

**(CONVENIENCE TRANSLATION OF CONDENSED
INTERIM CONSOLIDATED FINANCIAL
STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 2022

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OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Condensed Consolidated Statement of Financial Position as of 30 September 2022

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

		Not reviewed	Audited
		Current Period	Prior Period
	Notes	30 September 2022	31 December 2021
ASSETS			
Current Assets		5.219.544.110	2.600.687.269
Cash and Cash Equivalents	3	1.211.011.986	314.816.289
Financial Investments	9	166.340.027	161.744.987
Trade Receivables	4-5	2.169.255.190	1.245.626.388
<i>Trade Receivables from Related Parties</i>	4	237.560.777	129.697.429
<i>Trade Receivables from Third Parties</i>		1.931.694.413	1.115.928.959
Other Receivables		31.500.951	19.066.575
<i>Other Receivables from Related Parties</i>	4	4.291.001	14.594.486
<i>Other Receivables from Third Parties</i>		27.209.950	4.472.089
Inventories	6	1.490.278.305	769.392.993
Prepaid Expenses	7	148.232.269	67.064.289
Other Current Assets		1.661.036	21.711.402
Assets Held for Sale		1.264.346	1.264.346
Non-current Assets		2.623.471.201	2.274.946.920
Other Receivables		4.284.357	4.980.297
<i>Other Receivables from Third Parties</i>		4.284.357	4.980.297
Investment Properties		17.694.832	17.694.832
Right-of-use Assets		16.746.083	24.688.677
Property, Plant and Equipment	8	2.288.402.239	2.000.700.068
Intangible assets		61.292.293	75.530.078
<i>Goodwill</i>		7.062.941	7.062.941
<i>Other Intangible Assets</i>	8	54.229.352	68.467.137
Prepaid Expenses	7	51.571.307	37.873.147
Deferred Tax Assets	14	181.495.638	111.336.537
Other Non-current Assets		1.984.452	2.143.284
TOTAL ASSETS		7.843.015.311	4.875.634.189

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Condensed Consolidated Statement of Financial Position as of 30 September 2022

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

		Not reviewed	Audited
		Current Period	Prior Period
	Notes	30 September 2022	31 December 2021
LIABILITIES AND EQUITY			
Current Liabilities		2.740.468.965	1.386.278.336
Short-term Borrowings	12	759.212.310	132.944.958
Short-term Portion of Long-term Borrowings	12	4.121.973	12.888.532
Trade Payables	4-5	1.504.340.495	1.014.177.159
<i>Trade Payables to Related Parties</i>	4	269.909.490	174.973.672
<i>Trade Payables to Third Parties</i>		1.234.431.005	839.203.487
Payables Related to Employee Benefits		37.554.228	16.333.514
Other Payables		90.079.339	21.894.351
<i>Other Payables to Related Parties</i>	4	4.198.316	3.685.898
<i>Other Payables to Third Parties</i>		85.881.023	18.208.453
Deferred Income	7	91.369.782	57.144.473
Current Tax Liabilities	14	167.931.646	69.731.912
Short-term Provisions		85.430.453	61.076.491
<i>Short-term Provisions for Employee Benefits</i>		38.686.802	27.450.000
<i>Other Short-term Provisions</i>	10	46.743.651	33.626.491
Other Short-term Liabilities		428.739	86.946
Non-current Liabilities		591.648.245	511.434.660
Long-term Borrowings	12	318.267.442	321.197.169
Deferred Income	7	2.015.053	4.030.108
Long-term Provisions		271.365.750	186.207.383
<i>Long-term Provisions for Employee Benefits</i>		265.090.563	179.948.672
<i>Other Long-term Provisions</i>	10	6.275.187	6.258.711
TOTAL LIABILITIES		3.332.117.210	1.897.712.996

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Condensed Consolidated Statement of Financial Position as of 30 September 2022

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

		Not reviewed	Audited
		Current Period	Prior Period
	Notes	30 September 2022	31 December 2021
EQUITY		4.510.898.101	2.977.921.193
Equity Attributable to Parent		4.510.898.101	2.977.921.193
Paid-in Capital	13	1.159.793.441	1.159.793.441
Capital Adjustment Differences	13	134.868.176	134.868.176
Repurchased Shares (-)		(6.935.220)	(6.935.220)
Share Premiums (Discounts)		234.322	234.322
Other Accumulated Comprehensive Income (Expenses) That Will Not Be Reclassified To Profit or Loss		(80.661.389)	(44.705.178)
- <i>Gains (Losses) on Remeasurement of Defined Benefit Plans</i>		(80.661.389)	(44.705.178)
Other Accumulated Comprehensive Income (Expenses) That Will Be Reclassified To Profit or Loss		1.413.745	4.060.363
- <i>Foreign Currency Translation Differences</i>		1.413.745	4.060.363
Restricted Reserves Appropriated from Profit The Effect of Mergers Involving Undertaking or Enterprises Subject to Common Control	13	405.954.871	405.954.871
Retained earnings		1.528.636.799	905.464.705
Net Profit for the Period		1.571.579.737	725.165.282
TOTAL LIABILITIES AND EQUITY		7.843.015.311	4.875.634.189

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Nine-month Interim Period Ended 30 September 2022

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

		Not reviewed Current Period 1 January - 30 September 2022	Not reviewed Current Period 1 July- 30 September 2022	Not reviewed Prior Period 1 January - 30 September 2021	Not reviewed Prior Period 1 July- 30 September 2021
	Notes				
PROFIT OR LOSS					
Revenue	16	8.185.945.315	3.476.548.492	3.150.609.420	1.164.713.136
Cost of Sales (-)	16	(5.906.468.109)	(2.514.051.112)	(2.362.966.280)	(881.427.847)
GROSS PROFIT		2.279.477.206	962.497.380	787.643.140	283.285.289
General Administrative Expenses (-)		(286.934.733)	(105.036.064)	(173.702.352)	(51.387.910)
Marketing Expenses (-)		(44.982.460)	(20.248.172)	(20.590.617)	(7.140.835)
Research and Development Expenses (-)		(14.343.401)	(5.785.533)	(6.696.131)	(2.310.362)
Other Income from Operating Activities	17	226.737.826	55.876.697	77.360.327	19.947.665
Other Expenses from Operating Activities (-)	17	(164.158.718)	(38.417.007)	(75.577.851)	(15.415.794)
OPERATING PROFIT		1.995.795.720	848.887.301	588.436.516	226.978.053
Income from Investment Activities	18	33.745.545	11.459.019	29.014.798	(4.931.683)
Expenses from Investment Activities (-)	18	(241.592)	(63.040)	(261.743)	(86.562)
OPERATING PROFIT BEFORE FINANCIAL INCOME (EXPENSE)		2.029.299.673	860.283.280	617.189.571	221.959.808
Finance Income	19	81.920.495	54.994.446	134.347.518	42.547.376
Finance Expense (-)	19	(202.943.471)	(86.570.568)	(161.481.429)	(63.540.816)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		1.908.276.697	828.707.158	590.055.660	200.966.368
Tax Expense		(336.696.960)	(139.766.637)	(147.073.039)	(48.247.112)
Current Tax Expense	14	(397.867.007)	(168.619.654)	(136.551.234)	(52.124.465)
Deferred Tax (Expense)/Income	14	61.170.047	28.853.017	(10.521.805)	3.877.353
PROFIT FOR THE PERIOD		1.571.579.737	688.940.521	442.982.621	152.719.256
Profit for the Period Attributable to					
Non-controlling Interests		-	-	-	-
Owners of the Parent		1.571.579.737	688.940.521	442.982.621	152.719.256
Earning Per Share					
Earning Per Share (Nominal value of TL 1)	15	1,36	0,59	0,38	0,13

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Nine-month Interim Period Ended 30 September 2022

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

		Not reviewed Current Period	Not reviewed Current Period	Not reviewed Prior Period	Not reviewed Prior Period
	Notes	1 January- 30 September 2022	1 July- 30 September 2022	1 January- 30 September 2021	1 July- 30 September 2021
CURRENT PROFIT		1.571.579.737	688.940.521	442.982.621	152.719.256
Items that Will Not Be Reclassified to Profit or Loss:					
Loss:					
Gains / (Losses) on Remeasurement of Defined Benefit Plans		(44.945.265)	-	(12.671.495)	-
Taxes Related to Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss	14	8.989.054	-	2.534.298	-
Items that Will Be Reclassified to Profit or Loss:					
Foreign Currency Translation Differences		(2.646.618)	(750.794)	(698.984)	114.581
TOTAL COMPREHENSIVE EXPENSE		(38.602.829)	(750.794)	(10.836.181)	114.581
TOTAL COMPREHENSIVE INCOME / (EXPENSE)		1.532.976.908	688.189.727	432.146.440	152.833.837
Total Comprehensive Income / (Expense)					
Attributable to		1.532.976.908	688.189.727	432.146.440	152.833.837
Non-controlling Interests		-	-	-	-
Owners of the Parent		1.532.976.908	688.189.727	432.146.440	152.833.837

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Condensed Consolidated Statement of Changes in Equity for the Nine-month Interim Period Ended 30 September 2022

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

	Share Capital	Capital Adjustment Differences	Repurchased Shares	Share Issuance Premiums	Restricted Reserves Appropriated from Profit	Gains / Losses on Remeasurement of Defined Benefit Plans	Foreign Currency Translation Differences	The Effect of Mergers Involving Undertaking or Enterprises Under Common Control	Prior Years' Profit	Net Profit for the Period	Equity
Balance as of 1 January 2021	1.159.793.441	134.868.176	(6.935.220)	234.322	405.954.871	(14.620.649)	3.371.128	(407.972.757)	1.007.457.893	-	2.282.151.205
Transfer	-	-	-	-	-	-	-	101.993.188	(101.993.188)	-	-
Total comprehensive income/(expense)	-	-	-	-	-	(10.137.197)	(698.984)	-	-	442.982.621	432.146.440
<i>Profit for the Period</i>	-	-	-	-	-	-	-	-	-	442.982.621	442.982.621
<i>Other Comprehensive Expense</i>	-	-	-	-	-	(10.137.197)	(698.984)	-	-	-	(10.836.181)
30 September 2021	1.159.793.441	134.868.176	(6.935.220)	234.322	405.954.871	(24.757.846)	2.672.144	(305.979.569)	905.464.705	442.982.621	2.714.297.645
Balance as of 1 January 2022	1.159.793.441	134.868.176	(6.935.220)	234.322	405.954.871	(44.705.178)	4.060.363	(305.979.569)	1.630.629.987	-	2.977.921.193
Transfer	-	-	-	-	-	-	-	101.993.188	(101.993.188)	-	-
Total comprehensive income/(expense)	-	-	-	-	-	(35.956.211)	(2.646.618)	-	-	1.571.579.737	1.532.976.908
<i>Profit for the Period</i>	-	-	-	-	-	-	-	-	-	1.571.579.737	1.571.579.737
<i>Other Comprehensive Expense</i>	-	-	-	-	-	(35.956.211)	(2.646.618)	-	-	-	(38.602.829)
30 September 2022	1.159.793.441	134.868.176	(6.935.220)	234.322	405.954.871	(80.661.389)	1.413.745	(203.986.381)	1.528.636.799	1.571.579.737	4.510.898.101

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Condensed Consolidated Statement of Cash Flows for the Nine-month Interim Period Ended 30 September 2022

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

		Not reviewed	Not reviewed
		Current Period	Prior Period
	Notes	1 January– 30 September 2022	1 January– 30 September 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES		819.208.640	427.362.273
Profit for the Period		1.571.579.737	442.982.621
Adjustments Related to Reconciliation of Net Profit for the Period		720.696.009	388.845.576
- Adjustments Related to Depreciation and Amortization Expenses		161.949.959	125.225.104
- Adjustments Related to Doubtful Receivables		5 1.249.535	9.213.414
- Adjustments Related to Provisions		127.953.064	66.051.536
- <i>Adjustments related to Employee Benefits</i>		95.900.342	40.466.429
- <i>Adjustments Related to Provisions (Reversal of) for Legal Cases</i>		10 4.769.773	778.038
- <i>Adjustments Related to Other Provisions (Reversals)</i>		10 27.282.949	24.807.069
- Adjustments Related to Interest (Income) and Expenses		94.392.507	49.069.115
- <i>Adjustments Related to Interest Income</i>		17-19 (27.634.573)	(25.837.886)
- <i>Adjustments Related to Interest Expense</i>		19 122.027.080	74.907.001
- Adjustments Related to Fair Value Losses (Gains)		(4.595.041)	(14.529.854)
- <i>Adjustments Related to Fair Value (Gains) /Losses of Financial Assets</i>		18 (4.595.041)	(9.873.088)
- <i>Adjustments Related to Fair Value Changes of Derivative Instruments</i>		-	(4.656.766)
- Adjustments Related to Dividend Income		18 (25.559.845)	(10.626.003)
- Adjustments Related to Gain on Sale of Fixed Assets		18 (1.227.770)	(4.567.316)
- Adjustments Related to Unrealized Foreign Currency Translation Differences		29.836.640	21.936.541
- Adjustments Related to Tax Income / Expense		14 336.696.960	147.073.039
Changes in Working Capital		(1.110.013.832)	(238.713.391)
- Adjustments Related to Increase in Trade Receivables		5 (924.812.762)	(115.446.890)
- <i>Decrease (Increase) in Trade Receivables from Related Parties</i>		(107.863.348)	(70.886.405)
- <i>Decrease (Increase) in Trade Receivables from Third Parties</i>		(816.949.414)	(44.560.485)
- Adjustments Related to Decrease (Increase) in Other Receivables Related to Operations		7.615.989	4.243.678
- <i>Decrease (Increase) in Other Receivables Related to Operations from Related Parties</i>		10.335.274	(1.861.667)
- <i>Decrease (Increase) in Other Receivables Related to Operations from Third Parties</i>		(2.719.285)	6.105.345
- Adjustments Related to Increase in Inventories		6-7 (720.885.312)	(259.974.962)
- Adjustments Related to Increase (Decrease) in Other Non-current Assets		854.773	(3.375.019)
- Decrease (Increase) in Prepaid Expenses		7 (84.907.605)	6.937.828
- Adjustments Related to Increase in Trade Payables		5 490.163.336	89.521.065
- <i>Increase (Decrease) in Trade Payables to Related Parties</i>		5 94.935.818	(30.870.230)
- <i>Increase (Decrease) in Trade Payables to Third Parties</i>		395.227.518	120.391.295
- Increase in Payables Related to Employee Benefits		21.220.714	8.091.827
- Adjustments Related to Increase / (Decrease) in Other Operating Payables		68.526.781	(6.374.228)
- <i>Increase (Decrease) in Other Operating Payables to Related Parties</i>		512.418	223.039
- <i>Increase (Decrease) in Other Operating Payables to Third Parties</i>		68.014.363	(6.597.267)
- Increase / (Decrease) in Deferred Income		7 32.210.254	37.663.310
Cash Flows from Operations		1.182.261.914	593.114.806
- Payments Related to Provision for Employee Benefits		(44.466.915)	(22.207.677)
- Tax Payments		(299.667.273)	(115.896.398)
- Payments for Provisions		10 (18.919.086)	(27.648.458)

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Condensed Consolidated Statement of Cash Flows for the Nine-month Interim Period Ended 30 September 2022

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

		Not reviewed	Not reviewed
		Current Period	Prior Period
	Notes	1 January – 30 September 2022	1 January– 30 September 2021
B. CASH FLOWS FROM INVESTING ACTIVITIES		(400.338.569)	(183.390.940)
- Cash Inflows from Sale of Property, Plant and Equipment and Intangible Assets	8	2.183.557	5.532.755
- Cash Outflows from Purchase of Property, Plant and Equipment and Intangible Assets	7-8	(428.081.971)	(199.549.698)
- Dividend Income	18	25.559.845	10.626.003
C. CASH FLOWS FROM FINANCING ACTIVITIES		483.979.595	(165.672.538)
- Cash Inflows From Borrowing		1.524.047.098	407.052.000
- <i>Cash Inflows from Loans</i>		<i>1.524.047.098</i>	<i>407.052.000</i>
- Cash Outflows Related to Debt Payments		(945.968.958)	(538.596.871)
- <i>Cash Outflows Related to Loan Repayments</i>		<i>(945.968.958)</i>	<i>(236.125.179)</i>
- <i>Cash Outflows from Payments of Other Borrowings</i>	12	-	<i>(302.471.692)</i>
- Interest Paid		(103.177.346)	(52.956.763)
- Interest Received	19	25.289.924	25.837.886
- Cash Outflows from Loan Payments Arising from Lease Agreements		(16.211.123)	(7.008.790)
D. NET DECREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		902.849.666	78.298.795
Effect of Foreign Currency Translation Differences on Cash and Cash Equivalents		(9.216.307)	(9.233.001)
E. NET INCREASE IN CASH AND CASH EQUIVALENTS		893.633.359	69.065.794
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3	314.635.832	448.206.273
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	1.208.269.191	517.272.067

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements for the Nine-month Interim Period Ended 30 September 2022

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

1. ORGANIZATION AND OPERATIONS OF THE GROUP

Mardin Çimento Sanayii ve Ticaret A.Ş. ("the Company" or "Mardin Çimento"), was established on 2 June 1969 under the leadership of Türkiye Çimento Sanayii Türk Anonim Şirketi. The assembly of the factory was completed in 1975 and production started in September 1975. The main activity of the Company is the production and sales of clinker and cement.

Due to the purposes of providing more effective management, creating a strong financial, administrative and legal structure in the operating sector and strengthening the production and distribution activities; merger process has been started for Aslan Çimento A.Ş. ("Aslan Çimento"), Adana Çimento Sanayii Türk A.Ş. ("Adana Çimento"), Bolu Çimento Sanayii A.Ş. ("Bolu Çimento") and Ünye Çimento Sanayi ve Ticaret A.Ş. ("Ünye Çimento") following the application to Capital Market Boards in accordance with the board of directors decisions dated 30 December 2019. As of 20 February 2020, the merger application is approved and published in Capital Markets Board bulletin. The general assembly regarding the merger was held on 27 March 2020 and the merger was approved by the shareholders. The process of retirement right within the scope of merger started on 6 April 2020 and ended on 5 May 2020. With the registration of the General Assembly Resolutions for the merger on 14 May 2020, the legal process for the merger was completed. Following the merger, the title of Mardin Çimento was changed to OYAK Çimento Fabrikaları A.Ş. ("the Company") on 21 May 2020.

OYAK Çimento A.Ş. ("OYAK Çimento"), which was established on 25 November 2015 as a 100% subsidiary of the Ordu Yardımlaşma Kurumu ("OYAK") took over the shares of OYAK Çimento Fabrikaları A.Ş. (Previously titled as Adana Çimento Sanayii Türk A.Ş., Mardin Çimento Sanayii ve Ticaret A.Ş., Aslan Çimento A.Ş., Bolu Çimento Sanayii A.Ş., Ünye Çimento Sanayi ve Ticaret A.Ş.) owned by OYAK on 3 December 2015 and OYAK Çimento became the main shareholder of the Company. On 26 November 2018, OYAK transferred 40% of its 100% owned OYAK Çimento shares to Taiwan Cement Company ("TCC"). The ultimate main shareholder of the Company has not changed and is OYAK.

OYAK is an institution that is financially and administratively autonomous, which has a legal personality, subject to private law provisions, and was established on 1 March 1961 with the law numbered 205. OYAK, the "solidarity and pension fund" of TAF members, provides various services and benefits to its members. OYAK has more than 50 direct and indirect subsidiaries operating in the industry, finance and service sectors.

As of 31 December 2020, a subsidiary of the Company, OYAK Beton San. Ve Tic. A.Ş. ("OYAK Beton") had been merged with all its assets and liabilities in the financial statements of the Group.

The number of employees of the Company as of 30 September 2022 is 2.129 (31 December 2021: 2.082).

The shares of the company are traded in Borsa Istanbul ("BIST") and as of the preparation date of condensed consolidated interim financial statements 26,75% of the Company shares are publicly traded.

The registered address of the Group is Çukurambar Mahallesi 1480. Sokak, No: 2 A / 56, Çankaya, Ankara.

Dividend Distribution

It is decided not to distribute dividends over the profits of 2021 as a result of the General Assembly held as of 30 March 2022.

Approval of the Condensed Consolidated Interim Financial Statements

The condensed consolidated interim financial statements have been approved and authorized to be published on 7 November 2022 by the Board of Directors.

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements for the Nine-month Interim Period Ended 30 September 2022

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

The Group's subsidiaries incorporated in Turkey maintain their legal books of account and prepare their statutory financial statements ("Statutory Financial Statements") in accordance with accounting principles issued by the Turkish Commercial Code ("TCC") and tax legislation.

The accompanying interim condensed consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which was published in the Official Gazette No:28676 on 13 June 2013. The accompanying interim condensed consolidated financial statements are prepared based on the Turkish Financial Reporting Standards and interpretations ("TFRS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué.

In addition, the interim condensed consolidated financial statements are presented in accordance with "Announcement regarding with TFRS Taxonomy" which was published on 15 April 2019 by POA and the format and mandatory

Interim condensed consolidated financial statements are prepared on the basis of historical cost, except for the revaluation of financial investments and fixed assets acquired through business combinations. In determining the historical cost, the fair value of the amount paid for the assets is generally taken as basis.

In accordance with the Turkish Accounting Standard No: 34 "Interim Financial Reporting", entities are allowed to prepare a complete or condensed set of interim financial statements. In this respect, the Group has preferred to prepare condensed consolidated financial statements in the interim period. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements as of 31 December 2021.

Currency used

The financial statements of each entity of the Group are presented in the currency (functional currency) valid in the basic economic environment in which they operate. The results and financial position of each entity are expressed in TL, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

Functional and presentation currency

The functional currency for Cimpor Romania Terminal SRL, the subsidiary of the Group, is Romanian Lei (Ron), but its financial position and operating results are converted into TL, which is the functional currency of the Group and the presentation currency for interim condensed consolidated financial statements, and included in the interim condensed consolidated financial statements.

	30 September 2022	31 December 2021
("RON") / TL Year-End	3,6445	3,0316
("RON") / TL Average	3,3921	2,1038

Inflation Accounting

Under the decision of CMB dated 17 March 2005 and numbered 11/367, Group has ended the implementation of adjustments of consolidated financial statements in hyperinflationary periods for companies operating in Turkey and preparing financial statements in accordance with Turkish Financial Reporting Standards since 1 January 2005. Since 1 January 2015, Standard numbered 29 "Financial Reporting in Hyperinflationary Economies" ("TAS 29") has not been applied.

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements for the Nine-month Interim Period Ended 30 September 2022

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

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

2.1 Basis of Presentation (cont'd)

Inflation Accounting (cont'd)

The Public Oversight, Accounting and Auditing Standards Authority (“POA”) made an announcement on 20 January 2022 regarding the application of TAS 29, “Financial Reporting in Hyperinflationary Economies” for entities adopting Turkish Financial Reporting Standards (“TFRS”) for the year ended 31 December 2021. The announcement stated that, entities that apply TFRS should not adjust their financial statements in accordance with TAS 29 - Financial Reporting in Hyperinflationary Economies for the year ended 31 December 2021.

As of the date of this report, POA has not made any further announcements regarding the scope and application of TAS 29. As a result, no inflation adjustment was made to the accompanying consolidated financial statements in accordance with TAS 29 for the components whose functional currency is TRY.

Going Concern

The Group prepared condensed interim consolidated financial statements in accordance with the going concern assumption.

Subsidiaries

Subsidiaries are companies in which the Company is exposed to variable returns due to its relationship with the investee or is entitled to these returns, and at the same time has the control power because it has the opportunity to affect these returns with its activities on the investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

The statements of financial position and income statements of the subsidiaries have been consolidated using the full consolidation method and the carrying values and equities of the subsidiaries owned by OYAK Çimento Fabrikaları have been reciprocally offset. Intra-group transactions and balances between the Company and its subsidiaries have been offset during consolidation. The carrying values of the shares owned by the Company and the dividends resulting from them have been netted off from the relevant equity and statement of profit or loss accounts.

As of 30 September 2022 and 31 December 2021, the Group’s ownership interests and voting rights in subsidiaries have been presented below:

Subsidiaries	Place of incorporation and operation	Main operation	30 September	31 December
			2022	2021
			Shareholding rate (%)	Shareholding rate (%)
Cimpor Romania Terminal SRL	Romania	Cement sale	100	100
Marmara Madencilik San. ve Tic. Ltd. Şti. (*)	Turkey	Mining	98,9	98,9
Adana Çimento Sanayi ve Ticaret Ltd.	Cyprus	Sale of cement, clinker, ready-mixed concrete	100	100
Adana Çimento Free Port Ltd.	Cyprus	Sale of cement, clinker, ready-mixed concrete	100	100

(*) As of the reporting date, it does not have any activity.

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

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

2.2 New and Amended Turkish Financial Reporting Standards

a) Amendments that are mandatorily effective from 2022

Amendments to TFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to TAS 16	<i>Property, Plant and Equipment - Proceeds before Intended Use</i>
Amendments to TAS 37	<i>Onerous Contracts - Cost of Fulfilling a Contract</i>
Annual Improvements to TFRS Standards 2018-2020	<i>Amendments to TFRS 1 and TFRS 9</i>
Amendments to TFRS 16	<i>COVID-19 Related Rent Concessions beyond 30 June 2021</i>

Amendments to TFRS 3 Reference to the Conceptual Framework

The amendments update an outdated reference to the Conceptual Framework in TFRS 3 without significantly changing the requirements in the standard.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated *Conceptual Framework*) at the same time or earlier.

Amendments to TAS 16 Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The amendments are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Amendments to TAS 37 Onerous Contracts - Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

The amendments published today are effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

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

2.2 Adoption of New and Revised Turkish Financial Reporting Standards (cont'd)

a) Amendments that are mandatorily effective from 2022 (cont'd)

Annual Improvements to TFRS Standards 2018-2020 Cycle

Amendments to TFRS 1 First time adoption of International Financial Reporting Standards

The amendment permits a subsidiary that applies paragraph D16(a) of TFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to TFRSs.

Amendments to TFRS 9 Financial Instruments

The amendment clarifies which fees an entity includes in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

Amendments to TFRS 16 COVID-19 Related Rent Concessions beyond 30 June 2021

Public Oversight Accounting and Auditing Standards Authority ("POA") has published Amendments to TFRS 16 *COVID-19 Related Rent Concessions beyond 30 June 2021* that extends, by one year, the June 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification.

On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021. Since lessors continue to grant COVID-19 related rent concessions to lessees and since the effects of the COVID-19 pandemic are ongoing and significant, the POA decided to extend the time period over which the practical expedient is available for use.

The new amendment is effective for lessees for annual reporting periods beginning on or after 1 April 2021. Earlier application is permitted.

The Group assessed that the adoption of these amendments that are effective from 2022 do not have any effect on the Group's consolidated financial statements.

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

2.2 Adoption of New and Revised Turkish Financial Reporting Standards (cont'd)

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

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

TFRS 17	<i>Insurance Contracts</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current or Non-Current Extension</i>
Amendments to TFRS 4	<i>of the Temporary Exemption from Applying :TFRS 9</i>
Amendments to TAS 1	<i>Disclosure of Accounting Policies</i>
Amendments to TAS 8	<i>Definition of Accounting Estimates</i>
Amendments to TAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to TFRS 17	<i>Initial Application of TFRS 17 and TFRS 9</i>
	<i>Comparative Information</i>

TFRS 17 Insurance Contracts

TFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. TFRS 17 supersedes TFRS 4 *Insurance Contracts* as of 1 January 2023.

Amendments to TAS 1 Classification of Liabilities as Current or Non-Current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or noncurrent.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TFRS 4 Extension of the Temporary Exemption from Applying TFRS 9

The amendment changes the fixed expiry date for the temporary exemption in TFRS 4 *Insurance Contracts* from applying TFRS 9, so that entities would be required to apply TFRS 9 for annual periods beginning on or after 1 January 2023 with the deferral of the effective date of TFRS 17.

Amendments to TAS 1 Disclosure of Accounting Policies

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

2.2 Adoption of New and Revised Turkish Financial Reporting Standards (cont'd)

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

Amendments to TAS 8 Definition of Accounting Estimates

With this amendment, the definition of “a change in accounting estimates” has been replaced with the definition of “an accounting estimate”, sample and explanatory paragraphs regarding estimates have been added, and the differences between application of an estimate prospectively and correction of errors retrospectively have been clarified.

Amendments to TAS 8 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

Amendments to TAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Amendments to TAS 12 are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

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.

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

2.3 Summary of Significant Accounting Policies

The interim condensed consolidated financial statements for the nine months period ended 30 September 2022 have been prepared in accordance with TAS 34. The accounting policies used in the preparation of these condensed interim consolidated financial statements for the six months period ended 30 September 2022, are consistent with those used in the preparation of annual consolidated financial statements for the year ended 31 December 2021. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2021.

As explained in Note 2.1 there has been no change in total ownership interests and effective interests of the subsidiaries, included in the scope of consolidation as of 30 September 2022, from the interests reported as of 31 December 2021.

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements
for the Nine-month Interim Period Ended 30 September 2022

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

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

2.4 Comparative Information and Restatement of Prior Period Consolidated Financial Statements

The Group's consolidated financial statements have been prepared comparatively with the prior period, allowing the determination of financial position and performance. Comparative information is reclassified and significant differences are explained when necessary in terms of compliance with presentation of current period consolidated financial statements. During the current year, the Group has done a reclassification to its prior period financial tables. The nature, reason and the amount of the reclassification is explained below:

- The Group has reclassified depreciation charges amounting to TL 2.726.750 presented under Other Operating Expense to General and Administration Expenses in the consolidated financial statements as of 31 December 2021.

2.5 Accounting Policies and Changes and Misstatements in Accounting Estimates

Changes in accounting policies, if any, that result from applying a new standard for the first time are applied retrospectively or prospectively in accordance with transition provisions. Changes with no transition provisions, significant discretionary changes in accounting policy or accounting errors are applied retrospectively and financial statements of prior period are restated. If changes in accounting estimates are related to only one period, they are applied in the current period in which the changes are made, if they are related to subsequent period, they are applied in both current period and prospectively. In the current period, there is no change realized in accounting policies.

Misstatements which are identified are corrected retrospectively and consolidated financial statements of prior period are restated. The Group does not identify any significant misstatements in the current year.

2.6 Segment Reporting

The operations of the Group's each plant have been defined as geographical segments. However, the segments with similar economic characteristics have been combined into a single operating segment considering the nature of the products and the production processes, methods to allocate the products and the type of customers or to provide services for the interim period.

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements for the Nine-month Interim Period Ended 30 September 2022

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

3. CASH AND CASH EQUIVALENTS

	30 September 2022	31 December 2021
Bank	1.132.267.129	290.072.334
Demand deposits	139.722.116	5.280.761
Time deposits with a maturity of less than three months (*)	992.545.013	284.791.573
Other cash and cash equivalents (**)	78.744.857	24.743.955
	1.211.011.986	314.816.289
Less : Interest accruals	(2.742.795)	(180.457)
Cash and cash equivalents in the statement of cash flow	1.208.269.191	314.635.832

(*) Interest rates of time deposits for TL deposits varies from 5,25% to 30% (31 December 2021: 14,00%-26,00%), whereas for US Dollar deposits it is 2,50%, for EURO deposits it is 0,01% and for RON deposits it is 5,51% (31 December 2021: US Dollar: 0,05%-0,75%, Euro: 0,01%, RON: 0,35%).

(**) A significant portion of the said amount consists of receivables related to sales made by credit card.

4. RELATED PARTY DISCLOSURES

The Group carries out various transactions with related parties during its activities. The balances of the related parties as of 30 September 2022 and 31 December 2021, and the transaction amounts and balances made with these institutions for the periods ending on 30 September 2022 and 30 September 2021 are as follows:

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements for the Nine-month Interim Period Ended 30 September 2022

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

4. RELATED PARTY DISCLOSURES (cont'd)

	30 September 2022			
	Receivables		Payables	
	Short-term		Short-term	
Balances with related parties	Trade	Non-trade	Trade	Non-trade
Ultimate parent				
Ordu Yardımlaşma Kurumu (OYAK)	-	-	5.097.470	-
Parent				
Cimpor Global Holdings B.V.	-	6.037	-	-
OYAK Çimento Anonim Şirketi	-	-	9.584.477	-
Other companies managed by the ultimate parent				
Erdemir Çelik Servis Merkezi San. Ve Tic. A.Ş.	485	-	-	-
OYKA Kağıt Ambalaj San. ve Tic. A.Ş.	-	-	29.672.932	-
Omsan Lojistik A.Ş.	-	-	4.349.549	-
Omsan Denizcilik A.Ş.	-	-	8.235.728	-
OYAK İnşaat A.Ş.	65.965.697	-	-	-
Ereğli Demir Çelik Fabrikaları T.A.Ş.	-	-	28.116.994	-
İskenderun Demir ve Çelik A.Ş.	-	-	39.378.654	-
İskenderun Enerji Üretim ve Tic. A.Ş.	-	-	1.678.703	-
Mais Motorlu Araçlar İmal ve Satış A.Ş.	-	-	31.539	-
OYAK Pazarlama Hizmet ve Turizm A.Ş.	-	-	23.467.723	-
OYAK Grup Sigorta ve Reasürans Brokerliği A.Ş.	-	-	1.188.539	-
OYAK Savunma ve Güvenlik Sistemleri A.Ş.	-	-	14.617.613	-
OYAK Yatırım Menkul Değerler A.Ş.	-	-	609.690	-
OYAK Elektrik Enerjisi Toptan Satış A.Ş.	-	-	123.994	-
Güzel Enerji Akaryakıt A.Ş.	-	-	1.786.094	-
Doco Petrol ve Danışmanlık A.Ş.	-	-	28.796.605	-
Akdeniz Chemson Kimya San. Ve Tic. A.Ş.	-	-	164.053	-
Oytaş İç ve Dış Ticaret A.Ş.	-	-	-	3.168.366
Kümaş Manyezit Sanayi A.Ş.	-	-	22.173.535	-
Satem Grup Gıda Dağıtım ve Pazarlama A.Ş.	-	-	6.507	-
Oyak Akaryakıt ve LPG Yatırımları A.Ş.	-	-	155.540	-
Cimpor Portugal Holdings SGPS S.A.	-	25.752	-	-
Cimpor - Industria de Cimentos	224.113	-	-	-
Cimpor Cote D'ivoire SARL	154.741.424	4.259.212	-	-
Cimpor-Serviços, Sa.	3.614.202	-	-	-
Other	-	-	-	1.029.950
Other companies managed by the parent				
Denizli Çimento San. Tic. A.Ş.	-	-	50.673.551	-
Cimpor Cameroun SA	13.014.856	-	-	-
	237.560.777	4.291.001	269.909.490	4.198.316

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements for the Nine-month Interim Period Ended 30 September 2022

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

4. RELATED PARTY DISCLOSURES (cont'd)

	31 December 2021			
	Receivables		Payables	
	Short Term		Short Term	
Balances with related parties	Trade	Non-trade	Trade	Non-trade
<u>Ultimate parent</u>				
Ordu Yardımlaşma Kurumu (OYAK)	-	-	4.589.626	-
<u>Parent</u>				
OYAK Çimento A.Ş.	-	11.087.302	-	-
<u>Other companies managed by the ultimate parent</u>				
Omsan Lojistik A.Ş.	-	-	6.015.509	-
Omsan Denizcilik A.Ş.	-	-	11.684.079	-
Omsan Havacılık A.Ş.	-	-	1.401.182	-
OYKA Kağıt Ambalaj San. ve Tic. A.Ş.	-	-	26.320.037	-
OYAK İnşaat A.Ş.	14.898.333	-	-	-
Ereğli Demir Çelik Fabrikaları T. A.Ş.	-	-	15.989.867	-
İskenderun Demir ve Çelik A.Ş.	-	-	26.013.344	-
İskenderun Enerji üretim ve Tic. A.Ş.	-	-	630.494	-
Mais Motorlu Araçlar İmal ve Satış A.Ş.	-	-	90.428	-
OYAK Pazarlama Hizmet ve Turizm A.Ş.	-	-	9.245.122	-
OYAK Grup Sigorta ve Reasürans Brokerliği A.Ş.	-	-	23.368.336	-
OYAK Savunma ve Güvenlik Sistemleri A.Ş.	-	-	5.269.908	-
OYAK Elektrik Enerjisi Toptan Satış A.Ş.	-	-	1.128.967	-
OYAK Yatırım Menkul Değerler A.Ş.	-	-	1.216.650	-
Oyak Sentetik Karbon Ürünleri Sanayi ve Ticaret A.Ş.	49.560	-	-	-
Oytaş İç ve Dış Tic.A.Ş.	-	-	-	2.655.948
Güzel Enerji Akaryakıt A.Ş.	-	-	1.412.530	-
Cimpor - Industria de Cimentos	181.720	-	-	-
Cimpor-Serviços, Sa.	2.690.569	-	-	-
Doco Petrol ve Danışmanlık A.Ş.	-	-	9.932.247	-
Akdeniz Chemson Kimya San. ve Tic. A.Ş.	-	-	333.549	-
Likitgaz Dağıtım ve Endüstri A.Ş.	-	-	26.200	-
Miilux Yüksek Mukavemetli Çelik Üretim A.Ş.	-	-	49.391	-
Satem Grup Gıda Dağıtım ve Pazarlama A.Ş.	-	-	6.507	-
Hektaş Ticaret T.A.Ş.	-	-	6.580	-
Kümaş Manyezit Sanayi A.Ş.	-	-	11.945.333	-
Cimpor Cote d'Ivoire SARL	107.121.900	3.507.184	-	-
Other	-	-	-	1.029.950
<u>Other companies managed by the parent</u>				
Denizli Çimento Sanayii Türk A.Ş.	-	-	18.297.786	-
Cimpor Cameroun SA	4.755.347	-	-	-
	129.697.429	14.594.486	174.973.672	3.685.898

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

4. RELATED PARTY DISCLOSURES (cont'd)

	1 January – 30 September 2022					
Transactions with related parties	Purchases	Sales	Lease income	Other income	Other expenses	Fixed asset purchases
Ultimate partner						
Ordu Yardımlaşma Kurumu (OYAK)	479.608	8.227	-	-	-	-
Partner						
Cimpor Global Holdings B.V.	-	5.914	-	-	-	-
OYAK Çimento A.Ş. (1)	31.884.887	11.697.217	-	-	122.229	-
Other companies managed by the ultimate parent						
OYAK İnşaat A.Ş.	33.843	150.273.855	112.000	-	-	-
Omsan Lojistik A.Ş. (4)	12.067.019	10.010	-	-	2.083.477	-
Omsan Havacılık A.Ş.	42.222	-	-	-	353.857	-
OYKA Kağıt Ambalaj San. ve Tic. A.Ş. (2)	134.194.960	429.712	-	-	-	-
İskenderun Demir ve Çelik A.Ş. (8)	56.311.536	59.705	-	-	13.491	-
İskenderun Enerji Üretim ve Tic.A.Ş.	2.675.364	-	-	-	-	-
Mais Motorlu Araçlar İmal ve Satış A.Ş.	107.800	-	-	-	-	-
OYAK Elektrik Enerjisi Toptan Satış A.Ş. (3)	1.154.264.777	-	-	-	-	-
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. (8)	37.650.107	2.013.298	-	-	-	-
Erdemir Çelik Servis Merkezi San. Ve Tic. A.Ş.	-	-	-	2.277	-	-
OYAK Pazarlama Hizmet ve Turizm A.Ş. (6)	42.633.578	730.015	-	-	1.242.209	5.711.066
OYAK Savunma ve Güvenlik Sistemleri A.Ş. (5)	29.464.997	340.657	-	-	-	116.067
Omsan Denizcilik A.Ş. (4)	89.939.347	9.292.776	-	23.917	5.551.950	-
OYAK Yatırım Menkul Değerler A.Ş.	538.090	-	-	-	-	-
Akdeniz Chemson Kimya San. Ve Tic.A.Ş.	254.304	-	-	-	-	-
Hektaş Ticaret T.A.Ş.	6.164	-	-	-	-	-
Doco Petrol Ve Danışmanlık A.Ş. (9)	113.794.290	-	-	-	-	-
Güzel Enerji Yakıt A.Ş. (9)	10.827.338	15.253	-	-	-	-
Likitgaz Dağıtım ve Endüstri A.Ş.	92.600	-	-	-	-	-
Oyak Akaryakıt ve LPG Yatırımları A.Ş.	498.246	-	-	-	-	-
Kümaş Manyezit Sanayi A.Ş. (10)	-	-	-	-	7.363.512	49.370.262
Miilux Yüksek Mukavemetli Çelik Üretim A.Ş.	105.598	-	-	-	14.304	-
Cimpor Portugal Holdings SGPS S.A.	-	25.257	-	-	-	-
Cimpor Cote d'Ivoire SARL (11)	-	126.037.686	-	-	-	-
Other companies managed by the parent						
Denizli Çimento A.Ş. (7)	117.220.744	1.631.307	129.022	6.751	138.659	-
Cimpor Cameroun SA	-	9.031.556	-	-	-	-
	1.835.087.419	311.602.445	241.022	32.945	16.883.688	55.197.395

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements for the Nine-month Interim Period Ended 30 September 2022

(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

4. RELATED PARTY DISCLOSURES (cont'd)

Transactions with related parties	1 January – 30 September 2021					
	Purchases	Sales	Lease income	Other income	Other expenses	Fixed asset sales
Ultimate partner						
Ordu Yardımlaşma Kurumu (OYAK)	-	-	-	-	1.878.820	-
Partner						
OYAK Çimento A.Ş. (1)	-	-	-	-	14.957.654	-
Other companies managed by the ultimate parent						
OYAK İnşaat A.Ş.	-	18.632.346	523.333	1.365	35.859	-
Omsan Lojistik A.Ş.	20.102.843	-	-	39.640	12.229	-
OYKA Kağıt Ambalaj San. ve Tic. A.Ş. (2)	63.468.490	-	-	-	2.145	-
İskenderun Demir ve Çelik A.Ş.	31.749.537	38.710	-	-	56.147	-
İskenderun Enerji Üretim ve Tic.A.Ş.	1.943.761	-	-	-	-	-
Mais Motorlu Araçlar İmal ve Satış A.Ş.	84.239	-	-	-	-	-
OYAK Elektrik Enerjisi Toptan Satış A.Ş. (3)	308.157.178	-	-	-	-	-
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. (8)	17.626.144	-	-	1.412.293	-	-
Erdemir Çelik Servis Merkezi San. Ve Tic. A.Ş.	-	-	-	2.439	-	-
OYAK Pazarlama Hizmet ve Turizm A.Ş. (6)	16.672.597	-	-	14.044	2.384.077	-
OYAK Savunma ve Güvenlik Sistemleri A.Ş. (5)	17.621.177	-	-	276.924	2.408	-
Omsan Denizcilik A.Ş. (4)	66.318.284	-	-	10.560	-	-
OYAK Yatırım Menkul Değerler A.Ş.	218.483	-	-	-	-	-
OYAK Denizcilik Ve Liman İşl. A.Ş.	-	-	-	167.225	90	-
Akdeniz Chemson Kimya San. Ve Tic.A.Ş.	261.630	-	-	-	-	-
Hektaş Ticaret T.A.Ş.	21.214	-	-	-	-	-
Doco Petrol Ve Danışmanlık A.Ş. (9)	28.645.249	-	-	-	-	-
Güzel Enerji Yakıt A.Ş. (9)	4.040.410	-	-	-	-	-
Likitgaz Dağıtım ve Endüstri A.Ş.	20.247	-	-	-	-	-
Kümaş Manyezit Sanayi A.Ş. (10)	-	-	-	169.755	18.481.045	-
Cimpor Industria de Cimentos S.A.	-	4.644.534	-	102.444	-	-
Cimpor Cote d'Ivoire SARL (11)	-	57.745.055	-	2.454.449	-	-
Other companies managed by the parent						
Denizli Çimento A.Ş. (7)	50.139.716	171.114	91.505	1.992.663	880.864	-
Cimpor Cameroun SA	-	-	-	-	-	3.103.379
	627.091.199	81.231.759	614.838	6.643.801	38.691.338	3.103.379

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(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

4. RELATED PARTY DISCLOSURES (cont'd)

Disclosures related to transactions with related parties for the period 1 January – 30 September 2022 are as follows:

- (1) Purchase from OYAK Çimento A.Ş. consists of reflection amounts of other income and other expenses.
- (2) Purchases from OYKA Kağıt Ambalaj San. ve Tic. A.Ş. consist of purchase of paper bag used in bagged cement sales
- (3) Purchases from OYAK Elektrik Enerjisi Toptan Satış A.Ş. consist of purchase of electricity energy.
- (4) Purchases from Omsan Lojistik A.Ş., Omsan Denizcilik A.Ş. consist of transportation service.
- (5) Purchases from OYAK Savunma ve Güvenlik Hizmetleri A.Ş. consist of security services.
- (6) Purchases from OYAK Pazarlama Hizmet ve Turizm A.Ş. consists of accommodation, transportation, construction and cleaning services.
- (7) Purchases from Denizli Çimento A.Ş. consist of cement purchased for ready mixed concrete.
- (8) Purchases from Ereğli Demir Çelik Fabrikaları T.A.Ş. and İskenderun Demir ve Çelik A.Ş. consist of purchases of raw material.
- (9) Purchases from Güzel Enerji Yakıt A.Ş., Doco Petrol ve Danışmanlık A.Ş. consist of fuel purchases.
- (10) Purchases from Kümaş Manyezit Sanayi A.Ş. consist of magnesite refractory brick.
- (11) Sales to Cimpor Cote d'Ivoire SARL consist of cement and clinker sales.

Disclosures related to transactions with related parties for the period 1 January – 30 September 2021 are as follows:

- (1) Purchase from OYAK Çimento A.Ş. consists of reflection amounts of other income and other expenses.
- (2) Purchases from OYKA Kağıt Ambalaj San. ve Tic. A.Ş. consist of purchase of paper bag used in bagged cement sales
- (3) Purchases from OYAK Elektrik Enerjisi Toptan Satış A.Ş. consist of purchase of electricity energy.
- (4) Purchases from Omsan Lojistik A.Ş., Omsan Denizcilik A.Ş. consist of transportation service.
- (5) Purchases from OYAK Savunma ve Güvenlik Hizmetleri A.Ş. consist of security services.
- (6) Purchases from OYAK Pazarlama Hizmet ve Turizm A.Ş. consists of accommodation, transportation, construction and cleaning services.
- (7) Purchases from Denizli Çimento A.Ş. consist of cement purchased for ready mixed concrete.
- (8) Purchases from Ereğli Demir Çelik Fabrikaları T.A.Ş. and İskenderun Demir ve Çelik A.Ş. consist of purchases of raw material.
- (9) Purchases from Güzel Enerji Yakıt A.Ş., Doco Petrol ve Danışmanlık A.Ş. consist of fuel purchases.
- (10) Purchases from Kümaş Manyezit Sanayi A.Ş. consist of magnesite refractory brick.
- (11) Sales to Cimpor Cote d'Ivoire SARL consist of cement and clinker sales.

Salaries and other benefits for key management personnel

Key management personnel consists of members of the Board of Directors, president and vice presidents. The salaries and similar benefits provided to key management personnel for their services are as follows:

	1 January- 30 September 2022	1 January- 30 September 2021
Salaries and other short-term benefits	17.917.567	10.607.474
	17.917.567	10.607.474

5. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables

The details of the Group's trade receivables as of the balance sheet date are as follows:

Short-term trade receivables	30 September 2022	31 December 2021
Trade receivables, net	1.830.320.305	1.110.636.399
Notes receivable	219.162.653	122.114.834
Trade receivables from related parties (Note: 4)	237.560.777	129.697.429
Provision for doubtful trade receivables and expected credit loss (-)	(117.788.545)	(116.822.274)
	2.169.255.190	1.245.626.388

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(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

5. TRADE RECEIVABLES AND PAYABLES (cont'd)

a) Trade Receivables (cont'd)

As of the balance sheet date, the Group does not have any long-term trade receivables. Although the collection period of trade receivables varies depending on the type of product and the contracts made with the customer, the average is 1.5 months (31 December 2021: 2 months).

As of 30 September 2022, there are receivables from customers who declared concordat amounting to TL 37.743.688 (31 December 2021: TL 40.070.277) and there is a guarantee related to them with registered value amounting in total to TL 58.834.000 (31 December 2021: 60.424.000). These guarantees consist of pledges of real estates and vehicles. In addition, there are mine licenses amounting to TL 20.000.000 that have been under mortgage for the receivables after the date of concordat, and the process to extend the term of these licenses is ongoing.

As of 30 September 2022, provision for doubtful receivables has been made for the portion of trade receivables amounting to TL 117.788.545 (31 December 2021: TL 116.822.274).

The table of movements related to the Group's provision for doubtful trade receivables is as follows:

Movements of provision for doubtful trade receivables	1 January- 30 September 2022	1 January- 30 September 2021
Opening balance	(116.822.274)	(80.014.556)
Charge for the period	(1.249.535)	(9.213.414)
Collections	283.264	137.619
Closing balance	(117.788.545)	(89.090.351)

b) Trade Payables

The details of the Group's trade payables as of the balance sheet date are as follows:

Short-term trade payables	30 September 2022	31 December 2021
Trade payables	1.234.431.005	839.203.487
Trade payables to related parties (Note: 4)	269.909.490	174.973.672
	1.504.340.495	1.014.177.159

The average payment term of trade payables related to the purchase of goods is 3 months (31 December 2021: 3 months).

6. INVENTORIES

	30 September 2022	31 December 2021
Raw material	881.676.207	426.311.119
Semi-finished goods	436.177.344	161.621.085
Finished goods	157.180.580	42.437.158
Trade goods	2.868.205	287.035
Impairment on inventories (-)	(2.053.625)	(2.053.625)
Goods in transit	7.613.280	137.157.903
Other inventories	6.816.314	3.632.318
	1.490.278.305	769.392.993

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7. PREPAID EXPENSES AND DEFERRED INCOME

a) Prepaid Expenses

Short-term Prepaid Expenses	30 September 2022	31 December 2021
Order advances given for inventory purchase	136.711.913	38.708.988
Prepaid expenses	6.719.264	7.363.440
Prepaid insurance	4.801.092	20.991.861
	148.232.269	67.064.289
Long-term Prepaid Expenses	30 September 2022	31 December 2021
Order advances given for fixed asset purchases	47.831.682	37.873.147
Prepaid expenses	3.739.625	-
	51.571.307	37.873.147

b) Deferred Income

Short-term Deferred Income	30 September 2022	31 December 2021
Deferred income and order advances received	79.818.225	51.918.550
Deferred income	11.551.557	5.225.923
	91.369.782	57.144.473
Long-term Deferred Income	30 September 2022	31 December 2021
Deferred income	2.015.053	4.030.108
	2.015.053	4.030.108

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(Amounts are expressed in Turkish Lira (TL) unless otherwise stated.)

8. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

a) Property, plant and equipment

Net book value of property, plant and equipment held in the nine-month period ended on 30 September 2022 amounts to TL 2.288.402.239 (31 December 2021: TL 2.000.700.068).

Property, plant and equipment purchased in the nine-month period ended on 30 September 2022 amounts to TL 416.336.911 (30 September 2021: TL 168.764.023).

Property, plant and equipment sold in the nine-month period ended on 30 September 2022 amounts to TL 2.183.557 (30 September 2021: TL 5.532.755).

b) Intangible Assets

Net book value of intangible assets held in the nine-month period ended on 30 September 2022 amounts to TL 54.229.352 (31 December 2021: TL 68.467.137).

Intangible assets purchased in the nine-month period ended on 30 September 2022 amounts to TL 1.786.525 (30 September 2021: TL 1.000.726).

There are no intangible assets sold in the nine-month period ended on 30 September 2022 (30 September 2021: None).

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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9. FINANCIAL INVESTMENTS

	30 September 2022	31 December 2021
Short-term financial investments		
Financial investments at fair value through profit or loss	166.340.027	161.744.987
	166.340.027	161.744.987

Financial investments at fair value through profit or loss:

Shareholders	30 September 2022			31 December 2021		
	Share rate %	Amount	Cost	Share rate %	Amount	Cost
<u>Shares Traded on the Stock Exchange</u>						
Ereğli Demir Çelik Fabrikaları A.Ş. (*)	< 1	166.340.027	7.245.316	< 1	161.744.987	7.245.316

(*) It comprises 5.743.785 shares. Purchase cost is TL 7.245.316.

Shares traded on the stock exchange are valued at the best purchase price as of the balance sheet date.

10. PROVISIONS

	30 September 2022	31 December 2021
Short-term provisions		
Provision for legal cases	16.261.108	11.491.335
State provision for the mine (*)	12.501.958	12.238.824
Other short-term provisions (**)	17.980.585	9.896.332
	46.743.651	33.626.491

(*) The amount of provision set for state rights that the Group pays for the mines every year in the sixth month of the following year.

(**) Other provisions consist of turnover premiums to be paid to the retailers by the Group and other provisions.

	30 September 2022	31 December 2021
Long-term provisions		
Provision for land occupation	2.548.061	2.531.585
Mine rehabilitation fee	3.727.126	3.727.126
	6.275.187	6.258.711

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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10. PROVISIONS (cont'd)

The movement of short and long-term provisions as of 30 September 2022 and 2021 is presented below.

	Short-term			Long-term	
	State provision for the mine	Provision for legal cases	Other provisions	Mine rehabilitation fee	Other provisions
As of 1 January 2022	12.238.824	11.491.335	9.896.332	3.727.126	2.531.585
Additional provision	12.501.958	4.769.773	17.980.585	-	700.000
Payments during the period	(10.574.812)	-	(7.660.750)	-	(683.524)
Reversal of provision	(1.664.012)	-	(2.235.582)	-	-
30 September 2022	12.501.958	16.261.108	17.980.585	3.727.126	2.548.061
	Short-term			Long-term	
	State provision for the mine	Provision for legal cases	Other provisions	Mine rehabilitation fee	Other provisions
As of 1 January 2021	9.387.462	10.983.101	13.688.243	5.276.074	5.440.998
Additional provision	9.531.186	778.038	14.780.319	-	1.768.203
Payments during the period	(9.419.090)	(175.000)	(12.791.187)	-	(5.263.181)
Reversal of provision	-	-	(928.168)	-	(344.471)
30 September 2021	9.499.558	11.586.139	14.749.207	5.276.074	1.601.549

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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11. COMMITMENTS

Guarantees-Pledges-Mortgages (“GPM”) given by the Company

30 September 2022	TL equivalent	US Dollars	Euro	Total TL
A. Total Amount of GPMs Given for the Company’s Own Legal Personality	207.384.913	13.819.273	2.071.631	223.275.817
<i>- Guarantee Letters</i>	<i>207.384.913</i>	<i>13.819.273</i>	<i>2.071.631</i>	<i>223.275.817</i>
B. Total Amount of GPMs Given on behalf of Fully Consolidated Companies	-	-	-	-
C. Total Amount of GPMs given in the Normal Course of Business Activities on Behalf of Third Parties	-	-	-	-
D. Total Amount of Other GPMs Given				
i. Total Amount of GPMs Given on Behalf of the Parent	-	-	-	-
ii. Total Amount of GPMs Given on Behalf of Other Group Companies Which Are Not in Scope of B and C	-	-	-	-
iii. Total Amount of GPMs Given on Behalf of Third Parties Which Are Not in Scope of C	-	-	-	-
Total	207.384.913	13.819.273	2.071.631	223.275.817

Guarantees-Pledges-Mortgages (“GPM”) given by the Company

31 December 2021	TL equivalent	US Dollars	Euro	Total TL
A. Total Amount of GPMs Given for the Company’s Own Legal Personality	182.134.381	20.258.613	1.719.884	204.112.878
<i>- Guarantee Letters</i>	<i>182.134.381</i>	<i>20.258.613</i>	<i>1.719.884</i>	<i>204.112.878</i>
B. Total Amount of GPMs Given on behalf of Fully Consolidated Companies	-	-	-	-
C. Total Amount of GPMs given in the Normal Course of Business Activities on Behalf of Third Parties	-	-	-	-
D. Total Amount of Other GPMs Given				
i. Total Amount of GPMs Given on Behalf of the Parent	-	-	-	-
ii. Total Amount of GPMs Given on Behalf of Other Group Companies Which Are Not in Scope of B and C	-	-	-	-
iii. Total Amount of GPMs Given on Behalf of Third Parties Which Are Not in Scope of C	-	-	-	-
Total	182.134.381	20.258.613	1.719.884	204.112.878

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12. BORROWINGS

	30 September 2022	31 December 2021
Short-term borrowings		
Bank loans	751.866.350	124.276.649
Short-term portion of long-term bank loans	-	5.000.000
Short-term portion of lease liabilities	4.121.973	7.888.532
Short-term portion of issued debt instruments	7.345.960	8.668.309
	763.334.283	145.833.490
Long-term borrowings		
Issued debt instruments	300.000.000	300.000.000
Long-term payables due to lease liabilities	18.267.442	21.197.169
	318.267.442	321.197.169

The details of bank loans are as follows:

Currency	Weighted average interest rate	30 September 2022	
		Short-term	Long-term
TL	17,66%	532.951.570	-
US Dollars	8,50%	218.914.780	-
		751.866.350	-

Currency	Weighted average interest rate	31 December 2021	
		Short-term	Long-term
TL	14,74%	129.276.649	-
		129.276.649	-

The repayment schedule of the Group for bank loans as of 30 September 2022 and 31 December 2021 is as follows:

	30 September 2022	31 December 2021
Payable within 1 year	751.866.350	129.276.649
	751.866.350	129.276.649

The repayment schedule of the Group for debt instruments as of 30 September 2022 and 31 December 2021 is as follows:

	30 September 2022	31 December 2021
Payable within 1 year	7.345.960	8.668.309
Payable within 1 - 2 years	300.000.000	300.000.000
	307.345.960	308.668.309

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13. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Share Capital and Treasury Shares

As of 30 September 2022 and 31 December 2021, the paid-in capital structure of the Company is as follows:

Shareholders	%	30 September 2022	%	31 December 2021
OYAK Çimento A.Ş.	73,25	849.507.227	73,25	849.507.227
Publicly traded	26,75	310.286.214	26,75	310.286.214
Nominal capital	100	1.159.793.441	100	1.159.793.441
Inflation adjustment		134.868.176		134.868.176
Adjusted capital		1.294.661.617		1.294.661.617

As of 30 September 2022, the capital of the Company consists of 115.979.344.100 shares (31 December 2021: 115.979.344.100 shares). The nominal value of the shares is TL 0,01 per share (31 December 2021: per share TL 0,01).

b) Restricted reserves appropriated from profit

The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group's historical paid-in share capital. The second legal reserve is appropriated at the rate of 1/10 per annum of all cash distributions for the companies made dividend payment according to Capital Market Board ("CMB") regulations and 1/11 per annum of all cash distributions for the companies made dividend payment according to statutory regulations in excess of 5% of the historical paid-in share capital. Under TCC, the legal reserves are not available for distribution unless they exceed 50% of the historical paid in share capital but may be used to offset losses in the event that historical general reserve is exhausted. Details of the restricted reserves appropriated from profit is as follows:

	30 September 2022	31 December 2021
Legal Reserves	405.954.871	405.954.871
	405.954.871	405.954.871

14. TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Current tax liability

	30 September 2022	31 December 2021
Current corporate tax	397.867.007	206.338.165
Less: Prepaid taxes and funds	(229.935.361)	(136.606.253)
Tax liability for the profit for the period to be paid	167.931.646	69.731.912

Tax expense in statement of profit or loss and other comprehensive income

	1 January- 30 September 2022	1 January- 30 September 2021
The tax expense / (income) consists of:		
Current tax expense	397.867.007	136.551.234
Tax income relating to the origination and reversal of temporary differences	(61.170.047)	10.521.805
Total tax expense / (income)	336.696.960	147.073.039

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14. TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Corporate Tax:

The Group except its subsidiary in Romania is subject to Turkish corporate taxes in force. The necessary provisions are allocated in the financial statements for the estimated liabilities based on the Group's results for the current period. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

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.

In accordance with the provisional article added to the Corporate Tax Law with the 11th article of the Law No. 7316 published in the Official Gazette No. 31462 dated 22 April 2021, the corporate tax rate has been increased to 25% for corporate income for the 2021 taxation period, and decreased to 23% for corporate income for the 2022 taxation period.

The effective corporate tax rate in Turkey is 23% (2021: 25%). For Cimpor Romania Terminal SRL, the taxable corporate income subjected to Romanian law, is calculated as 16% on the remaining basis after deducting deductible expenses (2021: 16%).

In accordance with the Tax Procedure Law No. 7352 and the Law on the Amendment of the Corporate Tax Law published in the Official Gazette dated 29 January 2022 and numbered 31734, the application of inflation adjustment in the financial statements prepared according to the tax procedure law was postponed to 31 December 2023.

Deferred Tax:

The Group recognizes deferred tax assets and liabilities based upon the temporary differences arising between its taxable statutory financial statements and its financial statements prepared in accordance with the TFRS. These differences usually result in the recognition of revenue and expenses in different reporting periods for the TFRS regulations and tax purposes.

Deferred tax assets and liabilities (excluding land) tax rate used for calculating corporate tax for the subsidiaries in Turkey in accordance with the additional provisional of Corporate Tax Law; corporate tax rate is 23% for the period of 2022, corporate tax rate will be 20% for the corporate earnings to be obtained in the taxation periods of 2023. The effective corporate tax rate is 16% in Romania of 30 September 2022 (31 December 2021: in Turkey between 20%-25% and in Romania 16%).

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14. TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

	30 September 2022	31 December 2021
Deferred tax (assets)/liabilities:		
Depreciation and amortization differences of property, plant and equipment and intangible assets	(11.890.496)	(11.864.028)
Provision for employment termination benefit	38.171.882	25.190.474
Premium provision provided to employees	8.101.860	5.854.500
Senior labor incentive bonus provision	11.718.594	8.989.605
Provision for unused vacation	3.123.306	1.805.325
Provision for legal cases	3.107.390	2.153.435
Provision for doubtful trade receivables	15.063.855	15.063.855
Provision for sales incentive premium	652.337	652.337
Provision for state right to mines	2.207.203	2.146.682
Provision for land occupation	509.612	506.317
Provision for rehabilitation	413.344	413.344
Shares valuation	(8.256.987)	(7.992.773)
Investment allowance and energy incentive	113.770.464	63.560.584
Other	4.803.274	4.856.880
	181.495.638	111.336.537

The movement of deferred tax assets / (liabilities) for 30 September 2022 is as follows:

	1 January- 30 September 2022	1 January- 30 September 2021
Opening balance as of 1 January	111.336.537	87.956.953
Charged to income statement	61.170.047	(10.521.805)
Charged to other comprehensive (income) / expense	8.989.054	2.534.298
Closing balance as of 30 September	181.495.638	79.969.446

Reconciliation of tax expense for the period with profit for the period is as follows:

	1 January- 30 September 2022	1 January- 30 September 2021
Reconciliation of tax provision:		
Operating profit before tax	1.908.276.697	590.055.660
Income tax rate of 23% (2021: 25%)	(419.820.873)	(147.513.915)
Tax effect of:		
- non-deductible expenses	(5.895.939)	(2.783.307)
- exemptions and other discounts	7.911.751	3.910.060
- investment incentive exemption	39.054.955	-
- effect of change in tax rates	19.446.124	-
- other adjustments	22.607.022	(685.877)
Tax provision expense in the statement of profit or loss and other comprehensive income	(336.696.960)	(147.073.039)

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15. EARNING PER SHARE

Earning per Share	1 January - 30 September 2022	1 July- 30 September 2022	1 January - 30 September 2021	1 July- 30 September 2021
Profit for the period	1.571.579.737	688.940.521	442.982.621	152.719.256
Average amount of shares available during the period	115.979.344.100	115.979.344.100	115.979.344.100	115.979.344.100
Earning per share from ongoing activities (TL 1 nominal cost)	1,36	0,59	0,38	0,13

16. REVENUE AND COST OF SALES

a) Revenue

	1 January- 30 September 2022	1 July- 30 September 2022	1 January- 30 September 2021	1 July- 30 September 2021
Domestic sales	6.832.634.627	2.983.483.271	2.520.498.044	933.554.427
Foreign sales (export)	1.080.889.711	368.651.038	514.737.771	176.835.589
Foreign sales (export listed)	289.819.293	132.600.933	130.617.626	59.678.913
Sales discounts (-)	(33.585.578)	(15.825.377)	(20.267.308)	(7.414.245)
Other income	16.187.262	7.638.627	5.023.287	2.058.452
Net Sales	8.185.945.315	3.476.548.492	3.150.609.420	1.164.713.136

As of 30 September 2022, the Group recognized sales income amounting to TL 8.185.945.315 (30 September 2021: TL 3.150.609.420) related to performance obligations at a point in time.

b) Cost of sales

	1 January- 30 September 2022	1 July- 30 September 2022	1 January- 30 September 2021	1 July- 30 September 2021
Direct raw material and material expenses	(5.038.041.452)	(2.181.339.486)	(1.710.440.146)	(683.411.839)
Direct labor expenses	(96.324.900)	(42.509.942)	(52.685.476)	(16.516.655)
Depreciation and amortization expenses	(139.187.647)	(30.232.902)	(111.487.349)	(38.948.231)
Production overhead personnel expenses	(248.029.512)	(106.860.990)	(112.678.355)	(41.870.005)
Other production overhead expenses	(741.763.263)	(258.435.114)	(467.641.226)	(181.281.712)
Total production cost	(6.263.346.774)	(2.619.378.434)	(2.454.932.552)	(962.028.442)
Change in semi-finished product inventories	274.556.259	61.500.261	93.463.070	73.282.740
Change in finished product inventories	114.743.422	57.307.663	25.664.311	15.213.501
Cost of trade goods sold	(32.421.016)	(13.480.602)	(27.161.109)	(7.895.646)
	(5.906.468.109)	(2.514.051.112)	(2.362.966.280)	(881.427.847)

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17. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other income from operating activities for the periods ended on 30 September 2022 and 2021 are as follows:

Other Income from Operating Activities	1 January- 30 September 2022	1 July- 30 September 2022	1 January- 30 September 2021	1 July- 30 September 2021
Operational exchange difference income	201.080.313	48.305.868	51.026.802	8.021.976
Scrap, material sales and service profit	11.444.738	3.622.810	14.373.026	9.325.112
Interest income from interest and forward sales	1.739.456	1.108.960	3.199.681	960.050
Compensation and penalty income	1.338.977	638.788	2.832.670	521.122
Premium and incentive income	-	-	1.160.489	-
Other income	11.134.342	2.200.271	4.767.659	1.119.405
	226.737.826	55.876.697	77.360.327	19.947.665

The details of other expenses from operating activities for the periods ended on 30 September 2022 and 2021 are as follows:

Other Expenses from Operating Activities	1 January- 30 September 2022	1 July- 30 September 2022	1 January- 30 September 2021	1 July - 30 September 2021
Operational exchange difference expense	(157.279.062)	(40.896.255)	(70.674.635)	(13.891.857)
Discount interest expense	(217.689)	738.621	-	-
Compensation and penalty expense	-	-	(399.011)	(217.075)
Other expenses	(6.661.967)	1.740.627	(4.504.205)	(1.306.862)
	(164.158.718)	(38.417.007)	(75.577.851)	(15.415.794)

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18. INCOME FROM INVESTMENT ACTIVITIES

The details of income from investment activities for the periods ended 30 September 2022 and 2021 are as follows:

	1 January- 30 September 2022	1 July- 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Income from investment activities				
Dividend income	25.559.845	-	10.626.003	-
Rent income from investment properties	2.362.889	990.456	3.948.391	740.549
Profit from sale of fixed assets	1.227.770	14.872	4.567.316	1.915.787
Valuation difference of financial assets measured at FVTPL	4.595.041	10.453.691	9.873.088	(7.588.019)
	33.745.545	11.459.019	29.014.798	(4.931.683)
Expenses from investment activities				
Rent and other expenses of investment properties	(219.515)	(40.963)	(261.743)	(86.562)
Loss from sale of fixed assets	(22.077)	(22.077)	-	-
	(241.592)	(63.040)	(261.743)	(86.562)

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19. FINANCE INCOME AND EXPENSES

The details of finance income for the periods ended 30 September 2022 and 2021 are as follows:

Finance Income	1 January- 30 September 2022	1 July- 30 September 2022	1 January- 30 September 2021	1 July - 30 September 2021
Interest income	27.852.262	14.851.643	25.837.886	5.216.020
Finance exchange gains	54.035.496	40.142.803	99.856.595	33.747.587
Other finance income	32.737	-	8.653.037	3.583.769
	81.920.495	54.994.446	134.347.518	42.547.376

The details of finance expenses for the periods ended 30 September 2022 and 2021 are as follows:

Finance Expenses	1 January- 30 September 2022	1 July- 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Interest expense	(122.027.080)	(48.313.833)	(74.907.001)	(23.590.546)
Employment termination benefits interest cost	(19.822.630)	(8.786.888)	(8.210.909)	(3.829.473)
Senior labor interest cost	(6.857.642)	(2.773.927)	(2.782.816)	(1.282.451)
Finance exchange loss	(40.811.424)	(22.253.862)	(70.084.126)	(33.056.473)
Other financial expenses	(13.424.695)	(4.442.058)	(5.496.577)	(1.781.873)
	(202.943.471)	(86.570.568)	(161.481.429)	(63.540.816)

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

a) Capital risk management

The Group manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of payables, which include the loans disclosed in Note 12, and equity items which comprise cash and cash equivalents, issued capital, reserves and prior years' profits, respectively.

The Group's key management reviews the cost of capital and risks related to each capital level. Based on recommendations of key management, the Group balances its overall capital structure through the payment of dividends, new share issues and acquiring own shares, as well as the issue of new debt or the redemption of existing debt.

The Group management examines the capital by leverage ratio in order to be consistent with other companies in the industry. This ratio is calculated by dividing net debt by total capital. Net debt is obtained by subtracting cash and cash equivalents from total loans (including current and non-current loans as shown in the balance sheet). Total capital is calculated by adding "equity" item in the consolidated balance sheet and net debt.

Net Debt/Total Capital Ratio

	30 September 2022	31 December 2021
Financial payables (Note: 12)	1.081.601.725	467.030.659
Less: Cash and Cash Equivalents (Note:3)	(1.211.011.986)	(314.816.289)
Less: Short-term Financial Investments (Note: 9)	(166.340.027)	(161.744.987)
Net Debt	(295.750.288)	(9.530.617)
Total Equity	4.510.898.101	2.977.921.193
Total Capital	4.215.147.813	2.968.390.576
Net Debt/Total Capital Ratio	-	-

b) Financial Risk Factors

The Group's activities expose it to market risk (currency risk, price risk), credit risk and liquidity risk. Group's risk management programme generally focuses on uncertainty in financial markets and minimizing potential negative effects on Group's financial performance.

The main financial instruments used by the Group are bank loans, bonds issued, cash and short-term bank deposits. The main purpose of using these tools is to create financing for the Group's operations. The Company also has financial instruments, such as trade receivables and trade payables, which arise directly from operations.

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

b) Financial Risk Factors (cont'd)

b.3) Market risk management

The operations of the Group are primarily exposed to financial risks related to changes in the exchange rate and interest rate.

Market risks are also evaluated with sensitivity analyses.

Foreign currency risk management

Transactions in foreign currency cause exchange rate risk. The Group is mainly exposed to foreign currency risk in Euro and US Dollar.

The breakdown of the Group's monetary and non-monetary assets and liabilities in foreign currency as of balance sheet date is as follows:

	30 September 2022			
	TL Equivalent (Functional currency)	US Dollar	EURO	GBP
1. Trade Receivables	241.402.626	6.756.444	6.410.433	-
2. Monetary Financial Assets (including cash, bank deposits)	631.295.956	32.715.966	1.402.398	-
3. Other Current Assets	26.217.264	258.959	1.132.066	43.076
4. Current Assets (1+ 2 + 3)	898.915.846	39.731.369	8.944.897	43.076
5. Non-Current Assets	32.386.954	4.000	1.781.354	-
6. Total Assets (4 + 5)	931.302.800	39.735.369	10.726.251	43.076
7. Current Liabilities	607.619.355	25.419.258	7.485.482	535
8. Non-current Liabilities	-	-	-	-
9. Total Liabilities (7 + 8)	607.619.355	25.419.258	7.485.482	535
10. Net foreign currency asset liability position (6 - 9)	323.683.445	14.316.111	3.240.769	42.541
11. Monetary items net foreign currency asset/liability position (6 - 9)	323.683.445	14.316.111	3.240.769	42.541
12. Export	1.073.086.967	50.071.433	7.986.017	-
13. Export-registered sales	56.175.255	2.287.610	758.625	-
14. Import	1.181.734.886	56.350.095	7.560.282	-

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

b) Financial Risk Factors (cont'd)

Foreign currency risk management (cont'd)

	31 December 2021			
	TL Equivalent (Functional currency)	US Dollar	EURO	GBP
1. Trade Receivables	191.385.200	13.312.269	924.388	-
2. Monetary Financial Assets (including cash, bank deposits)	114.843.234	8.389.779	199.902	-
3. Other Current Assets	37.628.391	737.524	1.821.616	17.575
4. Current Assets (1+ 2 + 3)	343.856.825	22.439.572	2.945.906	17.575
5. Non-Current Assets	44.793.825	235.677	2.760.875	-
6. Total Assets (4 + 5)	388.650.650	22.675.249	5.706.781	17.575
7. Current Liabilities	424.837.902	23.489.246	7.356.242	249
8. Non-current Liabilities	-	-	-	-
9. Total Liabilities (7 + 8)	424.837.902	23.489.246	7.356.242	249
10. Net foreign currency asset liability position (6 - 9)	(36.187.252)	(813.997)	(1.649.461)	17.326
11. Monetary items net foreign currency asset/liability position (6 - 9)	(36.187.252)	(813.997)	(1.649.461)	17.326
12. Export	796.726.483	80.450.042	5.285.067	-
13. Export-registered sales	205.102.419	20.024.188	1.296.115	-
14. Import	282.113.266	25.053.869	6.498.573	236.426

Foreign currency sensitivity

The Group is mainly exposed to foreign currency risk in Euro and US Dollar.

The following table details the Group's sensitivity to a 20% increase and decrease in the US Dollar and Euro. 20% 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 includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 20% change in foreign currency rates. Positive value indicates an increase in profit or loss and other equity items.

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

Foreign currency sensitivity (cont'd)

	30 September 2022	
	Profit / Loss	Profit / Loss
	<u>Appreciation of foreign currency</u>	<u>Depreciation of foreign currency</u>
In case of 20% appreciation of US Dollar against TL		
1 - USD net asset / liability	53.070.970	(53.070.970)
2- Portion hedged from USD risk (-)	-	-
3- USD net effect (1+2)	<u>53.070.970</u>	<u>(53.070.970)</u>
In case of 20% appreciation of Euro against TL		
4- Euro net asset / liability	11.767.784	(11.767.784)
5- Portion hedged from Euro risk (-)	-	-
6- Euro net effect (4+5)	<u>11.767.784</u>	<u>(11.767.784)</u>
TOTAL (3 + 6)	<u>64.838.754</u>	<u>(64.838.754)</u>

	31 December 2021	
	Profit / Loss	Profit / Loss
	<u>Appreciation of foreign currency</u>	<u>Depreciation of foreign currency</u>
In case of 20% appreciation of US Dollar against TL		
1- USD net asset / liability	(2.173.859)	2.173.859
2- Portion hedged from USD risk (-)	-	-
3- USD net effect	<u>(2.173.859)</u>	<u>2.173.859</u>
In case of 20% appreciation of Euro against TL		
4- Euro net asset / liability	(4.985.958)	4.985.958
5- Portion hedged from Euro risk (-)	-	-
6- Euro net effect (4+5)	<u>(4.985.958)</u>	<u>4.985.958</u>
TOTAL (3 + 6)	<u>(7.159.817)</u>	<u>7.159.817</u>

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

Fair value hierarchy table

As of 30 September 2022 and 31 December 2021, the Group has the following financial assets and liabilities carried at fair value:

The fair values of financial assets and financial liabilities are determined as follows:

Level 1: the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;

Level 2: the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and

Level 3: the fair value of the financial assets and financial liabilities are determined where there is no observable market data.

Level classification of financial assets and liabilities recognized at fair value:

Some financial assets and financial liabilities of the Group are recognized in the consolidated financial statements at their fair values on each balance sheet date. The table below provides the information on how the fair values of these financial assets and liabilities are determined:

Fair value hierarchy table:

	30 September 2022		
Financial assets at fair value in the balance sheet	Level 1	Level 2	Level 3
Financial assets at FVTPL	166.340.027	-	-

	31 December 2021		
Financial assets at fair value in the balance sheet	Level 1	Level 2	Level 3
Financial assets at FVTPL	161.744.987	-	-

21. EVENTS AFTER BALANCE SHEET

None.