

**(CONVENIENCE TRANSLATION OF THE LIMITED REVIEW
REPORT AND CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 30 JUNE 2023 WITH LIMITED REVIEW REPORT**



**Building a better
working world**

Güney Bağımsız Denetim ve SMMM A.Ş.
Maslak Mah. Eski Büyükdere Cad.
Orjin Maslak İş Merkezi No: 27
Daire: 57 34485 Sarıyer
İstanbul - Türkiye

Tel: +90 212 315 3000
Fax: +90 212 230 8291
ey.com
Ticaret Sicil No: 479920
Mersis No: 0435030326000017

(Convenience translation of the limited review report and condensed consolidated financial statements originally issued in Turkish)

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of OYAK Çimento Fabrikaları Anonim Şirketi

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of OYAK Çimento Fabrikaları Anonim Şirketi (the Company) and its subsidiaries (the Group) as of June 30, 2023 and the interim condensed consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the six-month period then ended, and explanatory notes. Group management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Turkish Accounting Standard 34, Interim Financial Reporting (TAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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Other Matter

The consolidated financial statements of the Group prepared in accordance with the Turkish Accounting Standards ("TAS") published by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA") as of December 31, 2022, were audited by another audit firm whose independent auditor's report thereon dated March 7, 2023 expressed an unqualified opinion. The interim condensed consolidated financial statements of the Group prepared in accordance with TAS 34 were also reviewed by the same audit firm whose independent auditor's review report thereon dated August 19, 2022 expressed that nothing had come to their attention that caused them to believe that the interim condensed consolidated financial statements were not prepared in accordance with TAS 34.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with TAS 34.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



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OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2023

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

		Reviewed	Audited
		Current Period	Prior Period
		30 June	31 December
	Notes	2023	2022
ASSETS			
Current Assets		9.509.551.486	6.635.133.060
Cash and Cash Equivalents	3	1.767.023.454	1.638.536.165
Financial Investments	10	1.840.105.509	398.611.602
Trade Receivables	5	3.319.190.150	2.607.420.673
<i>Trade Receivables from Related Parties</i>	4	344.613.207	252.061.558
<i>Trade Receivables from Third Parties</i>		2.974.576.943	2.355.359.115
Other Receivables		25.779.718	20.818.601
<i>Other Receivables from Related Parties</i>	4	6.177.578	4.435.523
<i>Other Receivables from Third Parties</i>		19.602.140	16.383.078
Inventories	7	2.140.766.432	1.774.218.377
Prepaid Expenses	8	411.438.300	188.147.816
Other Current Assets		3.983.577	6.115.480
Assets Held for Sale		1.264.346	1.264.346
Non-current Assets		5.638.138.706	4.722.755.026
Other Receivables		3.641.255	3.689.125
<i>Other Receivables from Third Parties</i>		3.641.255	3.689.125
Investment Properties		17.185.859	17.412.645
Right-of-use Assets		75.561.424	53.039.409
Property, Plant and Equipment	9	2.880.524.899	2.488.219.540
Intangible Assets		73.092.000	73.694.192
<i>Goodwill</i>		7.062.941	7.062.941
<i>Other Intangible Assets</i>	9	66.029.059	66.631.251
Prepaid Expenses	8	205.603.462	52.205.702
Deferred Tax Assets	16	2.380.704.452	2.032.563.304
Other Non-current Assets		1.825.355	1.931.109
TOTAL ASSETS		15.147.690.192	11.357.888.086

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

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2023

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

		Reviewed	Audited
		Current Period	Prior Period
		30 June	31 December
	Notes	2023	2022
LIABILITIES AND EQUITY			
Current Liabilities		4.416.897.887	3.502.983.384
Short-term Borrowings	13	1.472.698.680	878.140.914
Short-term Lease Liabilities	13	25.153.855	17.210.688
Trade Payables	5	1.884.506.145	1.911.170.034
<i>Trade Payables to Related Parties</i>	4	353.944.361	405.603.677
<i>Trade Payables to Third Parties</i>		1.530.561.784	1.505.566.357
Payables Related to Employee Benefits	14	74.921.127	43.948.248
Other Payables	6	282.372.760	86.740.172
<i>Other Payables to Related Parties</i>	4	5.163.886	4.461.254
<i>Other Payables to Third Parties</i>		277.208.874	82.278.918
Deferred Income	8	161.626.526	113.321.863
Current Tax Liabilities	16	319.285.882	250.108.759
Short-term Provisions		195.737.773	201.906.838
<i>Short-term Provisions for Employee Benefits</i>	14	74.392.776	106.857.614
<i>Other Short-term Provisions</i>	11	121.344.997	95.049.224
Other Short-term Liabilities		595.139	435.868
Non-current Liabilities		542.617.593	490.689.594
Long-term Lease Liabilities	13	63.676.999	41.113.604
Deferred Income	8	-	1.343.369
Long-term Provisions		478.940.594	448.232.621
<i>Long-term Provisions for Employee Benefits</i>	14	445.271.037	420.331.812
<i>Other Long-term Provisions</i>	11	33.669.557	27.900.809
TOTAL LIABILITIES		4.959.515.480	3.993.672.978

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

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2023

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

		Reviewed	Audited
		Current Period	Prior Period
	Notes	30 June 2023	31 December 2022
EQUITY		10.188.174.712	7.364.215.108
Equity Attributable to Parent		10.188.174.712	7.364.215.108
Paid-in Capital	15	1.159.793.441	1.159.793.441
Capital Adjustment Differences	15	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		(193.631.698)	(155.943.894)
- <i>Gains (Losses) on Remeasurement of Defined Benefit Plans</i>		(193.631.698)	(155.943.894)
Other Accumulated Comprehensive Income (Expenses) That Will Be Reclassified To Profit or Loss		2.113.654	1.586.071
- <i>Foreign Currency Translation Differences</i>		2.113.654	1.586.071
Restricted Reserves Appropriated from Profit	15	405.954.871	405.954.871
The Effect of Mergers Involving Undertaking or Enterprises Subject to Common Control		(101.993.189)	(203.986.378)
Retained Earnings		5.926.650.530	1.528.636.796
Net Profit for the Period		2.861.119.825	4.500.006.923
TOTAL LIABILITIES AND EQUITY		15.147.690.192	11.357.888.086

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

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2023

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

		Reviewed	Not reviewed	Reviewed	Not reviewed
		Current Period	Current Period	Prior Period	Prior Period
		1 January -	1 April-	1 January -	1 April-
		30 June	30 June	30 June	30 June
	Notes	2023	2023	2022	2022
PROFIT OR LOSS					
Revenue	18	8.985.576.930	4.993.249.744	4.709.396.823	3.051.646.548
Cost of Sales (-)	18	(5.601.523.593)	(3.016.103.072)	(3.392.416.997)	(2.079.719.569)
GROSS PROFIT		3.384.053.337	1.977.146.672	1.316.979.826	971.926.979
General Administrative Expenses (-)		(324.567.515)	(181.988.214)	(181.898.669)	(97.834.377)
Marketing Expenses (-)		(54.525.003)	(30.929.604)	(24.734.288)	(13.542.940)
Research and Development Expenses (-)		(19.426.057)	(10.384.293)	(8.557.868)	(4.686.581)
Other Income from Operating Activities	19	270.620.761	216.109.910	170.861.129	95.487.274
Other Expenses from Operating Activities (-)	19	(594.935.149)	(248.512.765)	(125.741.711)	(60.581.387)
OPERATING PROFIT		2.661.220.374	1.721.441.706	1.146.908.419	890.768.968
Income from Investment Activities	21	180.624.623	130.072.541	28.699.584	1.181.459
Expenses from Investment Activities (-)	21	(26.488.698)	7.317.776	(6.037.202)	(30.398.985)
OPERATING PROFIT BEFORE FINANCIAL INCOME (EXPENSE)		2.815.356.299	1.858.832.023	1.169.570.801	861.551.442
Finance Income	20	302.739.975	230.162.376	26.371.641	14.547.887
Finance Expense (-)	20	(178.858.432)	(109.651.853)	(116.372.903)	(71.768.572)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		2.939.237.842	1.979.342.546	1.079.569.539	804.330.757
Tax Expense		(78.118.017)	(135.282.430)	(196.930.323)	(144.096.846)
Current Tax Expense	16	(416.837.213)	(318.450.492)	(229.247.353)	(173.473.994)
Deferred Tax (Expense)/Income	16	338.719.196	183.168.062	32.317.030	29.377.148
NET PROFIT FOR THE PERIOD		2.861.119.825	1.844.060.116	882.639.216	660.233.911
Profit for the Period Attributable to					
Non-controlling Interests		-	-	-	-
Owners of the Parent		2.861.119.825	1.844.060.116	882.639.216	660.233.911
Earning Per Share					
Earning Per Share (Nominal value of TL 1)	17	2,47	1,59	0,76	0,57

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

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2023

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

		Reviewed	Not reviewed	Reviewed	Not reviewed
		Current	Current	Prior	Prior
	Notes	Period	Period	Period	Period
		1 January -	1 April-	1 January -	1 April-
		30 June	30 June	30 June	30 June
		2023	2023	2022	2022
NET PROFIT FOR THE PERIOD		2.861.119.825	1.844.060.116	882.639.216	660.233.911
Items that Will Not Be Reclassified to Profit or Loss:					
Gains / (Losses) on Remeasurement of Defined Benefit Plans		(47.109.756)	(47.109.755)	(44.945.265)	(44.945.265)
Taxes Related to Other Comprehensive Income - Deferred Tax Income / (Expense)	16	9.421.952	9.421.952	8.989.053	8.989.053
Items that Will Be Reclassified to Profit or Loss:					
Foreign Currency Translation Differences		527.583	434.607	(1.895.821)	(337.756)
OTHER COMPREHENSIVE INCOME / (EXPENSE)		(37.160.221)	(37.253.196)	(37.852.033)	(36.293.968)
TOTAL COMPREHENSIVE INCOME / (EXPENSE)		2.823.959.604	1.806.806.920	844.787.183	623.939.943
Total Comprehensive Income / (Expense) Attributable to					
Non-controlling Interests		-	-	-	-
Owners of the Parent		2.823.959.604	1.806.806.920	844.787.183	623.939.943

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

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2023

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

	Paid-in 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	Retained Earnings	Net Profit for the Period	Equity
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
Transfers	-	-	-	-	-	-	-	101.993.190	(101.993.190)	-	-
Total comprehensive income/(expense)	-	-	-	-	-	(35.956.212)	(1.895.821)	-	-	882.639.216	844.787.183
<i>Net Profit for the Period</i>	-	-	-	-	-	-	-	-	-	882.639.216	882.639.216
<i>Other Comprehensive Expense</i>	-	-	-	-	-	(35.956.212)	(1.895.821)	-	-	-	(37.852.033)
30 June 2022	1.159.793.441	134.868.176	(6.935.220)	234.322	405.954.871	(80.661.390)	2.164.542	(203.986.379)	1.528.636.797	882.639.216	3.822.708.376
Balance as of 1 January 2023	1.159.793.441	134.868.176	(6.935.220)	234.322	405.954.871	(155.943.894)	1.586.071	(203.986.378)	6.028.643.719	-	7.364.215.108
Transfers	-	-	-	-	-	-	-	101.993.189	(101.993.189)	-	-
Total comprehensive income/(expense)	-	-	-	-	-	(37.687.804)	527.583	-	-	2.861.119.825	2.823.959.604
<i>Net Profit for the Period</i>	-	-	-	-	-	-	-	-	-	2.861.119.825	2.861.119.825
<i>Other Comprehensive Income /(Expense)</i>	-	-	-	-	-	(37.687.804)	527.583	-	-	-	(37.160.221)
30 June 2023	1.159.793.441	134.868.176	(6.935.220)	234.322	405.954.871	(193.631.698)	2.113.654	(101.993.189)	5.926.650.530	2.861.119.825	10.188.174.712

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

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2023

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

		Reviewed	Reviewed
		Current Period	Prior Period
	Notes	1 January – 30 June 2023	1 January – 30 June 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the Period		2.861.119.825	882.639.216
Adjustments Related to Reconciliation of Net Profit for the Period		122.901.160	457.589.849
- Adjustments Related to Depreciation and Amortization Expenses		138.969.757	116.803.695
- Adjustments Related to Doubtful Receivables	5	544.768	1.121.342
- Adjustments Related to Provisions		205.093.181	88.901.024
- <i>Adjustments Related to Employee Benefits</i>	14	142.057.319	68.285.210
- <i>Adjustments Related to Provisions (Reversal of) for Legal Cases</i>	11	4.007.377	4.769.773
- <i>Adjustments Related to Other Provisions (Reversals)</i>	11	59.028.485	15.846.041
- Adjustments Related to Interest (Income) and Expenses		(165.075.920)	61.668.938
- <i>Adjustments Related to Interest Income</i>	20,21	(299.527.147)	(13.000.619)
- <i>Adjustments Related to Interest Expense</i>	19,20	134.451.227	74.669.557
- Adjustments Related to Fair Value Losses (Gains)		25.961.910	5.858.650
- <i>Adjustments Related to Fair Value (Gains)/Losses of Financial Assets</i>	21	25.961.910	5.858.650
- Adjustments Related to Dividend Income	21	-	(25.559.845)
- Adjustments Related to Gain on Sale of Fixed Assets	21	(5.924.704)	(1.212.898)
- Adjustments Related to Unrealized Foreign Currency Translation Differences		(154.785.849)	13.078.620
- Adjustments Related to Tax Income / Expense	16	78.118.017	196.930.323
Changes in Working Capital		(2.325.858.128)	(1.108.636.535)
- Adjustments Related to Increase in Trade Receivables		(713.935.110)	(702.967.137)
- <i>Decrease (Increase) in Trade Receivables from Related Parties</i>	5	(92.551.649)	(71.534.500)
- <i>Decrease (Increase) in Trade Receivables from Third Parties</i>		(621.383.461)	(631.432.637)
- Adjustments Related to Decrease (Increase) in Other Receivables Related to Operations		(2.781.346)	(30.303.617)
- <i>Decrease (Increase) in Other Receivables Related to Operations from Related Parties</i>		(1.742.055)	10.647.229
- <i>Decrease (Increase) in Other Receivables Related to Operations from Third Parties</i>		(1.039.291)	(40.950.846)
- Adjustments Related to Increase in Inventories	7	(366.548.055)	(715.800.243)
- Adjustments Related to Increase (Decrease) in Other Non-current Assets		105.754	1.173.641
- Decrease (Increase) in Financial Investments		(1.294.780.365)	-
- Decrease (Increase) in Prepaid Expenses	8	(194.981.149)	(22.043.007)
- Adjustments Related to Increase in Trade Payables	5	(26.663.889)	279.027.353
- <i>Increase (Decrease) in Trade Payables to Related Parties</i>		(51.659.316)	149.595.803
- <i>Increase (Decrease) in Trade Payables to Third Parties</i>		24.995.427	129.431.550
- Increase in Payables Related to Employee Benefits		30.972.879	8.458.501
- Adjustments Related to Increase / (Decrease) in Other Operating Payables		195.791.859	9.274.912
- <i>Increase (Decrease) in Other Operating Payables to Related Parties</i>		702.632	288.602
- <i>Increase (Decrease) in Other Operating Payables to Third Parties</i>		195.089.227	8.986.310
- Increase / (Decrease) in Deferred Income	8	46.961.294	64.543.062
Cash Flows from Operations		(658.162.857)	(231.592.530)
- Payments Related to Provision for Employee Benefits		(226.674.735)	(38.643.351)
- Tax Payments	16	(347.660.090)	(117.283.968)
- Payments for Provisions	11	(30.971.341)	(18.235.563)

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

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2023

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

		Reviewed	Reviewed
		Current Period	Prior Period
	Notes	1 January – 30 June 2023	1 January– 30 June 2022
B. CASH FLOWS FROM INVESTING ACTIVITIES			
- Cash Inflows from Sale of Property, Plant and Equipment	9	7.383.237	1.494.957
- Cash Outflows from Purchase of Property, Plant and Equipment	8,9	(686.730.487)	(287.680.938)
- Dividend Income	21	-	25.559.845
- Interest Received		-	554.408
C. CASH FLOWS FROM FINANCING ACTIVITIES			
- Cash Inflows From Borrowing		629.507.247	677.512.893
- Cash Inflows From Borrowing		1.021.461.687	1.627.101.563
- <i>Cash Inflows from Loans</i>		1.021.461.687	1.627.101.563
- Cash Outflows Related to Debt Payments		(449.061.687)	(876.481.485)
- <i>Cash Outflows Related to Loan Repayments</i>		(449.061.687)	(876.481.485)
- Interest Paid		(78.449.560)	(73.939.967)
- Interest Received		142.487.359	12.424.930
- Cash Outflows from Loan Payments Arising from Lease Agreements		(6.930.552)	(11.592.148)
D. NET INCREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS			
		3.016.688	474.870.813
Effect of Foreign Currency Translation Differences on Cash and Cash Equivalents		141.106.265	(17.627.021)
E. NET INCREASE IN CASH AND CASH EQUIVALENTS			
		144.122.953	457.243.792
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3	1.617.936.576	314.635.832
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	1.762.059.529	771.879.624

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

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023

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

1. ORGANIZATION AND OPERATIONS OF THE GROUP

Mardin Çimento Sanayii ve Ticaret A.Ş. ("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.

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. 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.

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.

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.

On 13 June 2023, the title of OYAK Çimento A.Ş., the main shareholder of the Company, was changed to OYAK Denizli Anonim Şirketi. As of 19 June 2023, Denizli Çimento Sanayii Türk A.Ş., one of the subsidiaries of OYAK Çimento, merged under OYAK Cement with all its assets and liabilities. As a result of the merger, OYAK Çimento's new title was changed to OYAK Denizli Çimento A.Ş.

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.

The number of employees of Oyak Çimento Fabrikaları Anonim Şirketi and its subsidiaries ("the Group") the Company as of 30 June 2023 is 2.263 (31 December 2022: 2.165).

The shares of the company are traded in Borsa Istanbul ("BIST").

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 2022 as a result of the General Assembly held as of 30 March 2023.

Approval of the Condensed Consolidated Interim Financial Statements

The condensed consolidated interim financial statements have been approved and authorized to be published on 15 August 2023 by the Board of Directors.

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023

(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") Communique 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 Communique.

In addition, the interim condensed consolidated financial statements are presented in accordance with "Announcement regarding with TFRS Taxonomy" which was published on 4 October 2022 by POA.

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

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 Ünye Cem 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 June 2023	31 December 2022
("RON") / TL Year-End	5,6505	4,0062
("RON") / TL Average	4,2917	3,5061

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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023

(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)

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period, TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it requires all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. Therefore, it is expected that TAS 29 will start to be applied simultaneously by all entities with the announcement of Public Oversight Accounting and Auditing Standards Authority to ensure consistency of the application required by TAS 29 throughout the country. However, the Authority has not published any announcement that determines entities would restate their financial statements for the accounting period ending on 30 June 2023 in accordance with TAS 29. In this context, TMS 29 is not applied and inflation adjustment has not been reflected in the condensed consolidated financial statements as of June 30, 2023

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 June 2023 and 31 December 2022, the Group's ownership interests and voting rights in subsidiaries have been presented below:

Subsidiaries	Place of incorporation and operation	Main operation	30 June	31 December
			2023	2022
			Shareholding rate (%)	Shareholding rate (%)
Ünye Cem 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	Cement, clinker, ready- mixed concrete sales	100	100
Adana Çimento Free Port Ltd.	Cyprus	Cement, clinker, ready- mixed concrete sales	100	100

(*) As of the reporting date, the subsidiary is inactive.

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023

(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

The accounting policies adopted in preparation of the interim condensed consolidated financial statements as of 30 June 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2023 summarized below.

a) Amendments that are mandatorily effective from 2023

Amendments to TAS 8	<i>Definition of Accounting Estimates</i>
Amendments to TAS 1	<i>Disclosure of Accounting Policies</i>
Amendments to TAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>

The amendments did not have a significant impact on the financial position or performance of the Group.

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>The new Standard for insurance contracts</i>
Amendments to TAS 1	<i>Classification of Liabilities as Current and Non-Current Liabilities</i>
Amendments to TFRS 10 and TAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
Amendments to TFRS 16	<i>Lease Liability in a Sale and Leaseback</i>

The effects of standard on the Group's financial position and performance are being evaluated.

c) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

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

Amendments to IAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>
IAS 7 and Amendments to IFRS 17	<i>Supplier Finance Arrangements</i>

The effects of standard on the Group's financial position and performance are being evaluated.

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023

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

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

2.3 Summary of Significant Accounting Policies

The interim condensed consolidated financial statements for the six months period ended 30 June 2023 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 June 2023, are consistent with those used in the preparation of annual consolidated financial statements for the year ended 31 December 2022. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2022.

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 June 2023, from the interests reported as of 31 December 2022.

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 time deposits with a maturity of more than three months amounting to TL 132.315.068 presented under Cash and Cash Equivalent to Financial Investments in the consolidated financial statements dated 31 December 2022.
- The Group has reclassified interest income from financial asset amounting to TL 554.308 presented under Finance Income to Investment Activities in the consolidated statement of profit or loss and other comprehensive income for the period 1 January 2022-30 June 2022.

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.

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.

Significant accounting errors identified are corrected retrospectively and prior period financial statements are restated. The Group has not detected any significant accounting errors in the current year.

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023

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

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

2.6 Segment Reporting

The business activities of the Group are managed and organized depending on the content of the services and products it provides. Group makes its segment reporting in accordance with TFRS 8. Information on the business areas of the Group includes information on the earnings and profit of the Group obtained from cement (including clinker and aggregate) and ready-mixed concrete activities as of 30 June 2023 and 30 June 2022.

a) Statement of Profit or Loss by Segments

30 June 2023	Ready-mixed Concrete	Cement	Elimination (*)	Total
PROFIT OR LOSS				
Revenue	2.752.385.305	6.349.048.821	(115.857.196)	8.985.576.930
Cost of Sales (-)	(2.376.889.365)	(3.340.491.424)	115.857.196	(5.601.523.593)
GROSS PROFIT (LOSS)	375.495.940	3.008.557.397	-	3.384.053.337
General Administrative Expenses (-)	(34.251.766)	(290.315.749)	-	(324.567.515)
Marketing Expenses (-)	(14.986.930)	(39.538.073)	-	(54.525.003)
Research and Development Expenses (-)	(19.426.057)	-	-	(19.426.057)
Other Income from Operating Activities	3.142.566	267.478.195	-	270.620.761
Other Expenses from Operating Activities (-)	(6.640.236)	(588.294.913)	-	(594.935.149)
PROFIT (LOSS) FROM OPERATING ACTIVITIES	303.333.517	2.357.886.857	-	2.661.220.374
30 June 2022	Ready-mixed Concrete	Cement	Elimination (*)	Total
PROFIT OR LOSS				
Revenue	1.184.872.337	3.598.254.720	(73.730.234)	4.709.396.823
Cost of Sales (-)	(1.050.388.921)	(2.415.758.310)	73.730.234	(3.392.416.997)
GROSS PROFIT (LOSS)	134.483.416	1.182.496.410	-	1.316.979.826
General Administrative Expenses (-)	(21.697.377)	(160.201.292)	-	(181.898.669)
Marketing Expenses (-)	(4.872.060)	(19.862.228)	-	(24.734.288)
Research and Development Expenses (-)	(8.557.868)	-	-	(8.557.868)
Other Income from Operating Activities	833.991	170.027.138	-	170.861.129
Other Expenses from Operating Activities (-)	(2.283.412)	(123.458.299)	-	(125.741.711)
PROFIT (LOSS) FROM OPERATING ACTIVITIES	97.906.690	1.049.001.729	-	1.146.908.419

(*) The aforementioned elimination balances basically consist of trading transactions realized between the fields of activity of the Group.

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023

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

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

2.6 Segment Reporting (cont'd)

b) Assets and Liabilities According to Segments

30 June 2023	Ready-mixed Concrete	Cement	Undistributed	Elimination (*)	Total
Assets and liabilities					
Property, plant and equipment	239.815.396	2.640.709.503	-	-	2.880.524.899
Intangible assets	3.188.955	62.840.104	-	-	66.029.059
Undistributed assets	-	-	12.201.136.234	-	12.201.136.234
Total assets	243.004.351	2.703.549.607	12.201.136.234		15.147.690.192
Undistributed liabilities	-	-	4.959.515.480	-	4.959.515.480
Total liabilities	-	-	4.959.515.480	-	4.959.515.480
31 December 2022	Ready-mixed Concrete	Cement	Undistributed	Elimination (*)	Total
Assets and liabilities					
Property, plant and equipment	259.414.861	2.228.804.679	-	-	2.488.219.540
Intangible assets	3.888.801	62.742.450	-	-	66.631.251
Undistributed assets	-	-	8.803.037.295	-	8.803.037.295
Total assets	263.303.662	2.291.547.129	8.803.037.295		11.357.888.086
Undistributed liabilities	-	-	3.993.672.978	-	3.993.672.978
Total liabilities	-	-	3.993.672.978	-	3.993.672.978

(*) The aforementioned elimination balances basically consist of trade receivables and trade payable balances between the Group's fields of activity.

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023

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

3. CASH AND CASH EQUIVALENTS

	30 June 2023	31 December 2022
Bank	1.762.776.661	1.535.159.716
<i>Demand deposits</i>	42.752.074	26.570.052
<i>Time deposits with a maturity of less than three months (*)</i>	1.720.024.587	1.508.589.664
Other cash and cash equivalents (**)	4.246.793	103.376.449
Cash and cash equivalents on the financial statement	1.767.023.454	1.638.536.165
Less : Interest accruals	(4.963.925)	(20.599.589)
Cash and cash equivalents in the statement of cash flows	1.762.059.529	1.617.936.576

(*) Interest rates of time deposits for TL deposits varies from 24,00% to 39,00% (31 December 2022: 7,00% - 30,00%), whereas for US Dollar deposits it is 0,01-5,00%, for Euro deposits it is 0,01% and for RON deposits it is 4,61% (31 December 2022: US Dollar: 0,01%-3,00%, Euro: 0,1%, RON: 4,65%).

(**) The entire amount consists of receivables related to sales made by credit card.

As of 30 June 2023, there is no blockage on cash and cash equivalents (31 December 2022: None).

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 June 2023 and 31 December 2022, and the transaction amounts and balances made with these institutions for the periods ending on 30 June 2023 and 30 June 2022 are as follows:

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023

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

4. RELATED PARTY DISCLOSURES (cont'd)

	30 June 2023			
	Receivables		Payables	
	Short Term		Short Term	
Balances with related parties	Trade	Non-trade	Trade	Non-trade
Ultimate parent				
Ordu Yardımlaşma Kurumu (OYAK)	-	-	17.228.065	-
Parent				
OYAK Denizli Çimento San. Tic. A.Ş. (*)	-	-	62.823.753	-
Cimpor Global Holdings BV	32.023	-	-	-
Other companies managed by the ultimate parent				
Cimpor Cote d'ivoire	137.589.266	6.177.578	-	-
OYAK İnşaat A.Ş.	61.374.516	-	-	-
Cimpor-Serviços, Sa.	6.326.153	-	-	-
Cimpor Ghana LTD	678.179	-	-	-
Cimpor - Industria de Cimentos	270.278	-	-	-
Betao Liz	221.753	-	-	-
Cimpor Portugal Holdings SGPS S.A.	39.969	-	-	-
OYAK Selüloz ve Kağıt Fabrikaları A.Ş.	26.022	-	-	-
Likitgaz Dağıtım ve Endüstri A.Ş. (Milangaz)	6.490	-	-	-
OYKA Kağıt Ambalaj San. ve Tic. A.Ş.	-	-	41.294.157	-
OYAK Pazarlama Hizmet ve Turizm A.Ş.	-	-	35.483.627	-
İskenderun Demir ve Çelik A.Ş.	-	-	33.540.095	-
Akdeniz Chemson Kimya Sanayi ve Ticaret A.Ş.	-	-	27.282.688	-
Doco Petrol ve Danışmanlık A.Ş.	-	-	26.425.042	-
Kümaş Manyezit Sanayi A.Ş.	-	-	24.093.058	-
Ereğli Demir Çelik Fabrikaları T.A.Ş.	-	-	23.598.055	-
Omsan Denizcilik A.Ş.	-	-	22.372.599	-
OYAK Grup Sigorta ve Reasürans Brokerliği A.Ş.	-	-	17.829.116	-
Mais Motorlu Araçlar İmal ve Satış A.Ş.	-	-	9.409.488	-
OYAK Savunma ve Güvenlik Sistemleri A.Ş.	-	-	8.438.825	-
Güzel Enerji Akaryakıt A.Ş.	-	-	2.111.522	-
OYAK Elektrik Enerjisi Toptan Satış A.Ş.	-	-	1.000.073	-
İskenderun Enerji Üretim ve Tic. A.Ş.	-	-	664.022	-
OYAK Akaryakıt ve LPG Yatırımları A.Ş.	-	-	304.437	-
Omsan Logistique Maroc SARL	-	-	20.503	-
Omsan Lojistik A.Ş.	-	-	16.997	-
Satem Grup Gıda Dağıtım ve Pazarlama A.Ş.	-	-	8.239	-
Oytaş İç ve Dış Ticaret A.Ş.	-	-	-	4.133.936
Other	-	-	-	1.029.950
Other companies managed by the parent				
Cimpor Cameroun SA	138.048.558	-	-	-
Total	344.613.207	6.177.578	353.944.361	5.163.886

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023

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

4. RELATED PARTY DISCLOSURES (cont'd)

	31 December 2022			
	Receivables		Payables	
	Short Term		Short Term	
Balances with related parties	Trade	Non-trade	Trade	Non-trade
Ultimate parent				
Ordu Yardımlaşma Kurumu (OYAK)	-	-	17.007.329	-
Parent				
OYAK Çimento A.Ş. (*)	-	-	19.356.122	-
Cimpor Global Holdings B.V.	22.674	-	-	-
Other companies managed by the ultimate parent				
Cimpor Cote d'ivoire	98.444.057	4.435.523	-	-
OYAK İnşaat A.Ş.	55.909.186	-	-	-
Cimpor-Serviços, Sa.	4.086.172	-	-	-
Cimpor - Industria de Cimentos	200.383	-	-	-
Betao Liz	105.780	-	-	-
Cimpor Portugal Holdings SGPS S.A.	28.301	-	-	-
Kümaş Manyezit Sanayi A.Ş.	-	-	81.652.494	-
İskenderun Demir ve Çelik A.Ş.	-	-	44.747.192	-
OYAK Grup Sigorta ve Reasürans Brokerliği A.Ş.	-	-	40.736.067	-
Omsan Denizcilik A.Ş.	-	-	34.224.064	-
Erdemir Çelik Servis Merkezi San. Ve Tic. A.Ş.	-	-	30.509.896	-
OYKA Kağıt Ambalaj San. ve Tic. A.Ş.	-	-	27.333.174	-
Doco Petrol ve Danışmanlık A.Ş.	-	-	23.198.566	-
OYAK Pazarlama Hizmet ve Turizm A.Ş.	-	-	19.740.477	-
OYAK Savunma ve Güvenlik Sistemleri A.Ş.	-	-	6.626.546	-
Omsan Lojistik A.Ş.	-	-	5.305.472	-
Akdeniz Chemson Kimya Sanayi ve Ticaret A.Ş.	-	-	5.131.927	-
OYAK Akaryakıt ve LPG Yatırımları A.Ş.	-	-	2.083.111	-
İskenderun Enerji Üretim ve Tic. A.Ş.	-	-	1.709.900	-
Güzel Enerji Akaryakıt A.Ş.	-	-	1.178.135	-
Satem Grup Gıda Dağıtım ve Pazarlama A.Ş.	-	-	429.357	-
OYAK Elektrik Enerjisi Toptan Satış A.Ş.	-	-	72.716	-
Ataer Holding A.Ş.	-	-	50.955	-
Mais Motorlu Araçlar İmal ve Satış A.Ş.	-	-	32.129	-
Likitgaz Dağıtım ve Endüstri A.Ş. (Milangaz)	-	-	27.962	-
Oytaş İç ve Dış Ticaret A.Ş.	-	-	-	3.431.304
Other	-	-	-	1.029.950
Other companies managed by the parent				
Cimpor Cameroun SA	93.265.005	-	-	-
Denizli Çimento San. Tic. A.Ş.	-	-	44.450.086	-
Total	252.061.558	4.435.523	405.603.677	4.461.254

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023

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4. RELATED PARTY DISCLOSURES (cont'd)

Transactions with related parties	1 January – 30 June 2023							
	Purchase	Sales	Interest Received	Interest Paid	Lease Income	Other Income	Other Expense	Fixed Asset purchases
Ultimate Partner								
Ordu Yardımlaşma Kurumu (OYAK)	-	-	-	-	-	-	224.478	-
Partner								
OYAK Denizli Çimento A.Ş. (1)(*)	137.854.378	17.915.180	-	-	-	410.403	-	-
Other companies managed by the ultimate parent								
OYAK Elektrik Enerjisi Toptan Satış A.Ş. (3)	778.277.710	-	-	-	-	-	-	-
OYKA Kağıt Ambalaj San. ve Tic. A.Ş. (2)	104.785.000	1.789.378	-	-	-	76.806	6.803.176	364.407
Doco Petrol Ve Danışmanlık A.Ş. (8)	80.350.529	-	-	-	-	-	-	-
Omsan Denizcilik A.Ş. (4)	54.974.061	929.193	-	-	-	-	-	-
OYAK Pazarlama Hizmet ve Turizm A.Ş. (6)	49.432.631	40.916	-	-	-	-	-	1.556.744
İskenderun Demir ve Çelik A.Ş. (7)	41.352.773	34.780	-	-	-	-	7.079	-
OYAK Savunma ve Güvenlik Sistemleri A.Ş. (5)	38.091.224	329.665	-	-	-	-	-	36.499
Akdeniz Chemson Kimya San. Ve Tic. A.Ş.	28.629.852	37.732	-	-	-	-	342.428	-
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. (7)	23.522.718	-	-	-	-	424.803	-	-
Güzel Enerji Akaryakıt A.Ş. (8)	8.007.915	-	-	-	-	-	-	-
Omsan Lojistik A.Ş. (4)	5.010.965	-	-	-	-	-	-	-
İskenderun Enerji Üretim ve Tic. A.Ş.	1.304.478	-	-	-	-	-	-	-
Oyak Akaryakıt ve LPG Yatırımları A.Ş.	850.303	-	-	-	-	-	-	-
OYAK İnşaat A.Ş. (12)	139.553	125.959.916	-	-	-	-	-	-
Likitgaz Dağıtım ve Endüstri A.Ş.	111.243	5.500	-	-	-	-	-	-
Mais Motorlu Araçlar İmal ve Satış A.Ş.	82.276	3.575.248	-	-	-	-	-	36.906.948
Satem Grup Gıda Dağıtım ve Pazarlama	16.546	-	-	-	-	-	-	-
Omsan Logistique Maroc	14.917	-	-	-	-	-	-	-
Cimpor Cote d'Ivoire SARL (10)	-	253.893	-	-	-	-	-	-
Kümaş Manyezit Sanayi A.Ş. (9)	-	1.109	-	-	-	-	9.830.758	38.602.962
Yenilikçi Yapı Malzemeleri Yatırım Üretim San. ve Tic. A.Ş.	-	-	-	-	-	2.468.220	-	-
Erdemir Çelik Servis Merkezi San. Ve Tic. A.Ş.	-	-	-	-	-	258	-	-
Cimpor Industria de Cimentos S.A.	3.068	-	-	-	-	-	-	-
Cimpor Ghana	-	501.191	-	-	-	-	-	-
Cimpor-Serviços S.A.	-	490.165	-	-	-	-	-	-
BETÃO LIZ, S.A.	-	53.220	-	-	-	-	-	-
Other companies managed by the parent								
Cimpor Cameroun SA (11)	-	-	-	-	-	4.745.072	-	-
otal	1.352.812.140	151.917.086	-	-	-	8.125.562	17.207.919	77.467.560

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4. RELATED PARTY DISCLOSURES (cont'd)

Transactions with related parties	1 January – 30 June 2022							
	Purchase	Sales	Interest received	Interest paid	Lease income	Other income	Other expense	Fixed asset purchases
Ultimate partner								
Ordu Yardımlaşma Kurumu (OYAK)	-	-	-	-	-	4.618	151.131	-
Partner								
OYAK Çimento A.Ş. (1)	-	-	-	-	-	6.215.905	22.974.098	-
Other companies managed by the ultimate parent								
OYAK Elektrik Enerjisi Toptan Satış A.Ş. (3)	604.664.446	-	-	-	-	-	-	-
OYKA Kağıt Ambalaj San. ve Tic. A.Ş. (2)	97.449.303	429.712	-	-	-	-	-	-
Doco Petrol ve Danışmanlık A.Ş. (9)	71.219.770	-	-	-	-	-	-	-
Omsan Denizcilik A.Ş. (4)	45.212.683	-	-	-	-	23.917	2.693.943	-
İskenderun Demir ve Çelik A.Ş. (8)	34.502.826	33.200	-	-	-	-	11.793	-
OYAK Pazarlama Hizmet ve Turizm A.Ş. (6)	21.471.135	360.368	-	-	-	-	1.242.209	5.711.066
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. (8)	20.942.656	-	-	-	-	-	-	-
OYAK Savunma ve Güvenlik Sistemleri A.Ş. (5)	17.163.248	141.016	-	-	-	-	-	116.067
Omsan Lojistik A.Ş. (4)	7.315.347	10.010	-	-	-	-	1.026.567	-
Güzel Enerji Akaryakıt A.Ş. (9)	6.677.392	1.882	-	-	-	-	-	-
İskenderun Enerji Üretim ve Tic.A.Ş.	1.288.507	-	-	-	-	-	-	-
OYAK Yatırım Menkul Değerler A.Ş.	538.090	-	-	-	-	-	-	-
Oyak Akaryakıt ve LPG Yatırımları A.Ş.	440.291	-	-	-	-	-	-	-
Akdeniz Chemson Kimya San. Ve Tic.A.Ş.	115.266	-	-	-	-	-	-	-
Likitgaz Dağıtım ve Endüstri A.Ş.	92.600	-	-	-	-	-	-	-
Mais Motorlu Araçlar İmal ve Satış A.Ş.	79.250	-	-	-	-	-	-	-
Omsan Havacılık A.Ş.	42.222	-	-	-	-	-	353.857	-
Miilux Yüksek Mukavemetli Çelik Üretim A.Ş.	40.338	-	-	-	-	-	14.304	-
Hektaş Ticaret T.A.Ş.	6.164	-	-	-	-	-	-	-
Cimpor Cote d'Ivoire SARL (11)	-	99.465.695	-	-	-	357.238	-	-
OYAK İnşaat A.Ş. (13)	-	82.367.535	-	-	112.000	-	-	-
Erdemir Çelik Servis Merkezi San. Ve Tic. A.Ş.	-	-	-	-	-	1.743	-	-
Kümaş Manyezit Sanayi A.Ş. (10)	-	-	-	-	-	-	-	36.954.616
Other companies managed by the parent								
Denizli Çimento A.Ş. (7)	71.461.482	1.291.473	-	-	115.588	-	-	-
Cimpor Cameroun SA (12)	-	-	-	-	-	4.746.397	-	-
Total	1.000.723.016	184.100.891	-	-	227.588	11.349.818	28.467.902	42.781.749

(*) As of 19 June 2023, Denizli Çimento Sanayii Türk A.Ş., one of the subsidiaries of OYAK Çimento, merged under OYAK Cement with all its assets and liabilities. As a result of the merger, OYAK Cement's new title was changed to OYAK Denizli Çimento A.Ş.

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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 June 2023 are as follows:

- (1) Purchases from OYAK Denizli Çimento A.Ş. consists of cement purchased for ready mixed concrete and 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 .
- (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 Ereğli Demir Çelik Fabrikaları T.A.Ş. and İskenderun Demir ve Çelik A.Ş. consist of purchases of raw material.
- (8) Purchases from Güzel Enerji Yakıt A.Ş, Doco Petrol ve Danışmanlık A.Ş. consist of fuel purchases.
- (9) Purchases from Kümaş Manyezit Sanayi A.Ş. consist of magnesite refractory brick.
- (10) Sales to Cimpor Cote d'Ivoire SARL reflection amounts of other income and other services.
- (11) Other sales to Cimpor Cameroon SA consist of warehouse materials sales.
- (12) Sales to OYAK İnşaat A.Ş. consist of concrete sales.

Disclosures related to transactions with related parties for the period 1 January – 30 June 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 and 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.
- (12) Other sales to Cimpor Camerron S.A. consist of truck mixer and pump sales.
- (13) Sales to OYAK İnşaat A.Ş. consist of concrete sales.

Salaries and other benefits for key management personnel

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

	1 January- 30 June 2023	1 January- 30 June 2022
Salaries and other short-term benefits	28.284.231	13.671.032
	28.284.231	13.671.032

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

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 June 2023	31 December 2022
Trade receivables	2.758.216.796	2.170.657.129
Income accruals	10.943.156	22.940.000
Notes receivable	285.484.977	241.472.044
Trade receivables from related parties (Note 4)	344.613.207	252.061.558
Provision for doubtful trade receivables and expected credit loss (-)	(80.067.986)	(79.710.058)
Total	3.319.190.150	2.607.420.673

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 2022: 1,5 months).

As of 30 June 2023, there are receivables from customers who declared concordat amounting to TL 107.629 (31 December 2022: TL 107.629) and there is no guarantee related to them.

As of 30 June 2023, provision for doubtful receivables and expected credit loss has been made for the portion of trade receivables amounting to TL 80.067.986 (31 December 2022: TL 79.710.058).

The movement table of the allowance for doubtful trade receivables and expected credit loss is as follows:

Movements of allowance for doubtful trade receivables and expected credit loss	1 January- 30 June 2023	1 January- 30 June 2022
Opening balance	(79.710.058)	(116.822.274)
Charge for the period	(544.768)	(1.121.342)
Collections	186.840	179.129
Closing balance	(80.067.986)	(117.764.487)

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

5. TRADE RECEIVABLES AND PAYABLES (cont'd)

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 June 2023	31 December 2022
Trade payables	1.530.561.784	1.505.566.357
Trade payables to related parties (Note:4)	353.944.361	405.603.677
	1.884.506.145	1.911.170.034

The average payment term of trade payables related to the purchase of goods is 2 months (31 December 2022: 3 months).

6. OTHER PAYABLES

Other Short-term Payables	30 June 2023	31 December 2022
Taxes and funds payable	234.182.196	59.632.867
Deposits and guarantees received	38.966.005	20.533.098
Non-trade payables to related parties (Note 4)	5.163.886	4.461.254
Other	4.060.673	2.112.953
	282.372.760	86.740.172

7. INVENTORIES

	30 June 2023	31 December 2022
Raw material	1.411.240.490	917.417.269
Semi-finished goods	475.444.424	551.047.534
Finished goods	226.721.439	143.177.028
Trade goods	15.100.460	2.629.851
Goods in transit	41.967.527	189.768.031
Other inventories	4.043.371	3.929.943
Impairment on inventories (-)	(33.751.279)	(33.751.279)
	2.140.766.432	1.774.218.377

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

8. PREPAID EXPENSES AND DEFERRED INCOME

a) Prepaid Expenses

Short-term Prepaid Expenses	30 June 2023	31 December 2022
Order advances given for inventory purchase	348.483.044	130.366.408
Prepaid insurance	29.401.301	36.276.658
Prepaid expenses	33.553.955	21.504.750
	411.438.300	188.147.816

Long-term Prepaid Expenses	30 June 2023	31 December 2022
Prepaid expenses	7.561.595	35.870.930
Order advances given for fixed asset purchases	198.041.867	16.334.772
	205.603.462	52.205.702

b) Deferred Income

Short-term Deferred Income	30 June 2023	31 December 2022
Order advances received	127.275.641	95.494.904
Deferred income	34.350.885	17.826.959
	161.626.526	113.321.863

Long-term Deferred Income	30 June 2023	31 December 2022
Deferred income	-	1.343.369
	-	1.343.369

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

9. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

a) Property, plant and equipment

Net book value of property, plant and equipment held in the six-month period ended on 30 June 2023 amounts to TL 2.880.524.899 (31 December 2022: TL 2.488.219.540).

Property, plant and equipment purchased in the six-month period ended on 30 June 2023 amounts to TL 501.996.786 (30 June 2022: TL 261.189.628).

Net book value of property, plant and equipment sold in the six-month period ended on 30 June 2023 amounts to TL 1.458.533 (30 June 2022: TL 282.059).

Property, plant and equipment's depreciation in the six-month period ended on 30 June 2023 amounts to TL 129.986.591 (30 June 2022: TL 102.127.435).

b) Intangible Assets

Net book value of intangible assets held in the six-month period ended on 30 June 2023 amounts to TL 66.029.059 (31 December 2022: 66.631.251).

Intangible assets acquired in the six-month period ended on 30 June 2023 amounts to TL 3.026.606 (30 June 2022: 25.654).

There are no intangible assets sold in the three-month period ended on 31 March 2023 (31 March 2022: None).

Intangible assets's amortization in the six-month period ended on 30 June 2023 amounts to TL 3.628.798 (30 June 2022: TL 6.724.635).

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10. FINANCIAL INVESTMENTS

	30 June 2023	31 December 2022
Short-term financial investments		
Time deposits with a maturity of more than three months(*)	1.514.197.013	132.315.068
Financial investments at fair value through profit or loss	325.908.496	266.296.534
	1.840.105.509	398.611.602

(*) Interest rates of time deposits with maturities longer than three months 28.50%-38.50% (31 December 2022: 26.00%), which is between 31 July 2023 and 17 November 2023. (31 December 2022:5 June 2023) All deposits with maturities longer than three months are TL.

Financial investments at fair value through profit or loss:

Shareholders	30 June 2023			31 December 2022		
	Share rate %	Amount	Cost	Share rate %	Amount	Cost
<u>Shares Traded on the Stock Exchange</u>						
Ereğli Demir Çelik Fabrikaları A.Ş. (*)	<1	210.911.802	7.245.316	<1	236.873.712	7.245.316
<u>Shares Not Traded on the Stock Exchange</u>						
Other financial assets		114.996.694	109.662.848		10.429.708	9.662.848
Currency protected time deposits		-	-		18.993.114	18.993.114

(*) It comprises 5.743.785 shares.

11. PROVISIONS

	30 June 2023	31 December 2022
Short-term provisions		
State provision for the mine (*)	29.701.958	21.642.099
Provision for legal cases	24.044.264	20.036.887
Other short-term provisions (**)	67.598.775	53.370.238
	121.344.997	95.049.224

(*) The amount of provision set for state rights that the Group pays for the mines.

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

	30 June 2023	31 December 2022
Long-term provisions		
Mine rehabilitation	19.123.224	17.737.970
Provision for land occupation	14.546.333	10.162.839
	33.669.557	27.900.809

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11. PROVISIONS (cont'd)

The movement of short and long-term provisions as of 30 June 2023 and 30 June 2022 is presented below.

	Short-term			Long-term	
	State provision for the mine	Provision for legal cases	Other provisions	Mine rehabilitation	Provision for land occupation
As of 1 January 2023	21.642.099	20.036.887	53.370.238	17.737.970	10.162.839
Additional provision	29.701.958	4.007.377	41.656.199	1.385.254	4.383.494
Payments during the period	(21.642.099)	-	(9.329.242)	-	-
Reversal of provision	-	-	(18.098.420)	-	-
30 June 2023	29.701.958	24.044.264	67.598.775	19.123.224	14.546.333

	Short-term			Long-term	
	State provision for the mine	Provision for legal cases	Other provisions	Mine rehabilitation	Provision for land occupation
As of 1 January 2022	12.238.824	11.491.335	9.896.332	3.727.126	2.531.585
Additional provision	8.334.639	4.769.773	10.710.996	-	700.000
Payments during the period	(10.574.812)	-	(7.660.751)	-	-
Reversal of provision	(1.664.012)	-	(2.235.582)	-	-
30 June 2022	8.334.639	16.261.108	10.710.995	3.727.126	3.231.585

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12. COMMITMENTS

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

30 June 2023	TL	US Dollars (TL Equivalent)	Euro (TL Equivalent)	Total TL
A. Total Amount of GPMs Given for the Company’s Own Legal Personality	218.482.977	20.822.181	-	239.305.158
- <i>Guarantee Letters</i>	218.482.977	20.822.181	-	239.305.158
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	218.482.977	20.822.181	-	239.305.158

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

31 December 2022	TL equivalent	US Dollars (TL Equivalent)	Euro (TL Equivalent)	Total TL
A. Total Amount of GPMs Given for the Company’s Own Legal Personality	208.609.004	15.077.199	-	223.686.203
- <i>Guarantee Letters</i>	208.609.004	15.077.199	-	223.686.203
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	208.609.004	15.077.199	-	223.686.203

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13. BORROWINGS

	30 June 2023	31 December 2022
Short-term borrowings		
Bank loans	1.166.310.540	572.248.543
Short-term portion of issued debt instruments	306.388.140	305.892.371
Short-term lease liabilities	25.153.855	17.210.688
	1.497.852.535	895.351.602
	30 June 2023	31 December 2022
Long-term borrowings		
Long-term lease liabilities	63.676.999	41.113.604
	63.676.999	41.113.604

The details of bank loans are as follows:

Currency	Weighted average interest rate	30 June 2023	
		Short-term	Long-term
TL	%16,94	1.138.453.796	-
Euro	EURSTR+2.25	27.856.744	-
		1.166.310.540	-
Currency	Weighted average interest rate	31 December 2022	
		Short-term	Long-term
TL	% 16,75	552.432.499	-
Euro	EURSTR+2.25	19.816.044	-
		572.248.543	-

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14. EMPLOYEE BENEFITS

Payables related to employee benefits

	30 June 2023	30 December 2022
Social security premiums payable	48.958.196	28.436.887
Personnel taxes payable	15.967.619	11.275.997
Due to personnel	9.995.312	4.235.364
	74.921.127	43.948.248

Short-term provisions for employee benefits

	30 June 2023	31 December 2022
Premiums and bonuses payable to personnel	74.392.776	106.857.614
	74.392.776	106.857.614

The movement of provision for personnel premium for the periods ended 30 June 2023 and 31 December 2022 are presented below;

	2023	2022
Provision as of 1 January	106.857.614	27.450.000
Provision made during the period	74.392.776	27.799.663
Payments made during the period	(106.857.614)	(27.450.000)
Provision as of 30 June	74.392.776	27.799.663

Long-term provisions for employee benefits

	30 June 2023	31 December 2022
Provision for employment termination benefit	286.189.012	299.846.554
Provision for senior labor incentive premium	130.433.612	95.287.293
Provision for unused vacation	28.648.413	25.197.965
	445.271.037	420.331.812

Under Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed certain years of service and whose employment is terminated without due cause, who is called up for military service, dies or retires after completing 25 years of service and reaches the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of TL 19.982,83 for each period of service on 30 June 2023 (31 December 2022: TL 15.371,40).

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. TAS 19 Employee Benefits stipulates the development of company's liabilities by using actuarial valuation methods under defined benefit plans. In this direction, actuarial assumptions used in calculation of total liabilities are described as follows.

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14. EMPLOYEE BENEFITS (cont'd)

Long-term provisions for employee benefits (cont'd)

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying consolidated financial statements as of 30 June 2023, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees.

Provisions in the relevant balance sheet dates have been calculated using the rates in the table below.

30 June 2023	
Discount rate	18,12% (fixed)
Inflation rate	16,30% (fixed)
Salary increase	For the 2nd part of 2023 %34, subsequent years reel 1,50%
Employment termination benefit ceiling increase	20,10%

31 December 2022	
Discount rate	16,19% (fixed)
Inflation rate	14,23% (fixed)
Salary increase	For the 1st part of 2023 %30, subsequent years reel 1,50%
Employment termination benefit ceiling increase	At the same rate as inflation

Estimated amount of retirement pay not paid due to voluntary leaves is also taken into consideration as 1% - 11% for employees with 0-15 years of service, and 0% for those with 15 or more years of service. Ceiling amount of TL 23.489,83 which is in effect since 1 January 2023 is used in the calculation of Groups' provision for retirement pay liability (1 January 2023: TL 19.982,83).

Important estimates used in the calculation of employment termination benefits are discount rate, inflation rate and turnover probability.

The movement of the provision for employment termination benefits for the periods ended as of 30 June 2023 and 30 June 2022 are presented below:

	2023	2022
Provision as of 1 January	299.846.554	125.952.372
Service cost	25.396.456	6.585.487
Interest cost (Note: 20)	22.561.179	11.035.742
Employment termination benefits paid	(108.724.933)	(4.541.570)
Actuarial loss / gain	47.109.756	44.945.265
Provision as of 30 June	286.189.012	183.977.296

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14. EMPLOYEE BENEFITS (cont'd)

The Group has a benefit paid to its personnel named as "Seniority Incentive Premium" who served over a definite year.

Provision for seniority incentive premium has been calculated by estimated value of the probable liability in in future where the personnel have right to be paid.

Seniority incentive premium as of 30 June 2023 has been arrived at on the basis of a valuation carried out by and independent valuer by using 'expected unit credit method'.

The retirement pay liability is calculated with the assumption of discount rate, inflation rate and the probability of voluntary leaves.

The movement of the seniority incentive premium provision for the period ended 30 June 2023 and 30 June 2022 are as follows:

	2023	2022
Provision as of 1 January	95.287.293	44.948.023
Service cost	29.536.058	9.344.399
Interest cost (Note: 20)	7.420.869	4.083.715
Seniority incentive paid	(1.810.608)	(2.362.851)
Provision as of 30 June	130.433.612	56.013.286

Provision for unused vacation

The movement of provision for unused vacation for the period ended as of 30 June 2023 and 30 June 2022 are presented below:

	2023	2022
Provision as of 1 January	25.197.964	9.048.277
Provisions during the period (net)	12.732.029	5.624.048
Paid (-)	(9.281.580)	(476.774)
Provision as of 30 June	28.648.413	14.195.551

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15. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Share Capital

As of 30 June 2023 and 31 December 2022, the paid-in capital structure of the Company is as follows:

Shareholders	%	30 June 2023	%	31 December 2022
OYAK Denizli Çimento A.Ş. (*)	74,00	858.298.034	73,25	849.507.227
Publicly traded	26,00	301.495.407	26,75	310.286.214
Nominal capital	100,00	1.159.793.441	100,00	1.159.793.441
Inflation adjustment		134.868.176		134.868.176
Adjusted capital		1.294.661.617		1.294.661.617

(*) On February 22nd, 2023 OYAK Çimento A.Ş. purchased Oyak Çimento Fabrikaları A.Ş.'s shares between 36.08-41.50 TL for a total nominal value of 8.790.807 TL. With this transaction, OYAK Çimento A.Ş.'s share/voting rights on OYAK Çimento Fabrikaları A.Ş. became 74,00%.

As of 19 June 2023, Denizli Çimento Sanayii Türk A.Ş., one of the subsidiaries of OYAK Çimento, merged under OYAK Cement with all its assets and liabilities. As a result of the merger, OYAK Cement's new title was changed to OYAK Denizli Çimento A.Ş.

As of 30 June 2023, the capital of the Company consists of 115.979.344.100 shares (31 December 2022: 115.979.344.100 shares). The nominal value of the shares is TL 0,01 per share (31 December 2022: per share TL 0,01).

b) Restricted reserves appropriated from profit

The Group reserves 5% of the historical statutory profit as first legal reserve, until the total reserve reaches 20% of the historical paid in share capital according to Turkish Commercial Law. The other legal reserve is appropriated at the rate of 10% per annum of all cash dividend distributions after the payment of dividends to the shareholders at a rate of 5%. According to Turkish Commercial Law, general legal reserves can only be used if it does not exceed the capital or issued capital for close the losses, continue the business when business is not going well or end the unemployment and to take suitable precautions to reduce the results of unemployment. Details of restricted reserves appropriated profit are as follows:

	30 June 2023	31 December 2022
Legal Reserves	405.954.871	405.954.871
	405.954.871	405.954.871

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

Current tax liability

	30 June 2023	31 December 2022
Current corporate tax	416.837.213	649.282.426
Less: Prepaid taxes and funds	(97.551.331)	(399.173.667)
Current tax liability	319.285.882	250.108.759

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

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

	1 January- 30 June 2023	1 January- 30 June 2022
The tax expense / (income) consists of:		
Current tax expense / (income)	416.837.213	229.247.353
Deferred tax (expense) / income	(338.719.196)	(32.317.030)
Total tax expense / (income)	78.118.017	196.930.323

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.

As of 30 June 2023 the corporate tax rate is 25% (2022: 23%). Corporation tax rate is applied to net income of the companies after adjusting for certain disallowable expenses, exempt income and allowances.

The effective corporate tax rate in Turkey is 20% as of 30 June 2023 (2022: 23%). For Ünye Cem SRL, the taxable corporate income subjected to Romanian law, is calculated as 16% on the remaining basis after deducting deductible expenses (2022: 16%).

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 20% for the period of 2023 and after, 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 June 2023 (2022: in Turkey between 20%-23% and in Romania 16%).

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

Tax Advantages Obtained Under the Investment Incentives

Earnings of the Group that are derived from investments linked to an investment incentive certificate are subject to corporate tax at discounted rates for a certain period, which starts when the investment starts to partly or fully operate, and ends when the maximum investment contribution amount is reached. Within this scope, the Group has accounted for TL 187.209.856 (31 December 2022: TL 174.383.206) of tax advantages as deferred tax assets which are expected to be recovered in the foreseeable future in the consolidated financial statements as of 30 June 2023 TL 12.826.650 of deferred tax income is recognized in the consolidated profit or loss statement for the period between January 1 – 30 June 2023 from accounting of such deferred tax assets. The contribution amount between 1 January –30 June 2023 benefited from the gain from investment is TL 2.069.945.

Deferred tax assets are recognized for deductible temporary differences, carry forward tax losses and indefinite-life investment incentives which allows payment of corporate tax at discounted rates, as long as it is probable that sufficient taxable income will be generated in the future. In this context, the Group recognizes deferred tax assets from investment incentives based on long-term plans, including taxable profit projections derived from business models, which are re-evaluated at each balance sheet date to assess recoverability of such deferred tax assets. The Group expects to recover such deferred tax assets within 5 years from the balance sheet date.

In the sensitivity analysis performed as of June 30, 2023, when the inputs of the key macroeconomic and sectoral assumptions that form the business plans are increased/decreased by 10%, there is no change in the projected 5-year recovery periods of deferred tax assets related to investment incentives

The movement of deferred tax assets / (liabilities) for 30 June 2023 is as follows:

	30 June 2023	31 December 2022
Deferred tax assets/(liabilities):		
Investment allowance and energy incentive	187.848.346	175.021.696
Provision for employment termination benefit	57.237.802	59.969.310
Provision for doubtful trade receivables	8.836.886	14.213.212
Senior labor incentive bonus provision	26.086.722	19.057.458
Premium provision provided to employees	14.878.555	21.736.023
Provision for legal cases	4.808.853	3.862.546
Provision for mine royalty	5.940.392	4.027.337
Provision for unused vacation	5.729.683	5.035.263
Provision for adequate pay	2.909.267	2.032.567
Provision for sales incentive premium	5.109.362	652.337
Provision for rehabilitation	3.824.645	3.215.513
Valuation of equity shares	(10.183.324)	(11.749.209)
Revaluation adjustments of property, plant and equipment and intangible assets	2.163.431.517	1.858.204.705
Depreciation and amortization differences of property, plant and equipment and intangible assets	(94.722.398)	(136.228.513)
Other	(1.031.856)	13.513.059
	2.380.704.452	2.032.563.304

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

	2023	2022
Opening balance as of 1 January	2.032.563.304	111.336.537
Charged to statement of profit or loss	338.719.196	32.317.030
Charged to other comprehensive (income) / expense	9.421.952	8.989.053
Closing balance as of 30 June	2.380.704.452	152.642.620

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

	1 January- 30 June 2023	1 January- 30 June 2022
Reconciliation of tax provision:		
Profit before tax	2.939.237.842	1.079.569.539
Income tax rate of 20% (2022: 23%)	(587.847.568)	(248.300.994)
Tax effect of:		
- non-deductible expenses	(67.660.918)	(3.757.686)
- exemptions and other discounts	67.331.862	7.622.449
- TPL 298/Ç re-assessment of fixed assets	391.099.644	-
- effect of change in tax rates	21.876.166	30.319.474
- investment incentive exemption	50.954.944	16.937.660
- additional corporate expense	(21.221.648)	-
- effect of other adjustments	67.349.501	248.774
Tax provision expense in the statement of profit or loss and other comprehensive income	(78.118.017)	(196.930.323)

17. EARNING PER SHARE

	1 January- 30 June 2023	1 April- 30 June 2023	1 January - 30 June 2022	1 April- 30 June 2022
Net profit for the period	2.861.119.825	1.844.060.116	882.639.216	660.233.911
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)	2,47	1,59	0,76	0,57

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18. REVENUE AND COST OF SALES

a) Revenue

	1 January- 30 June 2023	1 April- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2022
Domestic sales	8.025.432.107	4.406.155.823	3.849.151.356	2.545.656.853
Foreign sales (export)	774.718.502	485.620.202	712.238.673	425.093.050
Foreign sales (export listed)	206.039.658	118.881.779	157.218.360	89.268.047
Sales discounts (-)	(48.581.522)	(31.568.636)	(17.760.201)	(12.612.038)
Other income	27.968.185	14.160.576	8.548.635	4.240.636
Net Sales	8.985.576.930	4.993.249.744	4.709.396.823	3.051.646.548

As of 30 June 2023, the Group recognized sales income amounting to TL 8.985.576.930 (30 June 2022: TL 4.709.396.823) related to performance obligations at a point in time.

b) Cost of sales

	1 January- 30 June 2023	1 April- 30 June 2023	1 January- 30 June 2022	1 April- 30 June 2022
Direct raw material and material expenses	(3.873.574.496)	(1.954.149.546)	(2.856.701.966)	(1.687.405.231)
Direct labor expenses	(162.956.616)	(76.362.088)	(53.814.958)	(26.992.778)
Depreciation and amortization expenses	(132.426.336)	(68.374.024)	(108.954.745)	(62.625.740)
Production overhead personnel expenses	(280.720.283)	(153.269.078)	(141.168.522)	(78.188.285)
Other production overhead expenses	(1.133.753.258)	(559.505.597)	(483.328.149)	(211.997.416)
Total production cost	(5.583.430.989)	(2.811.660.333)	(3.643.968.340)	(2.067.209.450)
Change in semi-finished product inventories	(75.603.110)	(201.416.313)	213.055.998	21.789.074
Change in finished product inventories	83.544.411	18.377.318	57.435.759	(20.845.027)
Cost of trade goods sold	(26.033.905)	(21.403.744)	(18.940.414)	(13.454.166)
Cost of sales	(5.601.523.593)	(3.016.103.072)	(3.392.416.997)	(2.079.719.569)

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19. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other income from operating activities for the periods ended on 30 June 2023 and 2022 are as follows:

Other Income from Operating Activities

	1 January- 30 June 2023	1 April- 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Foreign exchange gains related to operational activities	225.076.409	199.364.642	152.774.445	83.087.518
Profit from sales of scrap materials	11.090.015	6.130.412	7.821.928	6.168.538
Interest income from sales	4.550.628	4.157.999	630.496	313.469
Compensation and penalty income	873.038	(487.484)	700.189	700.189
Other income	29.030.671	6.944.341	8.934.071	5.217.560
	270.620.761	216.109.910	170.861.129	95.487.274

The details of other expenses from operating activities for the periods ended on 30 June 2023 and 2022 are as follows:

Other Expenses from Operating Activities

	1 January- 30 June 2023	1 April- 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Donation expenses	(322.624.943)	(2.414.487)	-	-
Foreign exchange losses related to operational activities	(268.465.168)	(243.676.058)	(116.382.807)	(56.696.606)
Discount interest expense	(1.620.865)	(1.273.795)	(956.310)	(956.310)
Compensation and penalty expense	-	-	-	150.210
Other expenses	(2.224.173)	(1.148.425)	(8.402.594)	(3.078.681)
	(594.935.149)	(248.512.765)	(125.741.711)	(60.581.387)

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20. FINANCE INCOME AND EXPENSES

The details of finance income for the periods ended 30 June 2023 and 2022 are as follows:

Finance Income	1 January- 30 June 2023	1 April- 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Foreign exchange gains related to financial activities	175.888.280	164.306.818	13.375.514	6.109.289
Interest income	126.851.695	65.855.558	12.446.211	7.945.241
Other finance income	-	-	549.916	493.357
	302.739.975	230.162.376	26.371.641	14.547.887

The details of finance expenses for the periods ended 30 June 2023 and 2022 are as follows:

Finance Expenses	1 January- 30 June 2023	1 April- 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Interest expense	(93.060.797)	(54.201.602)	(70.048.471)	(45.057.452)
Commission expenses	(28.482.616)	(16.610.797)	(8.390.904)	(5.159.092)
Employment termination benefits interest cost	(22.561.179)	(11.280.590)	(11.035.742)	(5.517.871)
Foreign exchange losses related to financial activities	(17.313.346)	(15.982.335)	(18.557.562)	(12.510.316)
Interest expense related to lease liabilities	(9.787.517)	(7.750.431)	(3.664.776)	(1.126.205)
Senior labor interest cost	(7.420.869)	(3.710.434)	(4.083.715)	(2.041.858)
Bank charges	(232.108)	(115.664)	(591.733)	(355.778)
	(178.858.432)	(109.651.853)	(116.372.903)	(71.768.572)

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21. INCOME FROM INVESTMENT ACTIVITIES

The details of income from investment activities for the periods ended 30 June 2023 and 2022 are as follows:

	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Income from investment activities				
Interest income from time deposits with a maturity of more than three months	168.108.466	119.371.493	-	-
Interest income from financial assets	4.566.986	3.869.743	554.408	389.382
Profit from sale of fixed assets	5.924.704	5.923.019	1.212.898	45.518
Rent income from investment properties	1.671.576	856.515	1.372.433	746.559
Dividend income	-	-	25.559.845	-
Other incomes from investment activities	352.891	51.771	-	-
	180.624.623	130.072.541	28.699.584	1.181.459

The details of income from investment activities for the periods ended 30 June 2023 and 2022 are as follows:

	1 January - 30 June 2023	1 April - 30 June 2023	1 January - 30 June 2022	1 April - 30 June 2022
Expenses from investment activities				
Valuation difference of financial assets measured at FVTPL	(25.961.910)	7.581.797	(5.858.650)	(30.327.189)
Other expenses related investment properties	(300.000)	(37.233)	(178.552)	(71.796)
Other expenses from investment activities	(226.788)	(226.788)	-	-
	(26.488.698)	7.317.776	(6.037.202)	(30.398.985)

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22. 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, 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 and short-term financial investments 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 June 2023	31 December 2022
Financial payables (Note: 13)	1.561.529.534	936.465.206
Less: Cash and Cash Equivalents (Note:3)	(1.767.023.454)	(1.638.536.165)
Less: Short-term Financial Investments (Note: 10)	(1.840.105.509)	(398.611.602)
Net Debt	(2.045.599.429)	(1.100.682.561)
Total Equity	10.188.174.712	7.364.215.108
Total Capital	8.142.575.283	6.263.532.547
Net Debt/Total Capital Ratio	(0,25)	(0,18)

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 program 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 financial investments, trade receivables and trade payables, which arise directly from operations.

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

22. 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.

There has been no change in the Group's exposure to market risks or the management and measurement of exposures.

b.3.1) 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 June 2023			
	TL Equivalent (Functional currency)	US Dollar	EURO	GBP
1. Trade Receivables	476.513.155	9.986.799	7.765.257	-
2. Monetary Financial Assets (including cash, bank deposits)	587.650.664	21.515.509	1.119.958	15.919
3. Other Current Assets	23.711.883	187.750	668.790	1.050
4. Current Assets (1+ 2 + 3)	1.087.875.702	31.690.058	9.554.005	16.969
5. Non-Current Assets	108.912.465	980.905	2.968.760	-
6. Total Assets (4 + 5)	1.196.788.167	32.670.963	12.522.765	16.969
7. Trade Payables	477.687.775	8.029.482	9.569.351	2.021
8. Financial Liabilities	28.014.780	-	993.263	-
9. Deferred Revenue	1.881.756	68.706	3.700	-
10. Current Liabilities (7 + 8 + 9)	507.584.311	8.098.188	10.566.314	2.021
11. Non-current Liabilities	-	-	-	-
12. Total Liabilities (10 + 11)	507.584.311	8.098.188	10.566.314	2.021
13. Net foreign currency asset liability position (6 - 12)	689.203.856	24.572.775	1.956.451	14.948
14. Export	757.282.933	26.836.978	2.258.565	-
15. Export-registered sales	13.473.846	36.137	445.000	-
16. Import	986.838.808	33.610.062	4.192.473	-

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

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

b) Financial Risk Factors (cont'd)

b.3.1) Foreign currency risk management (cont'd)

	31 December 2022			
	TL Equivalent (Functional currency)	US Dollar	EURO	GBP
1. Trade Receivables	323.528.806	9.458.523	7.357.474	-
2. Monetary Financial Assets (including cash, bank deposits)	387.359.033	16.321.101	4.122.528	-
3. Other Current Assets	34.644.284	238.297	1.478.718	31.590
4. Current Assets (1+ 2 + 3)	745.532.123	26.017.921	12.958.720	31.590
5. Non-Current Assets	37.526.639	504.000	1.409.723	-
6. Total Assets (4 + 5)	783.058.762	26.521.921	14.368.443	31.590
7. Trade Payables	663.925.561	26.195.001	8.674.705	-
8. Financial Liabilities	19.966.538	-	999.787	-
9. Deferred Revenue	1.361.260	68.726	3.700	-
10. Current Liabilities (7 + 8 + 9)	685.253.359	26.263.726	9.678.192	-
11. Non-current Liabilities	-	-	-	-
12. Total Liabilities (10 + 11)	685.253.359	26.263.726	9.678.192	-
13. Monetary items net foreign currency asset/liability position (6 - 12)	97.805.403	258.195	4.690.251	31.590
12. Export	1.422.127.255	62.561.492	12.593.667	-
13. Export-registered sales	62.428.139	2.287.610	983.076	-
14. Import	1.269.540.434	63.499.797	4.066.196	-

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

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

b) Financial Risk Factors (cont'd)

b.3.1) Foreign currency risk management (cont'd)

The Group is mainly exposed to foreign currency risks in USD and Euro.

The following table shows the Group's sensitivity to a 20% (31 December 2022: 20%) increase and decrease in USD and Euro. 20% (31 December 2022: 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 only includes outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 20% (31 December 2022: 20%) change in foreign currency rates. A positive number indicates an increase in profit / loss and other equity

	30 June 2023	
	Profit / Loss	Profit / Loss
	Appreciation of foreign currency	Depreciation of foreign currency
In case of 20% appreciation of US Dollar against TL		
1 - USD net asset / liability	126.833.730	(126.833.730)
2- Portion hedged from USD risk (-)	-	-
3 – USD net effect (1+2)	126.833.730	(126.833.730)
In case of 20% appreciation of Euro against TL		
4 - Euro net asset / liability	10.909.030	(10.909.030)
5 - Portion hedged from Euro risk (-)	-	-
6 – Euro net effect (4+5)	10.909.030	(10.909.030)
In case of 20% appreciation of GBP against TL		
7 - GBP net asset / liability	98.010	(98.010)
8 - Portion hedged from GBP risk (-)	-	-
9 – GBP net effect (7+8)	98.010	(98.010)
TOTAL (3+6+9)	137.840.770	(137.840.770)
	31 December 2022	
	Profit / Loss	Profit / Loss
	Appreciation of foreign currency	Depreciation of foreign currency
In case of 20% appreciation of US Dollar against TL		
1 - USD net asset / liability	788.544	(788.544)
2 - Portion hedged from USD risk (-)	-	-
3 - USD net effect (1+2)	788.544	(788.544)
In case of 20% appreciation of Euro against TL		
4 - Euro net asset / liability	18.630.450	(18.630.450)
5 - Portion hedged from Euro risk (-)	-	-
6- Euro net effect (4+5)	18.630.450	(18.630.450)
In case of 20% appreciation of Euro against TL		
7 - Euro net asset / liability	142.088	(142.088)
8 - Portion hedged from Euro risk (-)	-	-
9- Euro net effect (7+8)	142.088	(142.088)
TOTAL (3+6+9)	19.561.082	(19.561.082)

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

Fair value hierarchy table

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:

Financial assets at fair value in the balance sheet	30 June 2023		
	Level 1	Level 2	Level 3
Equity shares	210.911.802	-	-
Other financial assets	-	114.996.694	-

Financial assets at fair value in the balance sheet	31 December 2022		
	Level 1	Level 2	Level 3
Equity shares	236.873.712	-	-
Other financial assets	-	10.429.708	-
Currency protected time deposits	-	18.993.114	-

23. EVENTS AFTER BALANCE SHEET DATE

On July 14th, the Group announced to the Public Disclosure Platform that it has started negotiations with the intention of merging with the Oyak Denizli Çimento A.Ş.

Amendments were made to the Corporate Tax Law No. 5520 with a Law submitted to the Grand National Assembly of Turkey on 5 July 2023 and published in the Official Gazette dated 15 July 2023. According to this; the corporate tax rate has been increased from 20% to 25%, starting from the declarations that will be submitted as of 1 October 2023. In addition, starting from 15 July 2023; 50% tax exception ratio stipulated for immovable assets' sales gains in the Law No. 5520 has been abolished with the amendment. However, the 50% tax exemption ratio will be applied as 25% for the sales of immovable assets of the entities acquired before 15 July 2023. Efforts to determine the effects of these changes on current and deferred tax amounts continue.