tax Assets	12	6,602,230	116,436,690
Other Current Assets		697,457,932	736,809,867
Non-Current Assets		17,253,138,075	16,761,399,434
Trade Receivables	6a	-	571,423
Other Receivables	7a	4,596,092	4,973,206
Investment Properties		118,219,697	118,677,594
Property, Plant and Equipment	9	10,241,874,805	10,512,891,131
Intangible Assets		1,900,371,418	1,743,173,343
Goodwill	<i>11</i>	<i>468,308,674</i>	<i>468,308,674</i>
<i>Other</i>	<i>10</i>	<i>1,432,062,744</i>	<i>1,274,864,669</i>
Right-of-Use Assets		716,809,979	703,555,418
Prepaid Expenses		2,343,201,757	1,833,319,114
Deferred Tax Asset	17	1,928,064,327	1,844,238,205
TOTAL ASSETS		25,412,306,939	26,500,209,700

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

HEKTAŞ GROUP

NOT REVIEWED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2025

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated).

		Current Period Not Reviewed 31 March 2025	Prior Period Audited 31 December 2024
	Notes		
LIABILITIES AND EQUITY			
Current Liabilities		7,711,278,221	8,066,063,151
Short-Term Borrowings	5	4,900,616,336	4,935,629,477
Lease Liabilities	5	64,901,772	62,349,507
Trade Payables	6b	1,396,240,921	1,470,601,429
<i>To Related Parties</i>	<i>19</i>	<i>60,778,256</i>	<i>150,463,535</i>
<i>To Third Parties</i>		<i>1,335,462,665</i>	<i>1,320,137,894</i>
Payables Related to Employee Benefits		90,787,149	176,351,695
Other Payables	7b	1,027,417,651	1,339,030,929
<i>To Related Parties</i>	<i>19</i>	<i>987,914,550</i>	<i>1,313,581,261</i>
<i>To Third Parties</i>		<i>39,503,101</i>	<i>25,449,668</i>
Deferred Income		200,399,818	54,915,159
Current Tax Liability		64,291	-
Short-Term Provisions	13a	30,850,283	27,184,955
<i>Related to Employee Benefits</i>	<i>13a</i>	<i>26,246,678</i>	<i>21,465,428</i>
<i>Other</i>	<i>13a</i>	<i>4,603,605</i>	<i>5,719,527</i>
Non-Current Liabilities		3,212,013,585	3,317,925,009
Long-Term Borrowings	5	2,342,584,400	2,426,229,258
Lease Liabilities	5	539,255,302	561,060,613
Other Payables	7b	138,641,864	137,585,393
<i>Other Payables to Related Parties</i>	<i>19</i>	<i>138,641,864</i>	<i>137,585,393</i>
Long-Term Provisions	13b	115,184,402	115,557,280
<i>Related to Employee Benefits</i>		<i>115,184,402</i>	<i>115,557,280</i>
Deferred Tax Liability	17	76,347,617	77,492,465
EQUITY		14,489,015,133	15,116,221,540
Equity Attributable to the Parent		14,535,781,996	15,158,023,275
Paid-in Capital		8,430,000,000	8,430,000,000
Capital Adjustment Differences		8,887,319,115	8,887,319,115
Share Issue Premium/Discounts		232,271,295	232,271,295
Accumulated Other Comprehensive Income (Expenses)			
to be Reclassified in Profit or Loss		(374,179,293)	(325,056,619)
<i>- Foreign Currency Translation Differences</i>		<i>(374,179,293)</i>	<i>(325,056,619)</i>
Accumulated Other Comprehensive Income (Expenses)			
not to be Reclassified in Profit or Loss		(64,574,464)	(64,574,464)
<i>- Remeasurement Losses of Defined Benefit Plans</i>		<i>(64,574,464)</i>	<i>(64,574,464)</i>
Restricted Reserves Appropriated from Profit		502,506,106	502,506,106
Prior Years' Profit		(2,504,442,158)	496,667,396
Net Loss for the Period		(573,118,605)	(3,001,109,554)
Non-Controlling Interests		(46,766,863)	(41,801,735)
TOTAL LIABILITIES AND EQUITY		25,412,306,939	26,500,209,700

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

HEKTAŞ GROUP

NOT REVIEWED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2025

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated).

		Current Period	Prior Period
		Not Reviewed	Not Reviewed
		1 January-31 March	1 January-31 March
	Notes	2025	2024
PROFIT OR (LOSS)			
Revenue	14a	2,088,991,701	1,783,606,024
Cost of Sales (-)	14b	(2,132,434,196)	(1,640,286,353)
GROSS PROFIT/(LOSS)		(43,442,495)	143,319,671
General Administrative Expenses (-)		(254,034,436)	(287,767,451)
Marketing Expenses (-)		(113,702,228)	(138,420,187)
Research and Development Expenses (-)		(95,715,014)	(91,856,642)
Other Income from Operating Activities	15	61,658,129	133,263,174
Other Expenses from Operating Activities (-)	16	(64,017,448)	(284,970,554)
OPERATING (LOSS) / PROFIT		(509,253,492)	(526,431,989)
Income from Investing Activities		1,625,232	2,166,913
Expenses from Investing Activities (-)		(459,631)	(412,381)
OPERATING (LOSS) / PROFIT BEFORE FINANCE EXPENSES		(508,087,891)	(524,677,457)
Finance Income		168,883,907	565,298,651
Finance Expenses (-)		(864,020,687)	(2,254,581,626)
Monetary Gain Loss, net	23	537,165,966	1,800,829,900
(LOSS) / PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		(666,058,705)	(413,130,532)
Tax (Expense) / Income from Continuing Operations		87,928,091	34,721,759
Tax (Expense) / Income for the Period	17	(64,291)	(88,714)
Deferred Tax (Expense) / Income	17	87,992,382	34,810,473
PROFIT/LOSS FOR THE PERIOD		(578,130,614)	(378,408,773)
Distribution of (Loss) / Profit for the Period			
Non-Controlling Interests		(5,012,009)	(6,256,305)
Parent Shares		(573,118,605)	(372,152,468)
		(578,130,614)	(378,408,773)
Earnings / (loss) per share			
A Hundred Ordinary Stock (TL)	18	(0.07)	(0.15)
OTHER COMPREHENSIVE (EXPENSE) / INCOME :			
(Expense) / Income to be Reclassified to Profit or Loss		(49,075,793)	(385,679,863)
Foreign Currency Translation Differences		(49,075,793)	(385,679,863)
OTHER COMPREHENSIVE (EXPENSE) / INCOME		(49,075,793)	(385,679,863)
TOTAL COMPREHENSIVE (EXPENSE)/INCOME		(627,206,407)	(764,088,636)
Distribution of Total Comprehensive (Expense) / Income:		(627,206,407)	(764,088,636)
Non-Controlling Interests		(4,965,128)	(7,150,765)
Parent Shares		(622,241,279)	(756,937,871)

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

HEKTAŞ GROUP

NOT REVIEWED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2025

(Amounts expressed in TL based on the purchasing power of the Turkish Lira (“TL”) as of 31 March 2025, unless otherwise stated).

				Accumulated Other Comprehensive Income and Expenses that will not be Reclassified to Profit or Loss	Accumulated Other Comprehensive Income and Expenses that will be Reclassified to Profit or Loss	Retained Earnings					
	Paid-in Capital	Capital Adjustment Differences	Share Issue Premiums / Discounts	Accumulated Remeasurement Losses of Defined Benefit Plans	Foreign Currency Translation Differences	Restricted Reserves Appropriated from Profit	Prior Years' Profit	Net Profit / Loss for the Period	Equity Attributable to the Parent	Non- Controlling Shares	Equity
Balances as of 1 January 2024	2,530,000,000	8,226,851,632	79,518,751	(66,065,891)	226,171,187	502,506,106	1,892,253,088	(1,395,585,692)	11,995,649,181	(14,397,535)	11,981,251,646
Transfers	-	-	-	-	-	-	(1,395,585,692)	1,395,585,692	-	-	-
Total Comprehensive Income / (Expense)	-	-	-	-	(384,785,403)	-	-	(372,152,468)	(756,937,871)	(7,150,765)	(764,088,636)
<i>Profit / (Loss) for the Period</i>	-	-	-	-	-	-	-	<i>(372,152,468)</i>	<i>(372,152,468)</i>	<i>(6,256,305)</i>	<i>(378,408,773)</i>
<i>Other Comprehensive (Expense) / Income</i>	-	-	-	-	<i>(384,785,403)</i>	-	-	-	<i>(384,785,403)</i>	<i>(894,460)</i>	<i>(385,679,863)</i>
Balances as of 31 March 2024	2,530,000,000	8,226,851,632	79,518,751	(66,065,891)	(158,614,216)	502,506,106	496,667,396	(372,152,468)	11,238,711,310	(21,548,300)	11,217,163,010
Balances as of 1 January 2025	8,430,000,000	8,887,319,115	232,271,295	(64,574,464)	(325,056,619)	502,506,106	496,667,396	(3,001,109,554)	15,158,023,275	(41,801,735)	15,116,221,540
Transfers	-	-	-	-	-	-	(3,001,109,554)	3,001,109,554	-	-	-
Total Comprehensive (Expense) / Income	-	-	-	-	(49,122,674)	-	-	(573,118,605)	(622,241,279)	(4,965,128)	(627,206,407)
<i>Loss for the Period</i>	-	-	-	-	-	-	-	<i>(573,118,605)</i>	<i>(573,118,605)</i>	<i>(5,012,009)</i>	<i>(578,130,614)</i>
<i>Other Comprehensive Income / (Expense)</i>	-	-	-	-	<i>(49,122,674)</i>	-	-	-	<i>(49,122,674)</i>	<i>46,881</i>	<i>(49,075,793)</i>
Balances as of 31 March 2025	8,430,000,000	8,887,319,115	232,271,295	(64,574,464)	(374,179,293)	502,506,106	(2,504,442,158)	(573,118,605)	14,535,781,996	(46,766,863)	14,489,015,133

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

HEKTAŞ GROUP

NOT REVIEWED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2025

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated).

		Current Period	Prior Period
		Not Reviewed	Not Reviewed
		1 January- 31 March	1 January- 31 March
	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		470,813,964	2,315,431,672
Loss for the Period		(578,130,614)	(378,408,773)
Adjustments Related to Reconciliation of Net Profit/Loss of the Period		160,760,906	153,351,607
Adjustments Related to Depreciation and Amortization Expense		245,303,331	275,359,153
Adjustments Related to Impairment (Reversal)		(211,350,490)	(119,108,344)
- Adjustments Related to Impairment for Receivables	6a	613,285	8,430,692
- Adjustments Related to Impairment for Inventories	8	(211,963,775)	(127,539,036)
Adjustments Related to Provisions		18,061,937	17,801,255
- Provisions Related to Employee Benefits		18,676,087	17,801,255
- Provision for / (Reversal of) Lawsuit		(614,150)	-
Adjustments Related to Interest (Income) / Expenses		422,450,793	1,931,296,726
- Adjustments Related to Interest Income		(77,549,830)	(317,736,194)
- Adjustments Related to Interest Expenses		467,112,793	2,152,565,725
- Adjustments Related to Banking Transactions Expenses		32,887,830	96,467,195
Adjustments Related to Unrealized Foreign Currency Translation Differences		(101,776,991)	(438,015,719)
Adjustments Related to Monetary Losses/Gains		(482,114,197)	(1,250,664,233)
Adjustments Related to Fair Value Losses/Gains		-	(1,037,468)
- Adjustments Related to Fair Value Losses / (Gains) on Derivative Financial Instruments		-	(1,037,468)
Adjustments Related to Foreign Exchange Differences		358,204,149	(226,543,054)
Adjustments Related to Tax Income / (Expense)	17	(87,928,091)	(34,721,759)
Adjustments Related to Loss/Gains on Disposal of Fixed Assets		(89,535)	(1,014,950)
Changes in working capital		626,678,315	2,218,670,873
Adjustments Related to Increase/Decrease in Trade Receivables		(765,010,462)	1,772,237,990
Adjustments Related to Increase / Decrease in Other Operating Receivables		(58,711,916)	275,018,828
Adjustments Related to Increase/Decrease in Inventories		1,291,243,091	722,168,119
Adjustments Related to Increase/Decrease in Trade Payables		60,092,944	(573,592,292)
Increase / (Decrease) in Payables Related to Employee Benefits		(69,441,147)	40,534,887
Adjustments Related to Increase / Decrease in Other Operating Payables		168,505,805	(17,696,659)
Cash Flows Generated from Operations		261,505,357	321,817,965
Interest Received		83,988,244	325,950,450
Payments Made Related to Provisions for Employee Benefits		(3,339,073)	(5,594,561)
Collections from Doubtful Receivables	6a	1,467,340	11,386,687
Tax Payments / Returns		179,388,846	(9,924,611)
CASH FLOWS FROM INVESTING ACTIVITIES		(596,527,171)	(183,761,035)
Cash Inflows from Sales of Property, Plant and Equipment and Intangible Assets		156,675	1,162,032
- Cash Inflows from Sale of Property, Plant and Equipment		156,675	1,162,032
Cash Outflows from Purchase of Property, Plant and Equipment and Intangible Assets		(86,801,203)	(299,540,405)
- Cash Outflows from Purchase of Property, Plant and Equipment	9	(83,363,937)	(207,088,804)
- Cash Outflows from Purchase of Intangible Assets		(3,437,266)	(92,451,601)
Cash Advances and Payables Given		(509,882,643)	114,617,338
CASH FLOWS FROM FINANCING ACTIVITIES		(252,408,034)	(3,723,369,574)
Cash Inflows from Borrowings	5	1,539,466,842	2,088,649,300
Cash Outflows from Borrowings	5	(1,161,545,382)	(4,720,725,740)
Bank Transaction Charges Paid		(32,887,830)	(96,467,195)
Interest Paid		(554,414,608)	(951,081,094)
Cash Outflows Related to Debt Payments Arising from Lease Contracts	5	(43,027,056)	(43,744,845)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS BEFORE CHANGES IN FOREIGN EXCHANGE RATES		(378,121,241)	(1,591,698,937)
THE EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(302,050,550)	288,775,495
INFLATION EFFECT ON CASH AND CASH EQUIVALENTS		(187,620,215)	(953,400,227)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(867,792,006)	(2,256,323,669)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3	2,052,119,550	7,282,556,267
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	1,184,327,544	5,026,232,598

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

HEKTAŞ GROUP

NOT REVIEWED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025 AND FOR THE PERIOD THEN ENDED

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

1. ORGANIZATION AND OPERATIONS OF THE GROUP

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

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

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

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

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

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

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

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 of the shares representing the 51% capital of Agriventis, field of activity of which is "agricultural seed technology development, seed improvement and production", controlled by Oyak Sermaye Yatırımları A.Ş., the subsidiary of the main shareholder, have been acquired for TL 28,000,000. Agriventis is headquartered in Sydney, Australia. Its capital is AUD 475,000.

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

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

As of 31 March 2025, the number of employees of the Group is 574 in total, 211 of them being blue-collar and 363 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

NOT REVIEWED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025 AND FOR THE PERIOD THEN ENDED

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated).

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

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

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

(*) Agriventis, which the Company transferred from subsidiary of its parent on 12 January 2022, have been presented in the accompanying consolidated financial statements by applying the pooling of interest method in line with the POA's policy decision numbered 75935942-050.01.04-[04/177] dated 11 October 2018 ("Principle Decision").

As of 31 March 2025 and 31 December 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 March 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

2. BASIS OF PRESENTATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

Statement of Compliance with TFRS

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

In addition, the condensed consolidated financial statements are presented in accordance with the "TFRS Taxonomy" published by POA on 4 October 2022 and the formats specified in the Financial Statement Examples and User Guide published by CMB, based on the CMB's financial statement and note formats.

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

Approval of consolidated financial statements:

The consolidated financial statements were approved by the Board of Directors of Hektaş on 02 May 2025. The General Assembly of Hektaş has the right to amend and the related regulatory authorities have the right to demand the amendment of these condensed consolidated financial statements.

HEKTAŞ GROUP

NOT REVIEWED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025 AND FOR THE PERIOD THEN ENDED

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

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

2.1 Basis of Presentation (cont'd)

Functional and Reporting Currency

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

Adjustment of financial statements during periods of high inflation

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

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

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

POA made a 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 March 2025 inflation adjustment has been made in accordance with TAS 29.

HEKTAŞ GROUP

NOT REVIEWED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025 AND FOR THE PERIOD THEN ENDED

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated).

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

2.1 Basis of Presentation (cont'd)

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

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

Date	Index	Adjustment Coefficient
31 March 2025	2,954.69	1.00000
31 December 2024	2,684.55	1.10063
31 March 2024	2,139.47	1.38104

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

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

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

Restatement of the Statement of Financial Position

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

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

Restatement of the Statement of Profit or Loss

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

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

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

Restatement of Statement of Cash Flows

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

**NOT REVIEWED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 MARCH 2025 AND FOR THE PERIOD THEN ENDED**

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**2.2 Changes in accounting policies**

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

2.3 Changes in accounting estimates and errors

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

2.4 Significant accounting judgments, estimates and assumptions

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

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

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

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

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

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

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

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

**NOT REVIEWED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 MARCH 2025 AND FOR THE PERIOD THEN ENDED**

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated).

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (cont'd)**2.5 Significant Changes Related to Current Period**

The Group has reviewed the estimates and assumptions used in the preparation of the consolidated financial statements as of 31 March 2025. In this context, the Group has evaluated the possible impairments in the values of trade receivables, inventories, property, plant and equipment and investment properties in the consolidated financial statements as at 31 March 2025 and no impairment has been detected.

2.6 Segment Reporting

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

2.7 Summary of significant accounting policies**New and Amended Turkish Financial Reporting Standards****a) Amendments that are mandatorily effective from 2025**

Amendments to TAS 21 *Lack of Exchangeability*

Amendments to TAS 21 Lack of Exchangeability

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

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

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

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

TFRS 17

Amendments to TFRS 17

Insurance Contracts

Initial Application of TFRS 17 and TFRS 9 — Comparative Information (Amendment to TFRS 17)

TFRS 17 Insurance Contracts

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

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.

HEKTAŞ GROUP

NOT REVIEWED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025 AND FOR THE PERIOD THEN ENDED

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

3. CASH AND CASH EQUIVALENTS

	31 March 2025	31 December 2024
Cash	225,067	352,751
Cash at banks	1,075,513,434	1,940,479,098
<i>Demand deposits</i>	78,685,545	609,182,436
<i>Time deposits with a maturity of less than three months</i>	996,827,889	1,331,296,662
Other current assets (*)	110,743,879	119,880,951
Cash and cash equivalents in the consolidated statement of financial position	1,186,482,380	2,060,712,800
Less: interest accruals	(2,154,836)	(8,593,250)
Cash and cash equivalents according to the cash flow statements	1,184,327,544	2,052,119,550

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

As of 31 March 2025, the Group's USD time deposits amount to TL 566,484,000 and the interest rate is 1.00 percent. Their maturities are less than 3 months (As of 31 December 2024, USD time deposit amount is TL 582,457,114 and the interest rate is 1.00 percent. Their maturity is less than 3 months).

As of 31 March 2025, the Group's TL time deposits amount to TL 430,343,889 and the interest rate is between 43.00 and 46.00 percent. Their maturities are less than 3 months (As of 31 December 2024, TL time deposit amount is TL 748,839,458 and the interest rate is 48.50 percent. Their maturity is less than 3 months).

4. FINANCIAL INVESTMENTS

Financial investments at fair value through other comprehensive income:

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

	31 March 2025	31 December 2024
Restricted bank deposits (*)	1,246,277,602	1,281,351,455
Other	519,124	569,838
	1,246,796,726	1,281,921,293

As of 31 March 2025, restricted cash and cash equivalents amounting to TL 1,246,277,602 (31 December 2024: TL 1,281,351,455) are separately classified under "Financial Investments" since their use is restricted in the Group's ongoing operations and fulfilling its obligations.

HEKTAŞ GROUP

NOT REVIEWED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025 AND FOR THE PERIOD THEN ENDED

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated).

5. FINANCIAL LIABILITIES

	31 March 2025	31 December 2024
Short-Term Financial Payables		
Bank loans	4,900,616,336	4,935,629,477
Lease liabilities	64,901,772	62,349,507
	<u>4,965,518,108</u>	<u>4,997,978,984</u>

	31 March 2025	31 December 2024
Long-Term Financial Payables		
Bank loans	2,342,584,400	2,426,229,258
Lease liabilities	539,255,302	561,060,613
	<u>2,881,839,702</u>	<u>2,987,289,871</u>

Details of the Short-Term Bank Loans are as follows;

Currency	Weighted Average Interest Rate %	31 March 2025 Short-term
TL	45.91	1,752,676,707
USD	7.21	3,147,939,629
		<u>4,900,616,336</u>

Currency	Weighted Average Interest Rate %	31 December 2024 Short-term
TL	48.30	1,781,677,114
USD	7.22	3,153,952,363
		<u>4,935,629,477</u>

Details of the Long-Term Bank Loans are as follows;

Currency	Weighted Average Interest Rate %	31 March 2025 Long-term
TL	19.60	20,000,000
USD	8.61	2,322,584,400
		<u>2,342,584,400</u>

Currency	Weighted Average Interest Rate %	31 December 2024 Long-term
TL	13.32	38,155,094
USD	8.61	2,388,074,164
		<u>2,426,229,258</u>

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NOT REVIEWED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025 AND FOR THE PERIOD THEN ENDED

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

5. FINANCIAL LIABILITIES (cont'd)

The maturities of the lease liabilities are as follows;

	31 March 2025	31 December 2024
To be paid within 1 year	64,901,772	62,349,507
To be paid within 1-5 years	539,255,302	561,060,613
	<u>604,157,074</u>	<u>623,410,120</u>

The maturities of bank borrowings are as follows:

	31 March 2025	31 December 2024
To be paid within 1 year	4,900,616,336	4,935,629,477
To be paid within 1-2 years	1,452,395,258	1,510,939,508
To be paid within 2-3 years	356,075,658	366,115,902
To be paid within 3-4 years	356,075,658	366,115,902
To be paid within 4-5 years	178,037,826	183,057,946
	<u>7,243,200,736</u>	<u>7,361,858,735</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 March 2025 and 2024, the reconciliation of liabilities arising from financing activities is as follows;

	1 January- 31 March 2025	1 January- 31 March 2024
Financial liabilities as of 1 January	7,985,268,855	22,939,953,278
Capital inflow within the period	1,539,466,842	2,088,649,300
Payments within the period	(1,204,572,438)	(4,764,470,585)
Exchange difference	344,569,751	191,711,467
Interest accrual change	(87,301,815)	1,201,484,631
Inflation effect	(730,073,385)	(3,003,197,762)
	<u>7,847,357,810</u>	<u>18,654,130,329</u>

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NOT REVIEWED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025 AND FOR THE PERIOD THEN ENDED

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated).

6. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables

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

	31 March 2025	31 December 2024
Short-term trade receivables		
Trade receivables	1,355,740,953	976,104,441
Notes receivables	745,253,026	610,485,885
Trade receivables from related parties (Note 19)	165,116,059	68,121,473
Provision for doubtful trade receivables (-)	(176,973,011)	(195,680,399)
	<u>2,089,137,027</u>	<u>1,459,031,400</u>
Long-term trade receivables		
Notes receivable	-	571,423
	<u>-</u>	<u>571,423</u>

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

	31 March 2025	31 December 2024
Not overdue and impaired	1,810,951,821	1,329,698,157
Overdue for 1-30 days, not impaired	100,026,438	95,962,375
Overdue for 1-3 months, not impaired	19,525,297	21,394,803
Overdue for 3-12 months, not impaired	158,492,336	12,392,151
Overdue for 1-5 years, not impaired	141,135	155,337
	<u>2,089,137,027</u>	<u>1,459,602,823</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 76 days (31 December 2024: 214 days).

The allowance 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 March 2025	1 January- 31 March 2024
Provision for doubtful receivables movements		
Opening balance	195,680,399	199,672,362
Charge for the period	613,285	8,430,692
Collections	(1,467,340)	(11,386,687)
Effects of inflation accounting	(17,853,333)	(26,134,353)
Closing balance	<u>176,973,011</u>	<u>170,582,014</u>

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

HEKTAŞ GROUP

NOT REVIEWED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025 AND FOR THE PERIOD THEN ENDED

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

6. TRADE RECEIVABLES AND PAYABLES (cont'd)

b) Trade Payables

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

	31 March 2025	31 December 2024
<u>Short-term trade payables</u>		
Trade payables (*)	1,317,587,466	1,290,805,873
Trade payables to related parties (Note 19)	60,778,256	150,463,535
Expense accruals	17,875,199	29,332,021
	<u>1,396,240,921</u>	<u>1,470,601,429</u>

(*) As of 31 March 2025, there are TL 760,097,871 letters of credit in trade payables (31 December 2024: TL 500,374,742).

The average payment maturity for the purchase of goods is 58 days (31 December 2024: 104 days).

7. OTHER RECEIVABLES AND PAYABLES

a) Other Receivables

	31 March 2025	31 December 2024
<u>Other Short-Term Receivables</u>		
Advance tax refund receivable	106,715,596	1,272,171
VAT and other refund receivables	16,452,496	211,735,221
Deposits and guarantees given	391,061	538,688
Refund receivable of special consumption tax ("SCT") (*)	148,537	1,515,237
	<u>123,707,690</u>	<u>215,061,317</u>

(*) If the raw materials subject to SCT are used in manufacturing goods not subject to SCT, the Special Consumption Tax paid in the purchase of these raw materials may be refunded, if the conditions specified in the Special Consumption Tax Communiqué No. 25. The SCT amount requested to be refunded within this framework is TL 148,537 (31 December 2024: TL 1,515,237).

	31 March 2025	31 December 2024
<u>Other Long-Term Receivables</u>		
Deposits and guarantees given	4,596,092	4,973,206
	<u>4,596,092</u>	<u>4,973,206</u>

b) Other Payables

	31 March 2025	31 December 2024
<u>Other Short-Term Payables</u>		
Other payables to related parties (Note 19) (*)	987,914,550	1,313,581,261
Taxes and funds payable	36,379,809	22,085,007
Other miscellaneous payables	3,123,292	3,364,661
	<u>1,027,417,651</u>	<u>1,339,030,929</u>

(*) TL 980,792,915 of the related amount consists of principal and interest accrued amounts related to the debt taken for financing purposes.

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NOT REVIEWED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025 AND FOR THE PERIOD THEN ENDED

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated).

7. OTHER RECEIVABLES AND PAYABLES (cont'd)

b) Other Payables (cont'd)

	31 March 2025	31 December 2024
Other Long-Term Payables		
Other payables to related parties (Note 19)	138,641,864	137,585,393
	<u>138,641,864</u>	<u>137,585,393</u>

8. INVENTORIES

	31 March 2025	31 December 2024
Raw material	1,327,877,799	1,911,245,686
Work in-process	259,483,418	371,748,054
Goods	663,467,816	974,229,398
Trade goods	401,476,984	563,880,683
Other inventories (*)	315,332,663	437,777,950
Provision for impairment on inventories (-)	(323,890,500)	(535,854,275)
	<u>2,643,748,180</u>	<u>3,723,027,496</u>

(*) As of 31 March 2025, TL 277,094,870 (31 December 2024: TL 416,306,663) of other inventories is comprised of goods in transit.

	1 January- 31 March 2025	1 January- 31 March 2024
Movement of provision for impairment on inventories		
Opening balance	(535,854,275)	(289,517,774)
Charge for the period	-	(2,676,278)
Provision used/reversed	211,963,775	130,215,314
Closing balance	<u>(323,890,500)</u>	<u>(161,978,738)</u>

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NOT REVIEWED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2025 AND FOR THE PERIOD THEN ENDED

(Amounts expressed in TL based on the purchasing power of the Turkish Lira ("TL") as of 31 March 2025, unless otherwise stated.)

9. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment

Cost Value	Lands	Land improvements	Buildings	Plant, machinery and equipment	Vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Opening balance as of 1 January 2025	78,117,337	16,817,672	1,045,724,815	3,286,665,625	58,575,021	756,519,405	3,757,277,361	3,258,268,767	12,257,966,003
Foreign currency translation differences	-	-	-	(101,402)	(46,998)	(2,961)	-	(217,173)	(368,534)
Additions	-	-	-	10,377,266	-	6,810,937	-	66,175,734	83,363,937
Disposals	-	-	-	-	-	(558,471)	-	-	(558,471)
Transfers (*)	-	6,520,725	9,851,025	395,679,435	(899,804)	29,129,648	-	(631,846,696)	(191,565,667)
Closing balance as of 31 March 2025	78,117,337	23,338,397	1,055,575,840	3,692,620,924	57,628,219	791,898,558	3,757,277,361	2,692,380,632	12,148,837,268
<u>Accumulated Depreciation</u>									
Opening balance as of 1 January 2025	-	(5,346,105)	(83,731,988)	(1,036,998,994)	(36,817,346)	(344,593,360)	(237,587,079)	-	(1,745,074,872)
Foreign currency translation differences	-	-	-	24,831	22,339	(3,273)	-	-	43,897
Charge for the period	-	(423,541)	(5,257,300)	(95,684,720)	(2,306,986)	(28,620,864)	(30,129,408)	-	(162,422,819)
Disposals	-	-	-	-	-	491,331	-	-	491,331
Closing balance as of 31 March 2025	-	(5,769,646)	(88,989,288)	(1,132,658,883)	(39,101,993)	(372,726,166)	(267,716,487)	-	(1,906,962,463)
Carrying value as of 31 March 2025	78,117,337	17,568,751	966,586,552	2,559,962,041	18,526,226	419,172,392	3,489,560,874	2,692,380,632	10,241,874,805

(*) TL 191,565,667 of the construction in progress was transferred to intangible assets (Note 10).

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

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

Cost Value	Lands	Land improvements	Buildings	Plant, machinery and equipment	Vehicles	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Opening balance as of 1 January 2024	78,117,337	16,817,672	671,122,848	3,161,991,036	60,085,756	620,130,122	-	3,399,779,018	8,008,043,789
Foreign currency translation differences	-	-	-	(1,470,991)	(593,004)	(31,116)	-	-	(2,095,111)
Additions	-	-	-	46,658,872	219,111	128,838,287	-	31,372,533	207,088,803
Disposals	-	-	-	-	(185,478)	(251,860)	-	-	(437,338)
Transfers (*)	-	-	-	-	-	-	3,803,753,687	-	3,803,753,687
Closing balance as of 31 March 2024	78,117,337	16,817,672	671,122,848	3,207,178,917	59,526,385	748,685,433	3,803,753,687	3,431,151,551	12,016,353,830
<u>Accumulated Depreciation</u>									
Opening balance as of 1 January 2024	-	(4,173,974)	(65,475,815)	(737,764,723)	(29,125,359)	(234,156,608)	-	-	(1,070,696,479)
Foreign currency translation differences	-	-	-	430,220	284,352	18,969	-	-	733,541
Charge for the period	-	(227,540)	(5,230,905)	(73,530,362)	(2,715,545)	(27,087,159)	-	-	(108,791,511)
Disposals	-	-	-	-	182,960	107,296	-	-	290,256
Transfers (*)	-	-	-	-	-	-	(182,426,458)	-	(182,426,458)
Closing balance as of 31 March 2024	-	(4,401,514)	(70,706,720)	(810,864,865)	(31,373,592)	(261,117,502)	(132,093,700)	-	(1,360,890,651)
Carrying value as of 31 March 2024	78,117,337	12,416,158	600,416,128	2,396,314,052	28,152,793	487,567,931	3,671,659,987	3,431,151,551	10,655,463,179

(*) TL 3,803,753,687 of the construction in progress was transferred to intangible assets (Note 10).

	Useful Life
Land improvements	4-50 years
Buildings	10-50 years
Plant, machinery and equipment	2-15 years
Vehicles	2-5 years
Furniture and fixtures	2-24 years
Leasehold improvements	5-35 years

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10. INTANGIBLE ASSETS

<u>Cost Value</u>	<u>Rights</u>	<u>Development costs</u>	<u>Total</u>
Opening balance as of 1 January 2025	1,610,852,583	266,943,616	1,877,796,199
Foreign currency translation differences	(1,296,991)	(40,162)	(1,337,153)
Additions	3,437,266	-	3,437,266
Transfers	98,385	191,467,282	191,565,667
Closing balance as of 31 March 2025	<u>1,613,091,243</u>	<u>458,370,736</u>	<u>2,071,461,979</u>
<u>Accumulated Amortisation</u>			
Opening balance as of 1 January 2025	(482,315,859)	(120,615,671)	(602,931,530)
Foreign currency translation differences	2,293,832	(6,560)	2,287,272
Charge for the period	(26,325,589)	(12,429,388)	(38,754,977)
Closing balance as of 31 March 2025	<u>(506,347,616)</u>	<u>(133,051,619)</u>	<u>(639,399,235)</u>
Carrying value as of 31 March 2025	<u>1,106,743,627</u>	<u>325,319,117</u>	<u>1,432,062,744</u>

<u>Cost Value</u>	<u>Rights</u>	<u>Development costs</u>	<u>Other intangible assets</u>	<u>Total</u>
Opening balance as of 1 January 2024	1,577,064,712	155,006,542	3,735,993,540	5,468,064,794
Foreign currency translation differences	(24,096,951)	-	(1,241,966)	(25,338,917)
Additions	6,721,482	3,959,864	81,770,253	92,451,599
Transfers (*)	-	12,768,140	(3,816,521,827)	(3,803,753,687)
Closing balance as of 31 March 2024	<u>1,559,689,243</u>	<u>171,734,546</u>	<u>-</u>	<u>1,731,423,789</u>
<u>Accumulated Amortisation</u>				
Opening balance as of 1 January 2024	(359,915,876)	(98,373,152)	(127,515,135)	(585,804,163)
Foreign currency translation differences	4,359,791	-	110,891	4,470,682
Charge for the period	(46,911,363)	(3,246,287)	(55,957,535)	(106,115,185)
Transfers	-	(935,321)	183,361,779	182,426,458
Closing balance as of 31 March 2024	<u>(402,467,448)</u>	<u>(102,554,760)</u>	<u>-</u>	<u>(505,022,208)</u>
Carrying value as of 31 March 2024	<u>1,157,221,795</u>	<u>69,179,786</u>	<u>-</u>	<u>1,226,401,581</u>

(*) Other intangible assets amounting to TL 3,803,753,687 of which TL 3,803,753,687 was transferred to leasehold improvements under property, plant and equipment and TL 12,768,140 was transferred to development costs.

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11. GOODWILL

Company	Date of Acquisition	31 March 2025	31 December 2024
Sunset	2020	374,520,373	374,520,373
Ferbis	2017	93,788,301	93,788,301
		<u>468,308,674</u>	<u>468,308,674</u>

12. CURRENT TAX ASSETS

	31 March 2025	31 December 2024
Assets related to current tax		
Other prepaid taxes and funds	6,602,230	116,436,690
	<u>6,602,230</u>	<u>116,436,690</u>

13. SHORT-TERM AND LONG-TERM PROVISIONS

a) Short-term Provisions

	31 March 2025	31 December 2024
Short-term provisions		
Provisions for legal cases (*)	4,603,605	5,719,527
Provision for unused vacation	26,246,678	21,465,428
	<u>30,850,283</u>	<u>27,184,955</u>

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

The movements of the provisions for litigation in the accounting period ended 01 - 31 March 2025 and 2024 are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Provision as of 1 January	5,719,527	5,113,326
Provisions released	(614,150)	-
Inflation effect	(501,772)	(669,414)
Provision as of 31 March	<u>4,603,605</u>	<u>4,443,912</u>

The movements of unused vacation in the accounting period ended 01 - 31 March 2025 and 2024 are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Provision as of 1 January	21,465,428	21,050,128
Provision expense for the period	6,830,939	4,990,395
Foreign currency translation differences	148,090	58,326
Inflation accounting effect	(2,197,779)	(2,929,660)
Provision as of 31 March	<u>26,246,678</u>	<u>23,169,189</u>

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

b) Long-Term Provisions

The long-term provisions for employee benefits as of 31 March 2025 and 31 December 2024 are as follows:

Long-term provisions	31 March 2025	31 December 2024
Provision for employment termination benefits	93,556,225	94,547,764
Provision for seniority incentive premium	21,628,177	21,009,516
	<u>115,184,402</u>	<u>115,557,280</u>

Provision for Severance Incentive Bonus:

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

The movements of the provisions for severance incentive premium in the accounting period ended 01 - 31 March 2025 and 2024 are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Provision as of 1 January	21,009,516	12,437,071
Service cost	1,690,717	1,481,396
Interest cost	1,261,459	630,257
Amount paid during the period	(322,090)	(566,182)
Inflation accounting effect	(2,011,425)	(1,681,430)
Provision as of 31 March	<u>21,628,177</u>	<u>12,301,112</u>

Provision for employment termination benefit:

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

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

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

	31 March 2025	31 December 2024
Discount rate	25.88%	25.88%
Inflation rate	21.81%	21.81%

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

b) Long-Term Provisions (cont'd)

Provision for employment termination benefit (cont'd):

The movements of provision for severance pay for the accounting period ended 01 - 31 March 2025 and 2024 are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Provision as of 1 January	94,547,764	104,940,372
Service cost	6,488,189	9,285,505
Interest cost	4,454,472	4,285,038
Employment termination benefits paid	(3,016,983)	(5,028,378)
Inflation accounting effect	(8,917,217)	(14,032,510)
Provision as of 31 March	93,556,225	99,450,027

14. REVENUE AND COST OF SALES

a) Revenue

	1 January- 31 March 2025	1 January- 31 March 2024
Domestic sales	2,072,086,771	1,719,528,172
Foreign sales	175,823,309	186,723,758
Other sales	5,521,968	7,454,432
Sales returns (-)	(21,494,074)	(16,970,545)
Sales discounts (-)	(142,946,273)	(113,129,793)
	2,088,991,701	1,783,606,024

b) Cost of Sales

	1 January- 31 March 2025	1 January- 31 March 2024
Raw material expenses	(864,834,967)	(506,853,751)
Personnel expenses	(78,053,702)	(83,506,875)
General production expenses	(52,108,610)	(83,155,813)
Depreciation and amortization expenses	(79,685,556)	(88,777,823)
Transportation expenses	(60,826,061)	(83,176,945)
Changes in work in-process inventories	(112,264,636)	(49,400,006)
Changes in finished goods inventories	(310,761,582)	(229,114,504)
Cost of goods sold	(1,558,535,114)	(1,123,985,717)
Cost of trade goods sold and other sales	(573,899,082)	(516,300,636)
	(2,132,434,196)	(1,640,286,353)

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15. OTHER INCOME FROM OPERATING ACTIVITIES

Other income from operating activities for the years ended 31 March 2025 and 2024 is as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Foreign exchange gain (*)	26,155,206	120,209,599
Income from maturity difference	16,599,635	-
Service income	4,174,866	-
Scrap, waste and recycling revenue	1,324,042	-
Other income	13,404,380	13,053,575
	<u>61,658,129</u>	<u>133,263,174</u>

(*) Resulting from trade receivables and trade payables.

16. OTHER EXPENSES FROM OPERATING ACTIVITIES

Other expenses from operating activities for the years ended 31 March 2025 and 2024 are as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
Foreign exchange loss (*)	(44,862,864)	(254,714,571)
Damage compensation expenses	(1,933,194)	(11,924,456)
Interest expense on maturity difference	(10,068,802)	-
Other expenses and losses	(7,152,588)	(18,331,527)
	<u>(64,017,448)</u>	<u>(284,970,554)</u>

(*) Resulting from trade receivables and trade payables.

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

Corporate Tax

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

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

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

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

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

Corporate Tax (cont'd)

	31 March 2025	31 December 2024
Provision for current corporation tax	(64,291)	-
Less: Prepaid taxes and funds	6,602,230	116,436,690
Current tax assets	6,537,939	116,436,690

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 March 2025	1 January- 31 March 2024
<u>Tax (expense) / income consists of the following:</u>		
Current tax expense	(64,291)	(88,714)
Deferred tax (expense) / income	87,992,382	34,810,473
Total tax (expense) / income	87,928,091	34,721,759
	31 March 2025	31 December 2024
<u>Deferred tax assets / (liabilities):</u>		
Tax advantage arising from investment allowance	304,766,980	322,243,368
Tax advantage of accumulated tax losses	2,011,877,147	1,815,490,283
Provision for employment termination benefits and termination incentive bonus	28,796,101	28,889,319
Provision for unused vacation and premium	17,692,103	44,393,087
Differences in carrying values of inventories	(145,357,865)	(175,202,369)
Depreciation of property, plant and equipment/indexation and amortisation differences of other intangible assets	(355,848,123)	(268,927,617)
Other	(10,209,633)	(140,331)
	1,851,716,710	1,766,745,740

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

Deferred Tax: (cont'd)

Movement of deferred tax (assets)/liabilities for the years ended as of 31 March 2025 and 2024 is as follows:

	1 January- 31 March 2025	1 January- 31 March 2024
<u>Movements in deferred tax assets / (liabilities):</u>		
Opening balance as of 1 January	1,766,745,740	900,738,623
(Expense) / income recognised in the income statement	87,992,382	34,810,473
Foreign currency translation differences	(3,021,412)	(2,207,363)
Closing balance as of 31 March	<u>1,851,716,710</u>	<u>933,341,733</u>
	1 January- 31 March 2025	1 January- 31 March 2024
<u>Reconciliation of tax provision:</u>		
Loss before tax	(666,058,705)	(413,130,532)
Income tax rate 25% (2024: 25%)	25%	25%
Expected tax income	<u>166,514,676</u>	<u>103,282,633</u>
Tax effect:		
- non-taxable income	358	6,832,680
- non-deductible expense	(33,380,718)	(40,527,701)
- inflation effect	(254,709,362)	(38,816,933)
- investment incentive discount	11,985,526	12,238,185
- interest deduction on cash capital	199,153,337	-
- effect of other items exempted from tax	<u>(1,635,726)</u>	<u>(8,287,105)</u>
Tax provision income / (expense) in the statement of profit or loss	<u>87,928,091</u>	<u>34,721,759</u>

18. EARNINGS PER SHARE

	1 January- 31 March 2025	1 January- 31 March 2024
Earnings per share		
Weighted average number of shares outstanding during the period (*)	843,000,000,000	253,000,000,000
Net profit for the period	<u>(573,118,605)</u>	<u>(372,152,468)</u>
Profit per share obtained from ongoing activities		
- a hundred ordinary stock (TL)	(0.07)	(0.15)

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

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19. RELATED PARTY DISCLOSURES (cont'd)

	31 March 2025	31 December 2024
Other long-term payables to related parties		
Other Companies Managed by the Parent Company		
OYAK Sermaye Yatırımları A.Ş.	138,641,864	137,585,393
	<u>138,641,864</u>	<u>137,585,393</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 49% - 53%. For long term other payables to related parties, 2% interest rate is used in AUD.

	1 January - 31 March 2025		1 January - 31 March 2024	
Transactions with related parties	Purchases	Sales	Purchases	Sales
Parent Company				
OYAK	26,227,973	-	-	-
Other Companies Managed by the Parent Company				
OYAK Savunma ve Güvenlik Hiz. A.Ş.	23,888,752	-	16,162,933	-
OYAK Pazarlama Hizmet Turizm A.Ş.	12,453,195	4,174,866	16,589,520	6,653,065
OYPOWER Elektrik Ticareti ve Hizmetleri A.Ş.	9,292,505	-	7,939,209	-
İndisol Bilişim ve Teknoloji A.Ş.	7,477,530	-	2,371,634	-
Omsan Lojistik A.Ş.	5,671,203	-	10,284,991	-
Akdeniz Chemson Kimya Sanayi ve Ticaret A.Ş.	4,461,881	-	-	-
Güzel Enerji Akaryakıt A.Ş.	3,845,107	-	5,352,058	-
OYAK İnşaat A.Ş.	1,855,891	-	6,882,837	-
Doco Petrol ve Danışmanlık A.Ş.	443,673	-	618,178	-
Satem Grup Gıda Dağıtım ve Pazarlama A.Ş.	454,217	-	-	1,901,708
OYAK Biyoteknoloji Sanayi ve Tic.A.Ş.	1,182	984,996	201,905	76,667
Arma İlaç Sanayi ve Ticaret A.Ş.	-	84,076,373	729,720	117,496,723
	<u>96,073,109</u>	<u>89,236,235</u>	<u>67,132,985</u>	<u>126,128,163</u>

	1 January- 31 March 2025	1 January- 31 March 2024
Interest expense to related parties		
Parent Company		
OYAK	64,858,883	60,649,607
Other Companies Managed by the Parent Company		
OYAK Otomotiv Enerji ve Lojistik Holding A.Ş.	52,214,058	62,942,540
Arma İlaç Sanayi ve Ticaret A.Ş.	10,068,802	-
	<u>127,141,743</u>	<u>123,592,147</u>
Interest income from related parties		
	1 January- 31 March 2025	1 January- 31 March 2024

Other Companies Managed by the Parent Company

Arma İlaç Sanayi ve Ticaret A.Ş.	16,599,635	-
	<u>16,599,635</u>	<u>-</u>

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19. RELATED PARTY DISCLOSURES (cont'd)

	1 January- 31 March 2025	1 January- 31 March 2024
Foreign exchange gains from related parties		
Other Companies Managed by the Parent Company		
Arma İlaç Sanayi ve Ticaret A.Ş.	-	61,550,115
OYAK Gıda Ve Tarım Holding A.Ş.	-	43,085,080
	-	104,635,195

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 March 2025	1 January- 31 March 2024
Salaries and other short-term benefits	26,664,046	25,444,718
	26,664,046	25,444,718

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

Capital risk management

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

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

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

Financial risk factors

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

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

Credit risk management

Credit risks exposed in terms of financial instruments	Receivables						
	Trade Receivables		Other Receivables		Deposits at Banks	Other Cash Equivalents	Financial Investments
	Related Party	Other Party	Related Party	Other Party			
31 March 2025							
Maximum credit risk exposed as of reporting date (A+B+C+D) (*)	165,116,059	1,924,020,968	-	128,303,782	1,075,513,434	110,743,879	1,246,796,726
- Secured portion of the maximum risk with guarantee etc (**)	-	549,347,254	-	-	-	-	-
A. Financial assets not past due nor impaired instruments	165,116,059	1,645,694,648	-	128,303,782	1,075,513,434	110,743,879	1,246,796,726
B. Assets past due but not impaired	-	278,185,206	-	-	-	-	-
- Secured portion with guarantee etc	-	68,407,496	-	-	-	-	-
C. Net book value of impaired assets	-	177,114,125	-	-	-	-	-
- Past due (gross book value)	-		-	-	-	-	-
- Impairment (-)	-	(176,973,011)	-	-	-	-	-
- Secured portion of the net value with guarantee etc	-	141,114	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Secured portion of the net value with guarantee etc	-	-	-	-	-	-	-
D. Items including off-balance sheet risk	-	-	-	-	-	-	-

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

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

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

Credit risk management (cont'd)

Credit risks exposed in terms of financial instruments	Receivables				Deposits at Banks	Other Cash Equivalents	Financial Investments
	Trade Receivables		Other Receivables				
	Related Party	Other Party	Related Party	Other Party			
31 December 2024							
Maximum credit risk exposed as of reporting date (A+B+C+D) (*)	68,121,473	1,391,481,350	-	220,034,523	1,940,479,098	119,880,951	1,281,921,293
- Secured portion of the maximum risk with guarantee etc (**)	-	503,304,968	-	-	-	-	-
A. Financial assets not past due nor impaired instruments	68,121,473	1,261,442,626	-	220,034,523	1,940,479,098	119,880,951	1,281,921,293
B. Assets past due but not impaired	-	129,883,410	-	-	-	-	-
- Secured portion with guarantee etc	-	9,030,233	-	-	-	-	-
C. Net book value of impaired assets	-	195,835,713	-	-	-	-	-
- Past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	(195,680,399)	-	-	-	-	-
- Secured portion of the net value with guarantee etc	-	155,314	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Secured portion of the net value with guarantee etc	-	-	-	-	-	-	-
D. Items including off-balance sheet risk	-	-	-	-	-	-	-

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

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

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

Credit risk management (cont'd)

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

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

Overdue receivables are aged as follows:

	<u>31 March 2025</u>	<u>31 December 2024</u>
	<u>Trade</u>	<u>Trade</u>
	<u>Receivables</u>	<u>Receivables</u>
1-30 days overdue	100,026,438	95,962,375
1-3 months overdue	19,525,297	21,394,803
3-12 months overdue	158,492,336	12,392,151
1-5 years overdue	177,255,260	195,969,794
Total overdue receivables	<u>455,299,331</u>	<u>325,719,123</u>
Secured portion with guarantee etc.	<u>68,548,610</u>	<u>9,185,547</u>

Provisions were set aside for TL 176,973,011 of the overdue receivables, as of balance sheet date (31 December 2024: TL 170,582,014). The guarantees received for the overdue trade receivables for which no provisions were set aside are as follows:

	<u>31 March</u>	<u>31 December</u>
	<u>2025</u>	<u>2024</u>
Guarantee letters	<u>68,548,610</u>	<u>9,185,547</u>
	<u>68,548,610</u>	<u>9,185,547</u>

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

Liquidity risk management

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

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

31 March 2025

<u>Contractual maturities</u>	<u>Book Value</u>	<u>Total contractual cash outflows (I+II+III)</u>	<u>Less than 3 months (I)</u>	<u>Between 3-12 months (II)</u>	<u>Between 1-5 years (III)</u>
Non-derivative financial liabilities					
Financial liabilities	7,847,357,810	10,009,246,854	3,408,304,669	2,388,838,134	4,212,104,051
Trade payables	1,396,240,921	1,396,240,921	660,772,248	735,468,673	-
Payables related to employee benefits	90,787,149	90,787,149	44,014,853	46,772,296	-
Other payables	1,166,059,515	1,496,783,031	96,014,683	1,262,126,484	138,641,864
	10,500,445,395	12,993,057,955	4,209,106,453	4,433,205,587	4,350,745,915

31 December 2024

<u>Contractual maturities</u>	<u>Book Value</u>	<u>Total contractual cash outflows (I+II+III)</u>	<u>Less than 3 months (I)</u>	<u>Between 3-12 months (II)</u>	<u>Between 1-5 years (III)</u>
Non-derivative financial liabilities					
Financial liabilities	7,985,268,855	10,342,088,865	1,139,996,030	4,760,449,300	4,441,643,535
Trade payables	1,470,601,429	1,470,601,429	879,924,497	590,676,932	-
Payables related to employee benefits	176,351,695	176,351,695	18,408,504	157,943,191	-
Other payables	1,476,616,322	1,623,170,184	550,515,339	935,069,452	137,585,393
	11,108,838,301	13,612,212,173	2,588,844,370	6,444,138,875	4,579,228,928

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

Market risk

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

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

Foreign currency risk management

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

	31 March 2025		
	TL Equivalent (Functional currency)	US Dollar	Euro
Trade Receivable	152,644,439	4,041,891	-
Monetary Financial Assets	1,850,416,359	48,986,551	10,070
Non-Monetary Financial Assets	71,423,058	1,822,591	63,678
Other	-	-	-
CURRENT ASSETS	2,074,483,856	54,851,033	73,748
Non-Monetary Financial Assets	1,352,231,331	34,367,481	1,334,650
NON-CURRENT ASSETS	1,352,231,331	34,367,481	1,334,650
TOTAL ASSETS	3,426,715,187	89,218,514	1,408,398
Financial Liabilities	3,147,939,629	83,354,683	-
Trade Payables	1,086,743,756	27,413,445	1,264,279
CURRENT LIABILITIES	4,234,683,385	110,768,128	1,264,279
Financial Liabilities	2,322,584,399	61,500,000	-
NON-CURRENT LIABILITIES	2,322,584,399	61,500,000	-
TOTAL LIABILITIES	6,557,267,784	172,268,128	1,264,279
Net foreign currency asset liability position	(3,130,552,597)	(83,049,614)	144,119
Export	171,032,873	4,504,560	-
Import	567,670,611	12,736,571	1,278,691

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21. NATURE AND LEVEL OF THE RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)*Foreign currency risk management (cont'd)*

	31 December 2024		
	TL Equivalent (Functional currency)	US Dollar (*)	Euro (*)
Trade Receivable	66,004,040	1,699,800	-
Monetary Financial Assets	1,380,516,722	35,547,853	4,371
Non-Monetary Financial Assets	27,325,675	683,777	19,150
Other	-	-	-
CURRENT ASSETS	1,473,846,437	37,931,430	23,521
Non-Monetary Financial Assets	583,730,891	13,975,946	1,014,973
NON-CURRENT ASSETS	583,730,891	13,975,946	1,014,973
TOTAL ASSETS	2,057,577,328	51,907,376	1,038,494
Financial Liabilities	3,153,952,363	81,223,638	-
Trade Payables	1,113,330,950	24,545,928	3,962,145
CURRENT LIABILITIES	4,267,283,313	105,769,566	3,962,145
Financial Liabilities	2,388,074,164	61,500,000	-
NON-CURRENT LIABILITIES	2,388,074,164	61,500,000	-
TOTAL LIABILITIES	6,655,357,477	167,269,566	3,962,145
Net foreign currency asset liability position	(4,597,780,149)	(115,362,190)	(2,923,651)
Export	397,242,580	10,257,749	-
Import	1,242,137,235	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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21. NATURE AND LEVEL OF THE RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk sensitivity

The Group is mainly exposed to foreign currency risk in USD and EURO.

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

	31 March 2025	
	Profit / Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
In case USD appreciates 10% against TL		
Net asset/liability of USD	(313,641,852)	313,641,852
Portion hedged from USD risk (-)	-	-
USD net effect	(313,641,852)	313,641,852
In case EUR appreciates 10% against TL		
Net asset/liability of EUR	586,592	(586,592)
Portion hedged from EUR risk (-)	-	-
EUR net effect	586,592	(586,592)
TOTAL	(313,055,260)	313,055,260

	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	(447,956,853)	447,956,853
Portion hedged from USD risk (-)	-	-
USD net effect	(447,956,853)	447,956,853
In case EUR appreciates 10% against TL		
Net asset/liability of EUR	(11,821,162)	11,821,162
Portion hedged from EUR risk (-)	-	-
EUR net effect	(11,821,162)	11,821,162
TOTAL	(459,778,015)	459,778,015

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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22. FINANCIAL INSTRUMENTS

Fair value measurements hierarchy table

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

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

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

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

Classification and fair value of financial instruments

	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Financial liabilities at amortized cost	Note
31 March 2025				
<u>Financial assets</u>				
Cash and cash equivalents	1,186,482,380	-	-	3
Trade receivables	2,089,137,027	-	-	6a
Financial investments	-	1,246,796,726	-	4
<u>Financial liabilities</u>				
Financial liabilities	-	-	7,847,357,810	5
Trade payables	-	-	1,396,240,921	6b
Payables related to employee benefits	-	-	90,787,149	
Other payables	-	-	1,166,059,515	7b
31 December 2024				
<u>Financial assets</u>				
Cash and cash equivalents	2,060,712,800	-	-	3
Trade receivables	1,459,602,823	-	-	6a
Financial investments	-	1,281,921,293	-	4
<u>Financial liabilities</u>				
Financial liabilities	-	-	7,985,268,855	5
Trade payables	-	-	1,470,601,429	6b
Payables related to employee benefits	-	-	176,351,695	
Other payables	-	-	1,476,616,322	7b

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

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

Fair values of financial instruments

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

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

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

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

Non-Monetary Items	31 March 2025
Financial statement items	330,184,296
Inventories	139,110,891
Prepaid expenses	99,827,026
Financial investments	222,024,626
Investment properties	8,850,157
Property, plant and equipment	822,301,523
Right-of-use assets	45,737,903
Goodwill	42,816,304
Intangible assets	201,511,416
Deferred tax asset	163,584,156
Share capital	(1,583,279,662)
Share Premiums/Discounts	(21,235,990)
Resctricted reserves appropriated from profit	(45,942,891)
Defined benefit plans remeasurement gains (losses)	5,903,884
Prior years' profit	228,974,953
Statement of profit or loss items	206,981,670
Revenue	(82,998,128)
Cost of sales (-)	252,812,088
Research and Development Expenses (-)	1,798,505
Marketing expenses (-)	4,351,404
General administrative expenses (-)	6,259,361
Other operating income	(13,770,909)
Other operating expenses (-)	1,474,759
Income from investment activities	(228,664)
Expenses from investment activities (-)	40
Finance income	(5,112,679)
Finance expenses (-)	42,395,893
	<u>537,165,966</u>

24. EVENTS AFTER THE REPORTING DATE

The invitation text, agenda, dividend distribution procedures, and the announcement regarding the selection of the Independent Audit Firm for 2025 in relation to the 2024 Ordinary General Assembly Meeting to be held on May 23, 2025, were disclosed to the public and shared with our stakeholders via the Public Disclosure Platform on April 25, 2025.

The Board of Directors' resolution concerning the presentation to the General Assembly of the proposed amendments to the Company's Disclosure Policy at the 2024 Ordinary General Assembly Meeting to be held on May 23, 2025, was disclosed to the public and shared with our stakeholders via the Public Disclosure Platform on April 25, 2025.