



**BOARD OF DIRECTORS' REPORT**  
**PREPARED IN ACCORDANCE WITH COMMUNIQUE NO. II-14.1**

**01 JANUARY – 30 SEPTEMBER 2022**

BOARD OF DIRECTORS' INTERIM ACTIVITY REPORT  
PREPARED IN ACCORDANCE WITH COMMUNIQUE NO. II-14.1

**A- GENERAL INFORMATION**

**1. Reporting Period**

01/01/2022 – 30/09/2022

**2.**

- **Commercial Name** : OYAK Çimento Fabrikaları A.Ş.
- **Trade Registration Number** : 445644 (Mersis No: 0612005096100011)
- **Headquarters contact information** :  
Çukurambar Mah. 1480. Sok. No:2 A/56
- **Address** : Çankaya/ANKARA
- **Phone** : 0(312) 220 02 90
- **Fax** : 0(312) 220 02 91
- **Website address** : www.oyakcimento.com

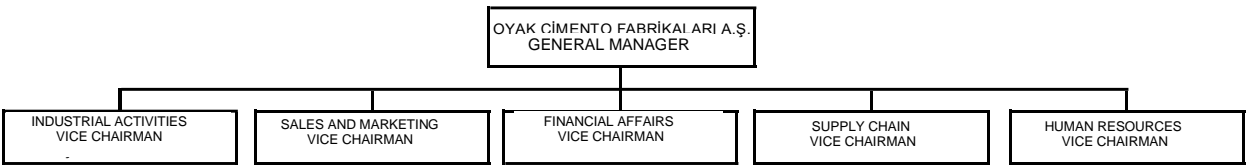
**3. Shareholding Structure and Capital Distribution, Organization**

Registered Capital Ceiling (TRY) : 1.500.000.000 TRY  
Paid-in capital (TRY) : 1.159.793.441 TRY

Shareholders	Nominal Value (TRY)	Share of Capital (%)
OYAK Çimento A.Ş.	849.507.226,71	73,25
Other	310.286.214,29	26,75
<b>Grand Total</b>	<b>1.159.793.441,00</b>	<b>100,00</b>

There was no change in the partnership and capital structure during the period.

**4. Organizational Structure of the Company**



There was no change in the partnership and capital structure during the period.

**5. Explanations on privileged shares and voting rights of shares**

There are no privileged shares in the Company.

**6. Information about the Board of Directors, Executive Officers and number of personnel**

Board members are assigned in accordance with the provisions of the Articles of Association of our Company per the Turkish Commercial Code and related regulations. Changes during the period are made by the Board of Directors' decision subject to approval in the next Ordinary General Assembly. The Ordinary General Assembly of the Company for the year 2021 was convened on 30/03/2022.

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Members of the Board of Directors as of 30/09/2022:

Company	Duties	Date of Commencement of the Representative /Real Person
OYKA Kağıt Ambalaj Sanayii ve Ticaret A.Ş. (Person Acting on its Behalf: Suat ÇALBIYIK)	Chairman of the Board of Directors	20/09/2016
OYAK Pazarlama Hizmet ve Turizm A.Ş. (Person Acting on its Behalf: Mehmet OKKAN)	Vice Chairman of the Board of Directors	10/06/2021
ATAER Holding A.Ş. (Person Acting on its Behalf: Muammer ATİLA)	Board Member	10/06/2021
OYTAŞ İç ve Dış Ticaret A.Ş. (Person Acting on its Behalf: Ramazan PATİR)	Board Member	10/06/2021
OMSAN Lojistik A.Ş. (Person Acting on its Behalf: Adalet TUNÇER)	Board Member	19/03/2020
OYAK Denizcilik ve Liman İşletmeleri A.Ş. (Person Acting on its Behalf: Arda Kaan ALPMAN)	Board Member	10/12/2021
Kazım YETİŞ	Independent Board Member (Chairman of the Audit Committee, Member of the Early Risk Detection Committee)	19/03/2020
Sezai Afif ENSARİ	Independent Board Member (Chairman of the Early Risk Detection Committee, Member of the Corporate Governance Committee)	19/03/2020
Abdurrahman ÇELİKER	Independent Board Member Chairman of the Corporate Governance Committee, Member of the Audit Committee	19/03/2020

**Changes Made to the Board of Directors During the Period**

The Independent Board Members have been assigned in the General Assembly meeting on 30/03/2022 until the next ordinary general assembly meeting, the Board Members other than the Independent Board Members have been assigned in the general assembly meeting on 19/03/2020 until the Ordinary General Assembly meeting regarding the activities in 2022.

**Duties and Powers of the Board Members**

The Chairman and Members of the Board of Directors have the duties and powers set out in the relevant articles of the Turkish Commercial Code and the Articles of Association of the Company.

**Numbers of Board Meetings Convened throughout the Year and Attendance by the Board Members to these Meetings**

For the period 01/01/2022-30/09/2022, the Board of Directors has convened 19 times and 48 resolutions have been adopted. Board Members regularly attended these meetings.

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**Committee Members of the Committees of the Board of Directors, Frequency of Meetings, Working Principles, including the Activities to be Carried Out, and Evaluation of the Board of Directors on the Effectiveness of the Committees**

In 2022, the Audit Committee has convened 4 time, the Corporate Governance Committee has convened 4 times, and the Early Risk Detection Committee has convened 4 time. Board Members regularly attended these meetings. Working guidelines for committees are available on [www.oyakcimento.com](http://www.oyakcimento.com).

The Company's Board of Directors has established the Audit Committee, the Corporate Governance Committee and the Early Risk Detection Committee in order to properly fulfill its duties and responsibilities and comply with Corporate Governance Principles, and has published the principles of the functioning of the Committees on the website. The Audit Committee and the Corporate Governance Committee of the Board of Directors meet every 3 months, and the Early Risk Detection Committee meets once every 2 months and informs the board of directors in accordance with the purposes specified in the operating principles. Under the framework of the Corporate Governance Communiqué of the Capital Markets Board, the authority, duty and responsibility for the fulfillment of the tasks stipulated for the Nomination Committee and the Remuneration Committee are also assigned to the Corporate Governance Committee. No external consulting service has been procured by the committees throughout the year.

At our company's Board of Directors meeting dated 31/03/2022, due to the resignation of Mr. Enes Ensari VARDAR, who has been working as Investor Relations Manager , It was decided to appoint Financial Affairs Manager - General Accounting Burak KÖROĞLU and to act as Investor Relations Manager.

Committee	Duties	Name and Surname	Title	Meeting Frequency
<b>Supervision Committee</b>	Chairman	Kazım YETİŞ	Independent Member	Once every 3 month period, at least four times a year.
	Member	Abdurrahman ÇELİKER	Independent Member	
<b>Corporate Governance Committee</b>	Chairman	Abdurrahman ÇELİKER	Independent Member	Once every 3 month period, at least four times a year.
	Member	Sezai Afif ENSARİ	Independent Member	
	Member	Burak KÖROĞLU	Investor Relations Manager	
<b>Early Risk Detection Committee</b>	Chairman	Sezai Afif ENSARİ	Independent Member	Once every 2 month period, at least six times a year.
	Member	Kazım YETİŞ	Independent Member	

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**Executive Officers**

Executive Officers	Duties	Term Start Date
Ali PASTONOĞLU	OYAK Çimento Fabrikaları A.Ş. General Manager	18.08.2020
Murat İdris SELA	Vice Chairman - Industrial Activities	06.08.2022
Kadir Kaan KAHVECİ	Vice Chairman - Financial Affairs	10.06.2020
Cem ÇELİK	Vice Chairman - Sales and Marketing	10.06.2020
Sabri Levent ÖZÇENGEL	Vice Chairman - Human Resources	10.06.2020
Ozan ERİNÇKAN	Vice Chairman - Supply Chain	10.06.2020

The number of our company personnel is 2.129 people, including 1.511 that are covered by collective agreements and 618 that are not covered by collective agreements.

**Changes to Executive Officers during the Period**

As of 06.08.2022, Mr. Murat İdris SELA has been appointed to the Vice Chairman - Industrial Activities of our company.

**7. Actions of Board Members with the company on behalf of themselves or someone else, as well as activities falling under non-competition**

In the Ordinary General Assembly meeting held on 30/03/2022 regarding the activities of the Company for 2021, board members were granted permission for 2022 to carry out transactions within the framework of the relevant articles of the TCC. In this context, no transaction has occurred.

**8. Employee and Worker Movements and Collective Agreement Practices and Rights and Benefits Provided to Employees and Workers**

Personnel working in the Company, whether covered by collective agreements or not, work in accordance with the Social Insurance and General Health Insurance Law No. 5510, in terms of social security, and the Labor Law No. 4857 in terms of labor law.

The personnel's (not covered by collective agreements) personal rights are managed in accordance with the employment contracts signed by the Company and the employee, and the personnel's (covered by collective agreements) personal rights are managed in accordance with the provisions of the collective labor agreement. The workers are affiliated with the Turkish Çimse-İş union.

The new term Group Collective Labor Agreement negotiations, which started on December 22, 2021, between the Cement Industry Employers' Association (ÇEİS) and the Turkish Çimse-Work Union have concluded with an agreement as of January 28, 2022. According to the group collective labor agreement signed between 01/01/2022 – 31/12/2023, the net salary per hour received on 31/12/2021 of the workers who worked at the workplace on 01/01/2022 in the 1st year of the agreement and whose employment contract was continued on the date of the signing of the collective labor agreement, were paid as 01/01/2022 effective from the date of the contract, there will be a 43 percent increase in the net salary per hour. Workers who worked at the workplace on 01/01/2023 in the 2nd year of the contract and whose employment contract continues on 31/12/2022 will increase by CPI + 2 percent.

Amount of provision for severance pay allocated at the end of the period in accordance with Communiqué No. II-14.1 of the CMB is TRY 190.859.416.

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**9. Corporate Governance Principles Compliance Report**

"Corporate Governance Principles" published by the Capital Markets Board are followed and applied during the period 01/01/2022 - 30/09/2022.

**10. Amendments to the Articles of Association**

There was no change during the period.

**B- Financial Rights Granted to Board Members and Executive Officers**

**1. Total amount of financial benefits such as attendance payment, remuneration, premia, bonuses and dividends**

In the General Assembly meeting which took place on 30/03/2022, it has been decided to pay a net remuneration of 11.000 TRY/Month as of 01/04/2022 to the Independent Board Members who are to serve until the next Ordinary General Meeting and to not pay any remuneration to the other Board Members. In addition, Life Insurance (death) have been granted for all Board Members.

No performance-based rewarding payments have been made to the Board members.

During the period, no amounts were credited to the board members and managers, directly or through a third party as a personal loan, and no guarantees such as collateral were given in their favor.

The salaries of the Company's executive officers are determined by the Company's Board of Directors. Additional performance-based payments are made within the Company to non-covered personnel, including the Company's executive officers.

A total of TRY 17.917.567 is recorded as an expense in the reporting period as wages and other short term benefits for the executive officers of the Company.

**2. Information on the total amount of allowances, travel, accommodation and representation expenses, as well as in-kind and cash benefits, insurance and similar guarantees**

Expenses were not recorded during the reporting period in relation to the Company's Board members.

**C- Research and Development Activities**

R&D activities regarding concrete designs for our current and alternative customers, along with studies carried out for the purposes of alternative energy sources in the manufacturing process at our Company, development of new products and product applications, are currently being carried out;

Per the cooperation protocols executed by "Çukurova University Faculty of Engineering and Architecture", and "Adana Science and Technology University"; work for R&D, innovation, business development, project studies for scientific and technological research, project-based articles and working papers, and work that would ensure an experimentation capacity at a national or international level to ensure the efficient use and sustainability of research infrastructure are currently ongoing.

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For the period 01/01/2022-30/09/2022, TRY 14.343.401 is recorded as a research and development expense.

**D- Activities and Important Developments Related to Activities**

**1. Investment Activities**

OYAK Cement, which carries out pioneering activities in its sector to contribute to a sustainable world, continues its work unabated depending on the 2050 roadmap it has prepared in the focus of risks related to climate change, as the transition to a carbon-neutral world is being designed with energy transformations. In this context, companies global temperature increase of 1.5°C limits with the science-based criteria that need to identify targets that combines the name is “net-zero” (Net-Zero) in which the first cement company in Turkey, the commitment Oyak cement, In the light of R&D and innovation studies, DEC has once again demonstrated its difference in the sector with its value-oriented business model.

The commitment of OYAK Cement, which started its activities related to SBTi in 2020, is also demonstrated by the Science-Based Targets Initiative (SBTi), the UN Global Compact and We Mean Business as part of Race to Zero, a United Nations (UN)-supported the campaign.

Turkey in the field of sustainability will contribute to the direction of the net-zero goal determines the manner 2053 Oyak cement, cut energy costs in the last 5 years within the scope of environmental liability, waste feed to improve their systems, waste heat recovery plants, and significant investments to build more environmentally friendly units when performing the rate of alternative fuel use has also significantly increased.

As OYAK Çimento Fabrikaları A.Ş. it has been decided to start the solar power plant installation and to authorize the corporate management as part of our sustainability goals. As a part of our sustainability goals, our company decided for invest plan on Solar Power Plant Project in Ankara province. We are allowed to invest system connection installed power investment of 97.8 MWe / 115.5MWp capacity by Ministry of Energy and Natural Resources TEİAŞ.

**2. Internal control system and internal audit activities**

In order to increase the effectiveness and efficiency of the internal control system, the Company regularly monitors periodic measurements, preventive maintenance practices, specific energy monitoring reports, daily production tracking tables, monthly activity reports and takes instant measures against elements that may affect the Company's productivity. In addition, a management system is implemented with targets and committee activities are carried out.

An internal audit unit department exists in the cement and concrete group. The Company carries out Audit Committee studies and reports and internal control system within its business processes. On 25/07/2012 it established the Early Risk Detection Committee. The committee, consisting of a total of 2 members, meets, from the date of its establishment to the date of the report, for the purpose of early diagnosis of reasons that endanger the existence and development of the Company and the implementation of the necessary measures and remedies for this and risk management, and submits the reports it has prepared in this context to the Board of Directors. Guidelines of the committees are available at the Company's website [www.oyakcimento.com](http://www.oyakcimento.com).

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**3. Direct and Indirect Subsidiaries**

Company	Sector	Effective Affiliate Rate (%)
Adana Çimento Sanayi ve Ticaret Ltd.	Cement and clinker	100
Adana Çimento Free Port Ltd.	Cement and clinker	100
Cimpor Romania Terminal S.R.L.(*)	Cement and packaging	100
Marmara Madencilik San. ve Tic. Ltd. Şti.	Exploration, extraction, discovery, exploitation and procuring exploitation of all kinds of mines, turning these into raw, semi-finished and finished goods and purchasing and selling these	98,9

(\*) The title of Unye Cem S.R.L. is Cimpor Romania Terminal S.R.L. has been changed to; It has been registered as of 23/09/2022.

**4. Information regarding the shares of the Company that it has acquired**

None exists as of 01/01/2022 –30/09/2022.

**5. Explanations on private audit and public audit**

Independent external audit activities for 2022, is to be carried out by the firm, DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Deloitte), an independent external audit firm approved at the Ordinary General Assembly meeting on March 30/03/2022, and the Full Certification Audit will be carried out by Denet Yeminli Mali Müşavirlik A.Ş.

The Independent Audit and Full Certification and audit by public instituton, which are routinely carried out between 01/01/2022 and 30/09/2022, are as follows.

Auditor	Start Date	End Date	Audit Subject	Result
DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.	10.01.2022	07.03.2022	Independent Audit	Positive
DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.	18.07.2022	19.08.2022	Independent Audit	Positive
Denet Yeminli Mali Müşavirlik A.Ş.	18.01.2022	21.01.2022	Full Certification and Tax Audit	Positive
Denet Yeminli Mali Müşavirlik A.Ş.	21.04.2022	25.05.2022	Full Certification and Tax Audit	Positive
Denet Yeminli Mali Müşavirlik A.Ş.	20.07.2022	22.07.2022	Full Certification and Tax Audit	Positive

**6. Legal Matters**

**a) Lawsuits**

There are no significant lawsuits filed against the Company and that are still ongoing, that may affect the financial position and activities of the company. In the financial statements dated 30/09/2022, an amount of TRY 16.261.108 is allocated in accordance with the legal report for the cases filed against the company and which are not of a significant nature.



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**b) Administrative-Judicial sanctions**

There are none.

**7. General Assemblies**

On 30/03/2022, Ordinary General Assembly meeting for the year 2021 has been held. The outcomes of Ordinary General Assembly meeting are presented to our shareholders by publishing them on the Public Disclosure Platform (PDP), Company website (www.oyakcimento.com) and the information portal of the Central Securities Depository (CSD).

Resolutions adopted in the 2021 Ordinary General Assembly meeting held on 30/03/2022 have been implemented.

**8. Donations and Social Responsibility Projects**

Support and donations for the amount of 1.604.309 TRY have been made in the period 01/01/2022-30/09/2022.

**E- Financial Situation**

**1. Summary of Financial Statements**

Financial statements are prepared according to the Communiqué No:14.1 of the CMB.

**Summary Balance Sheet (TRY)**

	<b>30.09.2022</b>	<b>31.12.2021</b>
Current Assets	5.219.544.110	2.600.687.269
Non Current Assets	2.623.471.201	2.274.946.920
Total Assets	7.843.015.311	4.875.634.189
Short-Term Liabilities	2.740.468.965	1.386.278.336
Long-Term Liabilities	591.648.245	511.434.660
Equity	4.510.898.101	2.977.921.193
Total liabilities and equity	7.843.015.311	4.875.634.189

**Summary Income Statement (TRY)**

	<b>30.09.2022</b>	<b>30.09.2021</b>
Revenue	8.185.945.315	3.150.609.420
Operating Profit	1.995.795.720	588.436.516
Profit Before Tax	1.908.276.697	590.055.660
Net Profit for the Period	1.571.579.737	442.982.621

The Entity prepares its budgets within the frame of its strategic goals that is approved by the Board of Directors.

In the regular meetings of the Board of Directors is reviewing the current position of the Entity and activities are compared with the previous period and budget targets

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**2. Key Ratios**

**Significant Ratios**

	<b>30.09.2022</b>	<b>30.09.2021</b>
Operating Profit Margin(%)	24,38	18,68
Net Profit Margin(%)	19,20	14,06
EBITDA Margin (%)	26,36	22,65

**3. Financial Capacity**

Per the calculations made in accordance with Art. 376 of the TCC, it is determined that the capital of the Company is not uncovered.

**4. Development of Funding Sources and Policies Implemented by the Enterprise Regarding this Development**

New financing alternatives that are suitable for market conditions are constantly being investigated and suggestions are being evaluated. It has full access to all national and international financing sources and there are no changes in the Company's financing sources.

OYAK Cement Factories A.Sh. JCR Eurasia Rating A.Sh. the results were evaluated by the student. As a result of rating studies which were made by "JCR Avrasya Derecelendirme A.Ş.", Company's long-term and short-term national grades respectively as 'AA+(tr)' and 'J1+(tr)', and the outlook for grades has been confirmed as " Stable". Our Company's.

**5. Nature and Amount of Issued Capital Market Instruments**

The table of the capital market instruments issued by the Company is as below;

<b>ISIN CODE</b>	<b>TYPE</b>	<b>DUE DATE</b>	<b>SALES METHOD</b>	<b>COMPLETION DATE OF SALE</b>	<b>NOMINAL AMOUNT ( TRY )</b>
TRSOYKCE2313	Private Sector Bonds	31.10.2023	Sale to Qualified Investor	02.11.2021	300.000.000

**6. Dividend Distribution**

Our profit distribution policy adopted in the Ordinary General Assembly meeting for 2014 held on March 12, 2015 is as follows.

"The Company, in principle, has adopted the policy of distribution of the entirety of the distributable profit for the period in cash, to the extent that the financial leverage rates and the needs for investment / funding and expectations regarding the creation of free cash in the future, including market forecasts, in accordance with the legislation in force and the Articles of Association of the Company. The dividend distribution policy is reviewed annually by the Board of Directors according to national and global economic conditions, the projects on the company's agenda and the status of its funds.

Dividends are paid until 15<sup>th</sup> of December of the relevant calendar year, in installments with equal or different amounts, in accordance with the provisions of the legislation, with the authorization of the Board of Directors in the general assembly meeting during which a resolution to distribute is adopted.

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In accordance with the provisions of the relevant legislation, the General Assembly is authorized to distribute Advance Dividends"

As a result of the General Meeting held on 30/03/2022, it is decided that the Company is not to distribute dividends over its profit for the year 2021.

**7. Information about the Industry in Which the Enterprise Conducts Business**

Throughout Turkey, there are 56 integrated facilities and 17 grinding – packaging facilities belonging to 29 groups and manufacturers. According to Türk Çimento data for 2021, clinker production capacity in Turkey is 96.590.230 tons and cement production capacity is 151.350.675 tons. With this capacity, Turkey ranks third after China, India in the rankings for in the world.

Taking into consideration and evaluating Türk Çimento data for July 2022, it can be said that cement production is 39.995.580 tons. Total sales were 28.392.644 tons as domestic sales and 11.217.376 tons as export sales. Again, in this period, the export sales of clinker amounted to 5.932.029 tons. There is an excess of capacity in Turkey and exports have become necessary. Despite this excess capacity, cement facility investments continue in different regions of Turkey.

According to Türk Çimento data at the end of July 2022, cement production decrease by 9,98% compared to the same period last year. About 28% of the cement produced during this period is exported. Again, in this period, there was a decrease of 14,94% in domestic sales and an increase of 8,99% in exports.

According to Türk Çimento data for July 2022 data, regional domestic cement sales decreased in all regions, while exports increased in all regions except Aegean, Black Sea, Central Anatolia and Eastern Anatolia regions.

**8. Position of the Enterprise in the Industry**

**Marmara**

According to Türk Çimento's data for July 2022, domestic sales decreased by 14,94% in Turkey and 0,84% in the Marmara region compared to the same period last year. Exports increased by 8,99% in Turkey and 14,85% in our region. According to Türk Çimento's data for July 2022, 10.858.036 tons of clinker and 11.423.783 tons of cement were produced in our region.

**Mediterranean**

According to Türk Çimento's data for July 2022, domestic sales decreased by 14,94% in Turkey and 12,08% in the Mediterranean region compared to the same period last year. Exports increased by 8,99% in Turkey, an increase of 7,73 % was observed in our region. According to Türk Çimento's data for July 2022, 10.832.490 tons of clinker and 10.509.776 tons of cement were produced in our region.

**Black Sea**

According to Türk Çimento's data for July 2022, domestic sales decreased by 14,94% in Turkey and 19,99% in the Black Sea region compared to the same period last year. Exports increased by 8,99% in Turkey, while 45,86% fell in our region. According to Türk Çimento's data for July 2022, 3.621.889 tons of clinker and 3.772.401 tons of cement were produced in our region.

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**Central Anatolia**

According to the data of Türk Cement for July 2022, domestic sales decreased by 14,94% in Turkey and 19,74% in the Central Anatolia Region compared to the same period last year. Exports increased by 8,99% in Turkey, while a decrease of 14,88% was observed in our region. According to the July 2022 data of Turkish Cement, 6.057.904 tons of clinker and 5.469.746 tons of cement were produced in our region

**Southeastern Anatolia**

According to Türk Çimento's data for July 2022, domestic sales decreased by 14,94% in Turkey and 24,82% in Southeast Anatolia compared to the same period last year. Exports increased by 8,99% in Turkey and 127,56% in our region. According to Türk Çimento's data for July 2022 2.312.229 tons of clinker and 2.086.933 tons of cement were produced in our region.

**9. Incentives**

The Company benefits from the Social Insurance Invalidity and Old Age Incentive No. 5510, disability incentive included in the quota subject to Law No. 5510 within the scope of the art. 30 of the Labor Law No. 4857, government incentive for students going through supplemental education per Professional Education Law No. 3308, Insurance Premium Incentive No. 17103 and 27103, Minimum Wage incentive No. 6661 and Additional Employment Incentive No. 6111.

Regarding sand, clay and quarrying dated 15/04/2022, production, non-metallic waste and scraps dated 09/04/2019, electricity, gas, water, electricity generation, transmission and distribution dated 20/03/2015 and dated 02/02/2015 The Company has five investments with incentive certificates, which are related to the manufacturing, cement, lime and plaster manufacturing investment subject dated 21/03/2019. In incentive certificates, the tax reduction rate is 80% and the investment contribution rate is 40%.

**10. Development of the Enterprise**

The first concrete export by OYAK Çimento Fabrikaları A.Ş., which has started its activities on September 8, 1975, (Former Commercial Title: Mardin Çimento Sanayii ve Tic. A.Ş.) has been made to Middle East countries, in 1975. OYAK Çimento, with its strong and reliable reputation acquired in domestic and export markets, is a reason for choice in all around Turkey.

Taking into consideration the strategic plans and the synergy to be achieved regarding the targets in the cement industry, on 13/12/2019, it has been decided to start the negotiations with the intention to carry out the merger of OYAK Çimento Fabrikaları A.Ş. (Former Commercial Title: Mardin Çimento Sanayii ve Tic. A.Ş.) and Adana Çimento Sanayii T.A.Ş., Aslan Çimento A.Ş., Bolu Çimento Sanayi A.Ş., and Ünye Çimento Sanayi ve Ticaret A.Ş.

The "Announcement Text" on the merger was approved by the decision of the Capital Markets Board dated 20/02/2020 and submitted to the approval of the shareholders in the Extraordinary General Meeting held on 27/03/2020. In the Extraordinary General Assembly, the merger was approved. The merger has been registered at the Mardin Trade Registry Office on 14/05/2020.

The registration, at the Ankara Trade Registry Office, of the merger of Oyak Beton Sanayi ve Ticaret A.Ş., a subsidiary of our Company at the percentage of 100%, registered at the Ankara Trade Registry Office with the registration number 195300, in the midst of our Company, by "acquisition" via the application of the method of "Facilitated Merger Procedure", as a whole with all its assets and liabilities, is completed as of 31/12/2020.

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OYAK Çimento, which continues its activities in a wide area as the capacity and market leader of the Turkish cement industry, is a leading community that develops areas of use of cement with the principles of efficiency, creativity and profit-orientation, playing an active role in the country's market. OYAK Çimento Fabrikaları A.Ş., which adopted as its vision to be a respected, leading and reliable company, developing areas of use of cement and playing an active role in global markets, endeavors to increase sales volumes both at home and abroad.

**11. Units of the Enterprise**

The capacities of the branches and facilities of our Company are summarized in the table below.

PLACES OF ACTIVITY	AREAS OF ACTIVITY OF THE FACILITY	Cement Production Capacity (Ton / Year)	Clinker Production Capacity (Ton / Year)	Grinding Capacity (Ton / Year)	Cement Stocking Capacity (Ton / Year)	Concrete Production Capacity (m3 / year)	Aggregate Production Capacity (Ton / Year)
Adana Cement Branch	Cement-clinker production and sales	3.5 million	3 million				
Iskenderun Facility-I	Cement-Ground Slag and Sale			1 million			
Iskenderun Facility-II	Cement-Ground Slag and Sale			1 million			
Turkish Republic of Northern Cyprus	Stocking and sales				8 thousand		
Bolu Cement Branch	Cement-clinker production and sales	2.5 million	1.45 million				
Ereğli Branch	Cement and Ground Slag and Sale			1 million			
Ankara Branch	Cement-clinker production and sales	1.7 million	1.3 million				
Aslan Cement Branch	Cement-clinker production and sales	3.3 million	1.8 million				
Ünye Cement Branch	Cement-clinker production and sales	2.6 million	1.56 million				
Rize/ Çayeli	Cement Filling and Packaging Facility				21 thousand		
Romania Facility	Cement Filling and Packaging Facility				8 thousand		
Mardin Cement Branch	Cement-clinker production and sales	2.7 million	1.85 million				
Ready Mixed Concrete Facilities ( Adana, Hatay, Kıbrıs, Bolu, Zonguldak, Kocaeli, Ordu, Rize, Mardin, Osmaniye, Gaziantep, Kahramanmaraş, Mersin, İstanbul, Samsun, İzmir, Ankara, Aydın, Denizli, Afyon, Manisa, Romanya )	Ready Mixed Concrete Production and Sales					9.5 million	
Aggregate Production Facilities (Ayaş, Çerkeşli Cendere)	Aggregate Production Facility						5 million

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**12. Products**

The product range of OYAK Çimento Fabrikaları includes the following types of cement. Portland Cement is used in construction projects that require high strength but do not require special attention to hydration heat and sulfate effect. Portland Composite Cement is used in general-purpose construction projects where blended cement is used and which require higher strength. Pozzolanic Cement is used in concrete exposed to sea water and groundwater, industrial floors affected by sulfate, mass concrete where low hydration heat is required. Blast Furnace Slag Cement is used in concrete exposed to sea water and groundwater, industrial floors affected by sulfate, general purpose construction, mass concrete where low hydration heat is required. Sulfate-resistant cement types are used in construction projects in areas affected by sulphated fields and sea water, in underwater construction projects, construction projects for bridges, dams and port foundations, in construction projects for retaining walls API Well Cement has been used in oil drilling wells and geothermal power plants with its high sulfate resistance (HSR), strength under high temperature and pressure, and workability. White cement can be used wherever grey cement is used. Their distinctive basic characteristics are that they have white color, aesthetic and decorative properties, and their strength gains are high. Ground Blast Furnace Slag is used as a secondary binder in concrete production.

The product information of our company is listed below;

<b>Product Name</b>	<b>Type and Class</b>	<b>Standard</b>
<b>Adana Cement Branch</b>		
Portland Cement	CEM I 42,5 R	TS EN 197-1
Portland Cement	CEM I 52,5 R	TS EN 197-1
White Portland Cement	CEM I 52.5 R / BPC 52.5 R / 85	TS EN 197-1 / TS 21
White Portland Cement	CEM I 42,5 R	TS EN 197-1
White Portland Limestone Cement	CEM II / B-LL 42,5 R	TS EN 197-1
Composite Cement	CEM V / A (S-P) 32.5 R	TS EN 197-1
Portland Slag Cement	CEM II / A-S 42,5 R	TS EN 197-1
White Portland Limestone Cement	CEM II/B-LL 32,5 R	TS EN 197-1
Composite Cement	CEM VI (S-LL) 32,5 R	TS EN 197-5
Portland Cement(White)	Type I	ASTM C 150

<b>Iskenderun Facilities Branch</b>		
Portland Cement	CEM I 42,5 R	TS EN 197-1
White Portland Cement	CEM I 52,5 R	TS EN 197-1
Blast Furnace Slag Cement	CEM III / A 42,5 N	TS EN 197-1
Portland Composite Cement	CEM II / B-M (S-V) 42,5 R	TS EN 197-1
Composite Cement	CEM V / A (S-V) 32.5 R	TS EN 197-1
Portland Cement(White)	Type I	ASTM C 150
Ground Blast Furnace Slag	-	TS EN 15167-1

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<b>Bolu Cement Branch</b>		
Portland Cement	CEM I 42,5 R	TS EN 197-1
Sulphate Resistant Portland Cement	CEM I 42.5 R-SR5	TS EN 197-1
Portland Composite Cement	CEM II / A-M (S-L) 42.5 R	TS EN 197-1
Pozzolanlic Cement	CEM IV / B (P) 32,5 R	TS EN 197-1
API Well Cement	Class G; HSR type	API Spec Q1-API-10A
Ground Blast Furnace Slag	Ground Blast Furnace Slag	EN 15167-1

<b>Ereğli Branch</b>		
Sulphate Resistant Blast Furnace Slag Cement	CEM III B (S) 32,5 N-SR	TS EN 197-1
Ground Blast Furnace Slag	Ground Blast Furnace Slag	EN 15167-1
Blast Furnace Slag Cement	CEM III / A (S) 32,5 N	TS EN 197-1
Blast Furnace Slag Cement	CEM III / A (S) 42.5 R	TS EN 197-1

<b>Ankara Branch</b>		
Portland Cement	CEM I 42,5 R	TS-EN-197-1
Pozzolanlic Cement	CEM IV / B (P) 32,5 R	TS-EN 197-1
Portland Limestone Cement	CEM II/A-LL 42,5 R	TS EN 197-1
Ground Blast Furnace Slag	Ground Blast Furnace Slag	TS-EN 15167-1

<b>Aslan Cement Branch</b>		
Portland Cement	CEM I 42,5 R	TS EN 197-1
Portland Composite Cement	CEM II / A-M (S-L) 42.5 R	TS EN 197-1
Composite Cement	CEM V / A (S-P) 32,5 N	TS EN 197-1
Portland Composite Cement	CEM II / B-M (S-L) 42,5 R	TS EN 197-1
Portland Cement (Low Alkali Content)	TYPE I/III	ASTM C 150

<b>Ünye Cement Branch</b>		
Portland Cement	CEM I 42,5 R	TS EN 197-1
Sulphate Resistant Portland Cement	CEM I 42.5 R-SR5	TS EN 197-1
Portland Composite Cement	CEM II / A-M (S-LL) 42.5 R	TS EN 197-1
Portland Composite Cement	CEM II / A-M (P-LL) 42.5 R	TS EN 197-1
Blast Furnace Slag Cement	CEM III / A 42,5 N	TS EN 197-1
Pozzolanlic Cement	CEM IV / B (P) 32,5 R	TS EN 197-1

<b>Mardin Cement Branch</b>		
Portland Cement	CEM I 42,5 N	TS EN 197-1
Portland Composite Cement	CEM II / A-M (P-LL) 42.5 R	TS EN 197-1
Pozzolanlic Cement	CEM IV / B (P) 32,5 N	TS EN 197-1
Sulphate Resistant Cement	CEM I 42,5 R-SR3	TS EN 197-1

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Along with the production of all kinds of standard concrete of every class and type within the product range of ready-mixed concrete, OYAK Çimento Fabrikaları A.Ş. has a special and wide product range, developed by long term R&D efforts, whose trademarks are registered, every single one of which serves a different purpose, with a content and richness that may respond to every special need.

Brand	Product Name	Explanation
DURABET®	Concrete with High Durability	It is a special product with high durability that is resistant to severe environmental effects, with low water and chlorine permeability, minimized crack risk, and heat development control.
SMARTBET®	Self-Settling Concrete	It is a self-settling special product designed for building elements with narrow-sections and thick fittings, that may be easily placed and finished.
AQUABET®	Concrete with Reduced Water Permeability	It is a special product with reduced water permeability designed for any environment exposed to water and moisture.
SKYBET®	Concrete Pumped to High Floors	It is a special product with high consistency protection and high strength that can be easily transferred over very long distances in multi-story office and residential buildings, vertically and horizontally.
İZOBET®	Insulating Concrete	It is a special product designed for building elements where heat and sound insulation are needed.
FIBRABET®	Fiber Concrete	It is a special steel and polypropylene fiber reinforced product with high bending and impact resistance, and a reduced risk of premature cracks.
FIBROSHOT®	Fiber Shotcrete	It is a special shotcrete product that is fast, practical and fiber-reinforced, used in manufacturing of tunnel and slope etc.
WHITEBET®	White Concrete	It is a special product manufactured by the use of special white cement and light colored raw materials for construction elements with aesthetic and decorative features.
REPABET®	Micro-fiber Repair Concrete	It is a special fiber reinforced product that settles quickly and that can be used in the repair of factory floor concrete, road, apron and runway concrete subject to heavy traffic, with a low risk of cracks, high early and final strength.
VIABET®	Sliding Formwork Concrete	It is a special product designed in accordance with the working principle of sliding formwork systems in viaduct concretes.
POROZBET®	Permeable Concrete	It is a special product designed for areas such as parks, gardens, parking lots etc., with increased permeability.
DUALBET®	Road Concrete	It is a special road concrete that can be compressed with a cylinder and/or dumped with a paver.
DOZBET®	Dose Concrete	It is a special product designed based on a binding rate determined according to customer demand.
FLEKSBET®	Fixed and Flex Line Concrete	It is a special product designed according to customer demand, which can be conveniently pumped over long distances with fixed or flex hoses.



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<b>Product Name</b>	<b>Type and Class</b>	<b>Standard</b>
Standard Concrete	C8 / 11-C80 / 95	TS EN 206
Light Concrete	LC 8/9-LC 35/38	TS EN 206
Heavy Concrete	HC8 / 10 – HC 50/60	TS EN 206
DURABET®	Special Product	TS EN 206
AQUABET®	Special Product	TS EN 206
SKYBET®	Special Product	TS EN 206
SMARTBET®	Special Product	TS EN 206
FIBRABET®	Special Product	TS EN 206
WHITEBET®	Special Product	TS EN 206
FIBROSHOT®	Special Product	TS EN 206
REPABET®	Special Product	TS EN 206
İZOBET®	Special Product	TS EN 206
VIABET®	Special Product	TS EN 206
POROZBET®	Special Product	TS EN 206
DUALBET®	Special Product	TS EN 206
DOZBET®	Special Product	TS EN 206

### 13. Developments Regarding Sales

While the Company continues its activities by targeting sustainable profitability, new investments are being pursued domestically in 2022. Regarding exports, new sales markets are being explored.

### F- Risks and Assessment of the Board of Directors

#### 1. Risk management policy

The Company manages the risks by identifying the risks that may endanger its existence, development and continuation and taking the necessary measures related to the identified risks. In this context, the Company established the Early Risk Detection Committee.

#### 2. Early Risk Detection Committee

The Company established this committee on 25/07/2012 and the committee consists of 2 members. The committee has met routinely from the date of its establishment to the date of the report, for the purpose of early diagnosis of reasons that endanger the existence and development of the Company and the implementation of the necessary measures and remedies for this and risk management, and submitted the reports it has prepared to the Board of Directors. Guidelines of the committee are available at the Company's website [www.oyakcimento.com](http://www.oyakcimento.com).

#### 3. Future Risks

In accordance with our awareness and priorities for social responsibility, our Company monitors future risks in order to maintain its activities in accordance with its goals regarding occupational health and safety, environmental sensitivity, regular optimization of its costs and to offer innovative products to our customers. All factors that may negatively affect our domestic and export sales quantity and prices are monitored.

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**G- Other Considerations****1. Headquarters and Organizations outside the Headquarters**

The Headquarters, branches and facilities of our company are listed below.

	Address	Phone Number	Fax Number
Headquarters	Çukurambar Mahallesi 1480. Sokak No: 2A/56 Çankaya-Ankara / TURKEY	0 (312) 220 02 90	0 (312) 220 02 91
Adana Cement Branch	İncirlik Cumhuriyet Mahallesi Çimento Blv. No: 39/ A Yüreğir / ADANA / TURKEY	0 (322) 332 99 50	0 (322) 332 97 32
Iskenderun Facility I	Karayılan Beldesi Yanı PK: 27 İskenderun/HATAY / TURKEY	0 (326) 654 25 10	0 (326) 654 25 00
Iskenderun Facility II	Karayılan Mah. 37. Sok. No: 9 İskenderun/HATAY / TURKEY	0 (326) 654 25 10	0 (326) 654 25 00
Turkish Republic of Northern Cyprus	Gazimağusa Serbest Liman Bölgesi Parsel no: 1 Gazimağusa / TRNC	0 (392) 365 31 25	0 (392) 365 07 64
Bolu Cement Branch	Yuva Köyü Yuva Köyü Merkez ( Mucavir ) Mevkii Çimento Fabrikası yanı Sokak No:1 A Merkez BOLU / TURKEY	0 (374) 226 47 70	0 (374) 226 50 68
Ereğli Branch	Hamzafakıhlı Mahallesi Organize Sanayi Bölgesi 5 Nolu Yol Sokak (Bina no: 116184763) Dış Kapı No:3 Ereğli ZONGULDAK / TURKEY	0 (372) 334 32 00	0 (372) 334 32 05
Ankara Branch	Saray Mahallesi Gıdaçılar Caddesi No:23 /A-B Kahramankazan ANKARA / TURKEY	0 (312) 815 50 50	0 (312) 815 50 60
Aslan Cement Branch	Cami Mahallesi, Kaplan Caddesi Girişi Sit. No: 149/1 Darıca / KOCAELİ / TURKEY	0 (262) 745 47 47	0 (262) 745 43 42
Ünye Cement Branch	Günpınarı Mah. Boğazağzı Sok. No.2/1 Ünye / Ordu / TURKEY	0 (452) 321 11 00	0 (452) 321 11 30
Rize/ Çayeli	Limanköy Mevkii Çayeli / Rize/ TURKEY	0 (464) 532 86 01	0 (464) 532 86 03
Romania Facility	Incinta Port Mangalia Romania	00 40 241 743 777	00 40 241 743 733
Mardin Cement Branch	Kabala Mah. 630 Sokak No:1/1 Artuklu / MARDİN / TURKEY	0 (482) 226 64 30	0 (482) 226 64 36
OYAK Beton	Bahçekapı Mah. 2453 Cad. Oyak Beton Apt. No: 8 Etimesgut / ANKARA	0 (312) 278 78 00	0 (312) 278 60 20

There are also ready-mixed concrete facilities owned by our Company.

**2. Information about Changes in Legislation that can Significantly Affect the Company's Activities**

There are no changes in legislation that can significantly affect the Company's activities.

**3. Information about Conflicts of Interest Between the Organizations from which the Company Procures Services on Issues such as Investment Advice and Rating, as well as Measures Taken by the Company to Prevent these Conflicts of Interest**

There are none.

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**4. Information about Employees' Social Rights, Vocational Training and Other Activities of the Company which Have Social and Environmental Consequences**

The company provides employees with health and life insurance. At the same time, to increase the skills of workers, the company organizes training both in business competency and social skills.

The company takes all necessary precautions by evaluating the possible environmental effects and dimensions of ongoing investments at the project stage. Environmental impact assessment reports have been prepared for each factory and project-specific to the company's activities, within this scope, EIA Positive Certificate and/or EIA Not Required documents prepared. Each factory has "Environmental Permit and License Documents" valid for Wastewater Discharge, Air Emission, Noise and Waste Incineration, and Co-incineration. The company takes action by monitoring all kinds of risks and environmental aspects for the protection, improvement of the environment, human health, safety, and to ascend the quality level by increasing the effectiveness of the "Integrated Management System", to create a healthy and safe work environment with environmental awareness, to comply with their wishes and tastes. The company aims to maintain customer satisfaction by offering products and services.

The company aims to improve quality, environmental awareness, occupational health, safety culture, reduce occupational accidents, create a healthy, safe working environment, reduce natural resource use and increase productivity. It has established an "Integrated Management System" that meets the requirements of ISO 9001 "Quality Management System", ISO 14001 "Environmental Management System", ISO 50001 "Energy Management System", ISO 45001 "Occupational Health and Safety Management System" and documented every factory.

The company updated its work on reflecting its economic, social, and environmental impacts on its management strategy by prioritizing it within the scope of sustainability in 2021, and published 2020 Integrated report, which shows both financial information and sustainability performances in the most holistic, effective and comprehensive way, on 06 June 2022. At the same time, the company completed the work on establishing a "Sustainability Board" and a "Sustainability Committee" achieved its mission on determining the sustainability strategies and targets for the next three years (2022-2025) in 2021, and prepared the 2022-2025 Sustainability Strategies Report in this direction.

The company became the first cement company in Turkey to make the "Net-Zero" commitment, which brings together the criteria that global companies need to set science-based targets to limit the global temperature increase to 1.5°C until 2030. The company continues to carry out pioneering activities in the sector by being among the business and financial institutions working with the Science-Based Targets Initiative (SBTi) to reduce its emissions in line with climate risks..

**5. Mandatory information to be provided to shareholders on related party transactions and balances**

Information about our Company's transactions with Related parties is included in footnote 4 of our CMB report dated 30/09/2022.

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**6. Information for Shareholders**

Shares of OYAK Çimento Fabrikaları A.Ş. are traded at Borsa İstanbul A.Ş. (BIST) with the OYAKC symbol. Information about share certificates is published on our website, on the economy pages of daily newspapers and on the internet portals of investment companies.

Annual reports of OYAK Çimento Fabrikaları A.Ş. and other information can be obtained both from the address below and at [www.oyakcimento.com.tr](http://www.oyakcimento.com.tr).

The paid-in capital of the company is 115.979.344.100 TRY (31/12/2021: 115.979.344.100). The Company's Capital is divided into 115.979.344.100 shares, each with a nominal value of 0,01 TRY (31/12/2021:0,01 TRY)

**Investor Relations Department Contact Information**

All activities related to shareholders are carried out within the framework of the Company's Financial Affairs Directorate-General Accounting.

The Investor Relations Department's contact information is listed below.

Manager of Investor Relations Department;

Name and Surname : Burak KÖROĞLU  
Phone : 0 312 220 02 90  
E-Mail Address : [bkoroglu@oyakcimento.com](mailto:bkoroglu@oyakcimento.com)  
Licenses Owned : Level 3 Capital Market Activities License  
Corporate Governance Rating License

Information on the employees working under the Investor Relations Department;

Name and Surname : Sema PEKKANLI TEZEL  
Phone : 0 312 220 02 90  
E-Mail Address : [spekkanli@oyakcimento.com](mailto:spekkanli@oyakcimento.com)  
Licenses Owned : Corporate Governance Review License  
Level 3 Capital Market Activities License  
Credit Rating License  
Derivative Instruments License

Name and Surname : Rahim BİÇİCİ  
Phone : 0 312 220 02 90  
E-Mail Address : [rbicici@oyakcimento.com](mailto:rbicici@oyakcimento.com)  
Licenses Owned : Corporate Governance Review License  
Level 3 Capital Market Activities License

**Investor Relations Phone Line : 0 312 220 01 12**

**Investor Relations Mail Address : [yatirimciiliskileri@oyakcimento.com](mailto:yatirimciiliskileri@oyakcimento.com)**

In contradiction between the Turkish and English versions of this Board of director' s report, the Turkish version shall prevail.