

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

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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS OF 31 MARCH 2024**

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(Convenience translation of consolidated financial statements originally issued in Turkish)

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2024

(Amounts are expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

		Not reviewed	Audited
		Current Period	Prior Period
	Notes	31 March 2024	31 December 2023
ASSETS			
Current Assets		16.026.185.832	17.037.487.454
Cash and cash equivalents	3	4.821.994.804	6.098.280.571
Financial investments	10	1.132.964.723	616.794.536
Trade receivables	5	5.057.355.943	4.996.359.542
<i>Trade receivables from related parties</i>	4	309.805.997	278.232.500
<i>Trade receivables from third parties</i>		4.747.549.946	4.718.127.042
Other receivables		76.639.973	74.080.811
<i>Other receivables from related parties</i>	4	45.716.908	36.091.727
<i>Other receivables from third parties</i>		30.923.065	37.989.084
Inventories	7	4.576.943.188	4.707.895.427
Prepaid expenses	8	334.054.430	442.584.122
Current tax assets		-	79.808.456
Other current assets		5.314.661	765.879
Assets held for sale		20.918.110	20.918.110
Non-current Assets		23.443.646.752	23.667.657.291
Financial investments	10	12.991.012	12.991.012
Other receivables		5.320.732	5.485.730
<i>Other receivables from third parties</i>		5.320.732	5.485.730
Investment properties		242.203.594	242.345.510
Right-of-use assets		347.595.734	226.961.391
Property, plant and equipment	9	16.189.058.312	16.226.577.494
Intangible assets		4.215.982.596	4.194.618.327
<i>Goodwill</i>		3.578.788.315	3.578.788.315
<i>Other intangible assets</i>	9	637.194.281	615.830.012
Prepaid expenses	8	153.883.380	208.227.381
Deferred tax assets	16	2.274.909.888	2.548.472.300
Other non-current assets		1.701.504	1.978.146
TOTAL ASSETS		39.469.832.584	40.705.144.745

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

(Convenience translation of consolidated financial statements originally issued in Turkish)

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2024

(Amounts are expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

		Not reviewed	Audited
		Current Period	Prior Period
		31 March	31 December
	Notes	2024	2023
LIABILITIES AND EQUITY			
Current Liabilities		5.847.812.536	7.669.476.795
Short-term borrowings	13	-	1.674.828.483
Short-term portion of long-term financial liabilities	13	72.166.087	76.444.053
Short-term lease liabilities	13	43.925.502	34.243.994
Trade payables	5	3.740.548.338	4.189.861.109
<i>Trade payables to related parties</i>	4	611.348.978	818.535.701
<i>Trade payables to third parties</i>		3.129.199.360	3.371.325.408
Payables related to employee benefits	14	215.469.202	143.675.620
Other payables	6	336.659.088	205.461.651
<i>Other payables to related parties</i>	4	6.641.303	6.846.638
<i>Other payables to third parties</i>		330.017.785	198.615.013
Contract liabilities	8	176.375.525	191.493.412
Current tax liabilities	16	136.465.904	-
Short-term provisions		1.123.497.603	1.151.151.970
<i>Short-term provisions for employee benefits</i>	14	621.746.423	601.370.689
<i>Other short-term provisions</i>	11	501.751.180	549.781.281
Other short-term liabilities		2.705.287	2.316.503
Non-current Liabilities		2.177.168.427	2.352.533.001
Long-term lease liabilities	13	51.002.594	78.676.172
Long-term lease liabilities	13	115.703.354	78.328.280
Other payables		1.170.320.969	1.257.752.972
<i>Other payables to related parties</i>	4	1.170.320.969	1.257.752.972
Long-term provisions		840.141.510	937.775.577
<i>Long-term provisions for employee benefits</i>	14	676.943.847	755.459.358
<i>Other long-term provisions</i>	11	163.197.663	182.316.219
TOTAL LIABILITIES		8.024.980.963	10.022.009.796

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OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2024**

(Amounts are expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

		Not reviewed	Audited
		Current Period	Prior Period
		31 March	31 December
	Notes	2024	2023
EQUITY		31.444.851.621	30.683.134.949
Equity Attributable to Parent		31.444.851.621	30.683.134.949
Paid-in capital	15	1.246.578.406	1.246.578.406
Capital adjustment differences	15	8.169.091.608	8.169.091.608
Repurchased shares (-)		(32.212.548)	(32.212.548)
Share premiums/discounts		1.088.396	1.088.396
Other accumulated comprehensive income (expenses) that will not be reclassified to profit or loss		(404.986.555)	(404.986.555)
- <i>Gains (losses) on remeasurement of defined benefit plans</i>		(404.986.555)	(404.986.555)
Other accumulated comprehensive income (expenses) that will be reclassified to profit or loss		(231.052.794)	(185.743.863)
- <i>Foreign currency translation differences</i>		(231.052.794)	(185.743.863)
Restricted reserves appropriated from profit	15	5.086.453.176	5.086.453.176
Business combinations under common control		377.876.682	377.876.682
Retained earnings		16.424.989.647	7.072.707.106
Net Profit for the period		807.025.603	9.352.282.541
TOTAL LIABILITIES AND EQUITY		39.469.832.584	40.705.144.745

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

(Convenience translation of consolidated financial statements originally issued in Turkish)

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 – 31 MARCH 2024

(Amounts are expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

		Restated (Note 2.5)	
	Not reviewed	Not reviewed	
	Current Period	Prior Period	
	1 January - 31 March 2024	1 January - 31 March 2023	
	Notes		
PROFIT OR LOSS			
Revenue	18	8.164.185.927	7.755.090.279
Cost of sales (-)	18	(6.254.789.241)	(5.443.661.202)
GROSS PROFIT		1.909.396.686	2.311.429.077
General administrative expenses (-)		(315.908.270)	(264.909.414)
Marketing expenses (-)		(53.223.366)	(41.602.160)
Research and development expenses (-)		(26.529.213)	(15.985.988)
Other income from operating activities	19	273.639.514	261.037.495
Other expenses from operating activities (-)	19	(245.357.752)	(608.628.948)
OPERATING PROFIT		1.542.017.599	1.641.340.062
Income from investment activities	21	76.317.901	91.109.737
Expenses from investment activities (-)	21	(28.624.981)	(107.633.620)
OPERATING PROFIT BEFORE FINANCIAL INCOME (EXPENSE)		1.589.710.519	1.624.816.179
Finance income	20	453.925.579	255.684.269
Finance expense (-)	20	(245.479.322)	(624.438.588)
Monetary loss / gain		(472.972.458)	(327.381.183)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		1.325.184.318	928.680.677
Tax Expense		(518.158.715)	(490.042.397)
Current tax expense	16	(244.596.303)	(205.005.257)
Deferred tax (expense)/income	16	(273.562.412)	(285.037.140)
NET PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		807.025.603	438.638.280
Net profit/(loss) for the period from discontinued operations		-	(23.484.796)
NET PROFIT FOR THE PERIOD		807.025.603	415.153.484
Profit for the Period Attributable to			
Equity holders of the parent		807.025.603	415.153.484
Non-controlling interests		-	-
Earning Per Share			
Earning per share (Nominal value of TL 1)	17	0,65	0,33

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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 – 31 MARCH 2024**

(Amounts are expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

		Restated (Note 2.5)
	Not reviewed	Not reviewed
	Current Period	Prior Period
Notes	1 January - 31 March 2024	1 January - 31 March 2023
NET PROFIT FOR THE PERIOD	807.025.603	415.153.484
Other comprehensive income:		
Items to be reclassified to profit or loss:		
Foreign currency translation differences	(45.308.931)	(10.607.717)
	(45.308.931)	(10.607.717)
OTHER COMPREHENSIVE INCOME / (EXPENSE)	(45.308.931)	(10.607.717)
TOTAL COMPREHENSIVE INCOME / (EXPENSE)	761.716.672	404.545.767
Total Comprehensive Income / (Expense) Attributable to		
Owners of the parent	761.716.672	404.545.767
Non-controlling interests	-	-

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OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024

(Amounts are expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

	Paid-in Share capital	Adjustment to share capital	Repurchased shares (-)	Share premi- ms	Restricted reserves	Gains / (losses) on remeasurement of defined benefit plans	Foreign currency translation differences	Business combinations under common control	Retained earnings	Net profit for the period	Total equity
Balance at 1 January 2023	1.159.793.441	8.155.995.678	(32.212.548)	1.088.396	5.028.983.649	(249.710.055)	(245.644.722)	-	2.492.069.479	6.827.481.084	23.137.844.402
Restatement effect (Note 2.5)	-	-	-	-	57.469.527	(34.409.452)	(39.723.490)	(5.046.785.962)	-	3.324.532.644	(1.738.916.733)
Restated balance as of 1 January 2023	1.159.793.441	8.155.995.678	(32.212.548)	1.088.396	5.086.453.176	(284.119.507)	(285.368.212)	(5.046.785.962)	2.492.069.479	10.152.013.728	21.398.927.669
Transfers	-	-	-	-	-	-	-	-	10.152.013.728	(10.152.013.728)	-
Total comprehensive income/(expense)	-	-	-	-	-	-	(10.607.717)	-	-	415.153.484	404.545.767
Net profit for the period	-	-	-	-	-	-	-	-	-	415.153.484	415.153.484
Other comprehensive Income (expense)	-	-	-	-	-	-	(10.607.717)	-	-	-	(10.607.717)
31 March 2023	1.159.793.441	8.155.995.678	(32.212.548)	1.088.396	5.086.453.176	(284.119.507)	(295.975.929)	(5.046.785.962)	12.644.083.207	415.153.484	21.803.473.436
1 Ocak 2024 itibarıyla bakiye	1.246.578.406	8.169.091.608	(32.212.548)	1.088.396	5.086.453.176	(404.986.555)	(185.743.863)	377.876.682	7.072.707.106	9.352.282.541	30.683.134.949
Transfers	-	-	-	-	-	-	-	-	9.352.282.541	(9.352.282.541)	-
Total comprehensive income/(expense)	-	-	-	-	-	-	(45.308.931)	-	-	807.025.603	761.716.672
Net profit for the period	-	-	-	-	-	-	-	-	-	807.025.603	807.025.603
Other comprehensive Income (expense)	-	-	-	-	-	-	(45.308.931)	-	-	-	(45.308.931)
31 March 2024	1.246.578.406	8.169.091.608	(32.212.548)	1.088.396	5.086.453.176	(404.986.555)	(231.052.794)	377.876.682	16.424.989.647	807.025.603	31.444.851.621

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OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024

(Amounts are expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

		Not reviewed	Not reviewed
		Current Period	Prior Period
	Notes	1 January – 31 March 2024	1 January– 31 March 2023
A. CASH FLOWS FROM OPERATING ACTIVITIES		1.432.908.852	461.293.385
Profit for the Period		807.025.603	438.638.280
Net Profit/(Loss) for the Period from Discontinued Operations		-	(23.484.796)
Adjustments Related to Reconciliation of Net Profit for the Period		784.016.464	518.468.166
- Adjustments Related to Depreciation and Amortization Expenses		365.351.334	303.624.855
- Adjustments Related to Doubtful Receivables	5	59.811	42.492
- Adjustments Related to Provisions		187.547.614	151.482.526
- <i>Adjustments Related to Employee Benefits</i>	14	137.095.168	45.600.871
- <i>Adjustments Related to Other Provisions (Reversals)</i>	11	50.452.446	105.881.655
- Adjustments Related to Interest (Income) and Expenses		(303.608.786)	14.741.441
- <i>Adjustments Related to Interest Income</i>	20,21	(397.050.286)	(223.385.269)
- <i>Adjustments Related to Interest Expense</i>	19,20	93.441.500	238.126.710
- Adjustments Related to Fair Value Losses (Gains)		27.892.314	107.129.433
- <i>Adjustments Related to Fair Value (Gains) / Losses of Financial Assets</i>	21	27.892.314	107.129.433
- Adjustments Related to Dividend Income	21	(2.871.893)	-
- Adjustments Related to Gain on Sale of Fixed Assets	21	300.158	(652.010)
- Adjustments Related to Unrealized Foreign Currency Translation Differences		(104.002.737)	347.945.713
- Adjustments Related to Tax Income / Expense	16	518.158.715	490.042.397
- Adjustments Related to Monetary (Gains) / Losses		95.189.934	(895.888.681)
Changes in Working Capital		(63.813.462)	40.978.515
- Adjustments Related to Increase in Trade Receivables		(39.182.634)	591.456.584
- <i>Decrease (Increase) in Trade Receivables from Related Parties</i>	5	(31.573.497)	12.545.038
- <i>Decrease (Increase) in Trade Receivables from Third Parties</i>		(7.609.137)	578.911.546
- Adjustments Related to Decrease (Increase) in Other Receivables Related to Operations		(2.394.164)	(112.100.556)
- <i>Decrease (Increase) in Other Receivables Related to Operations from Related Parties</i>		(9.625.181)	(80.413.439)
- <i>Decrease (Increase) in Other Receivables Related to Operations from Third Parties</i>		7.231.017	(31.687.117)
- Adjustments Related to Increase in Inventories	7	130.952.239	(397.022.355)
- Adjustments Related to Increase (Decrease) in Other Non-current Assets		(3.883.356)	5.522.730
- Decrease (Increase) in Prepaid Expenses	8	111.928.757	105.316.954
- Changes in Assets Held for Sale		-	78.554.899
- Adjustments Related to Increase in Trade Payables	5	(449.312.771)	(457.937.699)
- <i>Increase (Decrease) in Trade Payables to Related Parties</i>		(207.186.723)	(109.820.264)
- <i>Increase (Decrease) in Trade Payables to Third Parties</i>		(242.126.048)	(348.117.435)
- Increase in Payables Related to Employee Benefits		71.793.582	234.472.953
- Adjustments Related to Increase / (Decrease) in Other Operating Payables		131.402.772	4.202.956
- <i>Increase (Decrease) in Other Operating Payables to Third Parties</i>		131.402.772	4.202.956
- Increase / (Decrease) in Contract Liabilities	8	(15.117.887)	(11.487.951)
Cash Flows from Operations		1.527.228.605	974.600.165
- Payments Related to Provision for Employee Benefits		(46.093.107)	(357.500.296)
- Tax Payments	16	(28.321.943)	(155.806.484)
- Payments for Provisions	11	(19.904.703)	-

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OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2024

(Amounts are expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

		Not reviewed	Not reviewed
		Current Period	Prior Period
		1 January –	1 January–
		31 March	31 March
	Notes	2024	2023
B. CASH FLOWS FROM INVESTING ACTIVITIES		(803.663.131)	(1.926.997.460)
- Cash Inflows from Sale of Property, Plant and Equipment	9	467.092	726.771
- Cash Outflows from Purchase of Property, Plant and Equipment	8,9	(333.994.075)	(192.780.192)
- Dividend Income	21	2.871.893	-
- Decrease (Increase) in Financial Investments		(473.008.041)	(1.734.944.039)
C. CASH FLOWS FROM FINANCING ACTIVITIES		(1.338.359.920)	982.301.099
- Cash Inflows From Borrowing		-	2.384.041.034
- <i>Cash Inflows from Loans</i>		-	<i>2.384.041.034</i>
- Cash Outflows Related to Debt Payments		(1.496.039.305)	(690.767.295)
- <i>Cash Outflows Related to Loan Repayments</i>		<i>(1.477.654.751)</i>	<i>(601.890.464)</i>
- <i>Interest Paid</i>		<i>(18.384.554)</i>	<i>(88.876.831)</i>
- Interest Received		348.621.168	159.188.428
- Cash Outflows from Loan Payments Arising from Lease Agreements		(190.736.448)	(18.570.349)
- <i>Cash Outflows from Payments for Lease Liabilities from related parties</i>		<i>(205.335)</i>	<i>(851.590.719)</i>
D. NET INCREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		(709.114.199)	(483.402.976)
Effect of Foreign Currency Translation Differences on Cash and Cash Equivalents		112.623.693	10.675.164
Monetary gain loss effect on cash and cash equivalents		(647.074.509)	(395.300.822)
E. NET INCREASE IN CASH AND CASH EQUIVALENTS		(1.243.565.015)	(868.028.634)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3	5.961.720.577	3.608.926.425
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3	4.718.155.562	2.740.897.791

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OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND IT'S SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

1. ORGANIZATION AND OPERATIONS OF THE GROUP

OYAK Çimento Fabrikaları A.Ş. ("Company") was established by the merger of Aslan Çimento A.Ş., Adana Çimento Sanayii Türk A.Ş., Bolu Çimento Sanayii A.Ş. and Ünye Çimento Sanayi ve Ticaret A.Ş. which are publicly traded cement companies, on 14 May 2020 and under Mardin Çimento Sanayii ve Ticaret A.Ş. which was established on 2 June 1969. Following the merger, the title of Mardin Çimento Sanayii ve Ticaret A.Ş. was changed to OYAK Çimento Fabrikaları A.Ş. on 21 May 2020.

As of 31 December 2020, OYAK Beton San. ve Tic. A.S. ("OYAK Beton") one of the subsidiaries of the Company, merged within OYAK Çimento Fabrikaları A.Ş. together with all its assets and liabilities.

On June 13, 2023, the Company's parent's title was changed from OYAK Çimento A.Ş. to OYAK Denizli Çimento A.Ş. Subsequently, Denizli Çimento Sanayii Türk A.Ş. one of the subsidiaries of the parent, was merged and registered within the parent as of 19 June 2023, by applying the "facilitated merger" method, together with all its assets and liabilities.

By evaluating the synergy that will be created by the economic and operational advantages of the merger, the opportunities that will be created by the size of the Company that will emerge after the merger, and the benefits it will provide to all shareholders, an application was made to the Capital Markets Board pursuant to the Board of Directors' Decision dated September 11, 2023, for the Company's merger with OYAK Denizli Çimento A.Ş., its main shareholder, under the Company by taking over it as a whole together with its assets and liabilities, and the application was approved on November 22, 2023. At the Extraordinary General Assembly meeting dated 25 December 2023 regarding the merger, the Company "took over" OYAK Denizli Çimento Anonim Şirketi as a whole with all its assets and liabilities, and the merger within the Company was accepted by the shareholders. The merger transaction has been registered on 28 December 2023.

As a result of the merger, Cimpor Global Holdings B.V., which was the 100% shareholder of the former OYAK Denizli Çimento A.Ş. became the parent of OYAK Çimento Fabrikaları A.Ş. with a share of 75.81%.

Cimpor Global Holdings B.V. was established in Amsterdam, Netherlands on 18 October 2018. Cimpor Global Holdings is a group of companies established by Ordu Yardımlaşma Kurumu ("OYAK") and Taiwan Cement Corporation ("TCC") that operates in the field of cement, concrete, kraft paper and bag. Cimpor Global Holdings operates in the Netherlands, Türkiye, Portugal, Romania, Ivory Coast, Cameroon and Cape Verde.

TCC, which indirectly owns 40% of the capital of Cimpor Global Holdings B.V., was established in Taiwan on 1 May 1946. Its main business consists of cement, concrete, divisional energy, high efficiency battery production, carbon black production, electricity storage systems and international ship transportation, production and trade of paper bags and other paper bundles. TCC's shares are traded on the Taiwan Stock Exchange.

OYAK, which indirectly owns 60% of the capital of Cimpor Global Holdings B.V., 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.

An agreement was reached between OYAK and TCC regarding the transfer of 20% of OYAK Çimento Fabrikaları A.Ş.'s non-publicly traded shares which represents 60% of OYAK's indirect ownership, to TCC. An initial agreement was signed on 27 November 2023, followed by definitive agreements signed on 10 December 2023. The share transfer transaction was completed on March 6, 2024, upon obtaining the necessary permissions from other official institutions and fulfilling all the prerequisites outlined in the share transfer agreement.

Prior to the mentioned share transfer transaction, Cimpor Global Holdings B.V. owned 75,81% of OYAK Çimento Fabrikaları A.Ş.'s capital will be transferred to TCC OYAK Amsterdam Holdings B.V. as of 6 March 2024 and 60% of the capital of the acquired company is transferred to Taiwan Cement (Dutch) Holdings B.V.; The remaining 40% belongs to OYAK Capital Investments B.V., which is a 100% subsidiary of OYAK.

With this transaction, the rate of OYAK's non-public indirect shares in the Company decreased to 40%, and the rate of TCC's non-public indirect shares in the Company increased to 60%.

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OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND IT'S SUBSIDIARIES

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

On the other hand, Cimpor Cameroun S.A., a subsidiary of the former OYAK Denizli Çimento A.Ş. and established in 2020, whose main activity is the operation of industrial or semi-industrial production facilities of cement, construction materials and geo-concrete brick blocks in general. ("Cimpor Cameroun"), while being consolidated under OYAK Çimento A.Ş., taking into account its effects on the consolidated financial statements, was classified as an asset held for sale in accordance with the management decision, and as of 31 December 2021 and 2022, OYAK Denizli Çimento A.Ş. It is presented in the "Assets Held for Sale" and "Liabilities Related to Asset Groups Classified for Sale" lines in the consolidated statement of financial position. Subsequently, on May 15, 2023, Cimpor Cameroon increased its capital in the amount of 680,000,000 CFA and 6,800 shares. As a result of the capital increase, the total number of shares of Cimpor Cameroon became 9,800 and the total capital amount was 980,000,000 CFA. Cimpor Portugal participated in the capital increase along with the Company. The Company participated in the capital increase with 3,860 shares and 386,000,000 CFA, and Cimpor Portugal participated in the capital increase with 2,940 shares and 294,000,000 CFA. As a result of the capital increase, 70% of the capital of Cimpor Cameroon belonged to the Company and 30% to Cimpor Portugal.

On August 31, 2023, OYAK Denizli Çimento A.Ş. transferred all of its Cimpor Cameroon shares to Cimpor Portugal. The impact of Cimpor Cameroon on the Group's consolidated statement of profit or loss is presented in the "Net Profit/(Loss) from Discontinued Operations".

The number of employees of Oyak Çimento Fabrikaları Anonim Şirketi and its subsidiaries ("the Group") the Company as of 31 March 2024 is 2.763 (31 December 2023: 2.730).

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.

As of 31 March 2024 and 31 December 2023, the Group's ownership interests and voting rights in subsidiaries have been presented below:

Subsidiaries	Place of incorporation and operation	Main operation	31 March	31 December
			2024	2023
			Shareholding rate (%)	Shareholding rate (%)
Adana Çimento San. ve Tic. Ltd.	Cyprus	Sales of cement, clinker and ready mixed concrete	100,00	100,00
Adana Çimento Free Port Ltd.	Cyprus	Sales of cement, clinker and ready mixed concrete	100,00	100,00
Cimpor Romania Terminal SRL	Romania	Sales of cement	100,00	100,00
Marmara Madencilik San. Tic. Ltd. Şti.	Türkiye	Mining	98,90	98,90
OYAK Çimento Enerji A.Ş. (*)	Türkiye	Energy	100,00	100,00

(*) OYAK Çimento Enerji A.Ş. is not included in the consolidation due to its limited activities.

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2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

Dividend Distribution

It is decided not to distribute dividends over the profits of 2023 as a result of the General Assembly held as of 29 March 2024.

Approval of Consolidated Financial Statements

The consolidated financial statements have been approved by the Board of Directors and authorized for publication on 5 June 2024. The General Assembly has the authority to change the consolidated financial statements.

Declaration of Conformity to TFRS

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

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

Measurement Principles

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

Functional and presentation currency

The financial statements of each entity of the Group are expressed in Turkish Lira, which is valid in the main economic environment in which they operate and is the functional currency of the Group and the presentation currency for consolidated financial statements.

Although the functional currency for Cimpor Romania Terminal SRL, one of the Group's subsidiaries, is the Romanian Leu ("RON") and the functional currency for the subsidiary sold at 30 August 2023 Cimpor Cameroon is the West African Franc ("CFA"), its financial position and results of operations are based on the Group's functional currency. It was converted into TL, which is the presentation currency for consolidated financial statements, and included in the consolidated financial statements.

	31 March 2024	31 December 2023
RON / TL year end	6,9628	6,5113
RON / TL average	6,7023	5,1587
CFA / TL year end	0,0492	0,0498
CFA / TL average	0,0471	0,0391

Financial Reporting in Hyperinflationary economy

Pursuant to the decision of the Capital Markets Board ("CMB") dated 28 December 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after 31 December 2023.

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

2.1 Basis of Presentation (cont'd)

Financial Reporting in Hyperinflationary economy

In accordance with the aforementioned CMB decision, the announcement made by POA on 23 November 2023 and the "Guidance on Financial Reporting in Hyperinflationary Economies", the financial statements as at 31 December 2023 have been prepared by applying TAS 29. According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Company has therefore presented its financial statements as of 31 December 2023, on the purchasing power basis as of 31 March 2024.

As at 31 March 2024, the indices and adjustment coefficients used in the adjustment of the financial statements for the current and prior periods since 1 January 2005, the date on which TL ceased to be designated as the currency of a hyperinflationary economy, are as follows:

Year end	Index	Conversion factor	Three year cumulative inflation rates
31 March 2024	2.139,47	1,00000	211%
31 December 2023	1.859,38	1,15063	268%
31 March 2023	1.269,75	1,68495	152%

The main elements of the Group's adjustment process for financial reporting in hyperinflationary economies are as follows:

- Current period financial statements prepared in TL are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.

- Monetary assets and liabilities (such as cash and cash equivalents, trade receivables and payables, borrowings) are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of nonmonetary items (such as inventories, property, plant and equipment, intangible assets and equity items) exceed their recoverable amount or net realizable value, the provisions of TAS 36 "Impairment of Assets" and TAS 2 "Inventories" are applied, respectively.

- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.

- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.

- The impact of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary gain/(loss) account in the income statement. The purchasing power of companies carrying more monetary assets than monetary liabilities weakens with inflation, while the purchasing power of companies carrying more monetary liabilities than monetary assets increases with inflation. Net monetary position gain or loss is derived from the restatement differences of non-monetary items, shareholders' equity, items in the income statement and other comprehensive income statement and index-linked monetary assets and liabilities.

Going Concern

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

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

2.1 Basis of Presentation (cont'd)

Subsidiaries

Effective partnership interests and voting rights are disclosed in Note 1.

Consolidated financial statements include the financial statements of businesses controlled by the Company and its subsidiaries. Control is ensured by the Company meeting the following conditions:

- has power over the investee company/asset,
- is exposed to or has the right to variable returns from the investee company/asset, and
- Ability to use its power in a way that can have an impact on returns.

If a situation or event occurs that may cause a change in at least one of the criteria listed above, the Company re-evaluates whether it has control over its investment.

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 31 March 2024 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 2024 summarized below.

i) The new standards, amendments and interpretations which are effective as of January 1, 2024

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

In March 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date. The amendments also clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments must be applied retrospectively in accordance with TAS 8.

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

Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16.

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

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

i) The new standards, amendments and interpretations which are effective as of January 1, 2024 (cont'd)

The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

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

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose.

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

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Group will wait until the final amendment to assess the impacts of the changes.

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2025 with the announcement made by the POA.

The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

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

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

iii) The amendments which are effective immediately upon issuance

Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments.

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

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

The following amendments to IAS 21 and IFRS 18 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments and new Standard are issued and become effective under TFRS.

Amendments to IAS 21 - Lack of exchangeability

In August 2023, IASB issued amendments to IAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are not applicable for the Group and will not have an impact on the financial position or performance of the Group.

IFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

In April 2024, IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as IAS 7, IAS 8 and IAS 34.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

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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 three months period ended 31 March 2024 have been prepared in accordance with TAS 34. The accounting policies used in the preparation of these condensed interim consolidated financial statements for the three months period ended 31 March 2024, are consistent with those used in the preparation of annual consolidated financial statements for the year ended 31 December 2023. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2023.

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 31 March 2024, from the interests reported as of 31 December 2023.

2.4 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.

2.5 Comparative Information and Restatement of Prior Period Consolidated Financial Statements

The current period consolidated financial statements of the Group include comparative financial information to enable the determination of the trends in financial position and performance.

Comparative information is reclassified or restated when deemed necessary or required by a standard to ensure compliance with the presentation of the current period financial statements. Thus, comparative information provides a more accurate representation of events or transactions.

OYAK Denizli Çimento Anonim Şirketi, which is under common control, was merged within the Company in 2023. OYAK Çimento Fabrikaları A.Ş. took over all assets and liabilities of the Company as a whole by termination without liquidation. This transaction, which is a business combination under common control, was accounted for by the pooling of interest method and OYAK Denizli Çimento Anonim Şirketi have been consolidated from the earliest period. As a result of this merger, the effect of the adjustments made in the previous period consolidated profit or loss and other comprehensive income and expense statements as of 31 March 2023 are as follows:

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

2.5 Comparative Information and Restatement of Prior Period Consolidated Financial Statements (cont'd)

	Previously reported	Adjustments	Restated
Profit or loss	1 January – 31 March 2023		1 January – 31 March 2023
Revenue	6.900.655.014	854.435.265	7.755.090.279
Cost of sales (-)	(4.935.208.179)	(508.453.023)	(5.443.661.202)
Gross profit	1.965.446.835	345.982.242	2.311.429.077
General administrative expenses (-)	(245.924.569)	(18.984.845)	(264.909.414)
Marketing expenses (-)	(40.640.906)	(961.254)	(41.602.160)
Research and development expenses (-)	(15.606.263)	(379.725)	(15.985.988)
Other income from operating activities	93.163.366	167.874.129	261.037.495
Other expenses from operating activities (-)	(585.164.306)	(23.464.642)	(608.628.948)
Operating profit	A 1.171.274.157	470.065.905	1.641.340.062
Income from investment activities	B 2.486.236	88.623.501	91.109.737
Expenses from investment activities (-)	(107.493.673)	(139.947)	(107.633.620)
Operating profit before financial income (expense)	A 1.066.266.720	558.549.459	1.624.816.179
Finance income	B 209.834.266	45.850.003	255.684.269
Finance expense (-)	(119.346.036)	(505.092.552)	(624.438.588)
Monetary loss / gain	(194.039.509)	(133.341.674)	(327.381.183)
Profit before tax	A 962.715.441	(34.034.764)	928.680.677
Tax expense	(435.901.684)	(54.140.713)	(490.042.397)
Current tax expense	(172.892.661)	(32.112.596)	(205.005.257)
Deferred tax (expense)/income	(263.009.023)	(22.028.117)	(285.037.140)
Net profit for the period from continuing operations	A 526.813.757	(88.175.477)	438.638.280
Net profit/(loss) for the period from discontinued operations	-	(23.484.796)	(23.484.796)
Net profit for the period	526.813.757	(111.660.273)	415.153.484
Net profit for the period attributable to			
Equity Holders of the Parent	526.813.757	(111.660.273)	415.153.484
Non-controlling Interests	-	-	-
Earnings per share	0,42	(0,09)	0,33
Earnings per share (nominal value of TL 1)			
Other comprehensive income			
Other comprehensive income	(10.606.893)	(824)	(10.607.717)
Items to be reclassified to profit or loss:			
- Foreign Currency Translation Differences	(10.606.893)	(824)	(10.607.717)
Total comprehensive income	A 516.206.864	(111.661.097)	404.545.767
Total comprehensive income attributable to			
Owners of the Parent	516.206.864	(111.661.097)	404.545.767
Non-controlling Interests	-	-	-

A: OYAK Denizli Çimento Anonim Şirketi, which is subject to joint control with the Company, was merged within the Company in 2023. OYAK Çimento Fabrikaları A.Ş. took over all assets and liabilities of the Company as a whole by termination without liquidation. This transaction, which is a business combination under common control, was accounted for by the pooling of interest method and OYAK Denizli Çimento Anonim Şirketi was consolidated retroactively from the earliest opening balance sheet.

B: In the consolidated statement of profit or loss and other comprehensive income for the period 1 January 2023 – 31 March 2023, the Group has classified the interest income from securities amounting to 83.852.538 TL presented under financial income to the income from investment activities account.

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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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 31 March 2024 and 31 March 2023.

a) Statement of Profit or Loss by Segments

31 March 2024	Ready-mixed Concrete	Cement	Total
PROFIT OR LOSS			
Revenue	2.727.550.512	5.436.635.415	8.164.185.927
Cost of Sales (-)	(2.529.317.468)	(3.725.471.773)	(6.254.789.241)
GROSS PROFIT (LOSS)	198.233.044	1.711.163.642	1.909.396.686
General Administrative Expenses (-)	(30.835.093)	(285.073.177)	(315.908.270)
Marketing Expenses (-)	(13.485.270)	(39.738.096)	(53.223.366)
Research and Development Expenses (-)	(23.929.581)	(2.599.632)	(26.529.213)
Other Income from Operating Activities	11.204.874	262.434.640	273.639.514
Other Expenses from Operating Activities (-)	(1.880.900)	(243.476.852)	(245.357.752)
PROFIT (LOSS) FROM OPERATING ACTIVITIES	139.307.074	1.402.710.525	1.542.017.599
31 March 2023			
PROFIT OR LOSS			
Revenue	2.250.810.188	5.504.280.091	7.755.090.279
Cost of Sales (-)	(1.956.213.867)	(3.487.447.335)	(5.443.661.202)
GROSS PROFIT (LOSS)	294.596.321	2.016.832.756	2.311.429.077
General Administrative Expenses (-)	(25.736.094)	(239.173.320)	(264.909.414)
Marketing Expenses (-)	(11.503.390)	(30.098.770)	(41.602.160)
Research and Development Expenses (-)	(15.606.262)	(379.726)	(15.985.988)
Other Income from Operating Activities	4.830.666	256.206.829	261.037.495
Other Expenses from Operating Activities (-)	(6.361.668)	(602.267.280)	(608.628.948)
PROFIT (LOSS) FROM OPERATING ACTIVITIES	240.219.573	1.401.120.489	1.641.340.062

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

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

2.6 Segment Reporting (cont'd)

b) Assets and Liabilities According to Segments

31 March 2024	Ready-mixed Concrete	Cement	Undistributed	Total
Assets and liabilities				
Inventories	237.098.668	4.339.844.520	-	4.576.943.188
Property, plant and equipment	1.902.675.913	14.286.382.399	-	16.189.058.312
Intangible assets	9.701.663	4.206.280.933	-	4.215.982.596
Undistributed assets	-	-	14.487.848.488	14.487.848.488
Total assets	2.149.476.244	22.832.507.852	14.487.848.488	39.469.832.584
Undistributed liabilities				
	-	-	8.024.980.963	8.024.980.963
Total liabilities	-	-	8.024.980.963	8.024.980.963
31 December 2023	Ready-mixed Concrete	Cement	Undistributed	Total
Assets and liabilities				
Inventories	204.577.923	4.503.317.504	-	4.707.895.427
Property, plant and equipment	1.918.195.515	14.308.381.979	-	16.226.577.494
Intangible assets	9.837.897	4.184.780.430	-	4.194.618.327
Undistributed assets	-	-	15.576.053.497	15.576.053.497
Total assets	2.132.611.335	22.996.479.913	15.576.053.497	40.705.144.745
Undistributed liabilities				
	-	-	10.022.009.796	10.022.009.796
Total liabilities	-	-	10.022.009.796	10.022.009.796

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024

(Amounts are expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

3. CASH AND CASH EQUIVALENTS

	31 March 2024	31 December 2023
Bank	4.790.292.464	5.906.374.348
<i>Demand deposits</i>	50.684.750	58.083.426
<i>Time deposits with a maturity of less than three months (*)</i>	4.739.607.714	5.848.290.922
Other cash and cash equivalents (**)	31.702.340	191.906.223
<hr/>		
Cash and cash equivalents on the financial statement	4.821.994.804	6.098.280.571
Less : Interest accruals	(103.839.242)	(136.559.994)
<hr/>		
Cash and cash equivalents in the statement of cash flows	4.718.155.562	5.961.720.577
<hr/>		

(*) Interest rates of time deposits for TL deposits varies from 5,25% to 58,00% (31 December 2023: 5,25% - 46,00%), whereas for US Dollar deposits it is 0,01-3,50%,for Euro deposits it is 1,50%-2,00% and for RON deposits it is 4,56% (31 December 2023: US Dollar: 0,01%-5,55%, Euro: 1,60% - 4,00%).

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

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

4. RELATED PARTY DISCLOSURES

	31 March 2024					
	Receivables			Payables		
	Short Term			Short Term		Long Term
Balances with related parties	Trade	Non-trade	Trade	Non-trade	Non-trade	
OYAK İnşaat A.Ş.	134.440.075	-	-	-	-	
Cimpor Cote D'Ivoire	86.481.935	24.396.040	-	-	-	
Cimpor Cameroun SA	46.592.417	19.200.185	-	-	-	
İskenderun Demir ve Çelik A.Ş.	28.635.880	-	-	-	-	
Cimpor-Serviços S.A.	8.207.908	-	-	-	-	
Cimpor - Industria de Cimentos	2.810.390	-	-	-	-	
Betao Liz, S.A.	1.509.968	-	-	-	-	
Cimpor Ghana	853.100	2.120.683	-	-	-	
Cimpor Global Holdings B.V.	116.219	-	-	-	1.170.320.969 (*)	
OYAK Çimento Enerji A.Ş.	120.174	-	-	-	-	
OYAK Selülöz ve Kağıt Fabrikaları A.Ş.	25.593	-	-	-	-	
Miilux Yüksek Mukavemetli Çelik Üretim A.Ş.	12.338	-	-	-	-	
OYAK Grup Sigorta ve Reasurans Brokerliği A.Ş.	-	-	100.969.710	-	-	
Kümaş Manyezit Sanayi A.Ş.	-	-	93.767.405	-	-	
OYKA Kağıt Ambalaj San. ve Tic. A.Ş.	-	-	81.855.048	-	-	
Doco Petrol ve Danışmanlık A.Ş.	-	-	80.241.330	-	-	
OYAK Yenilenebilir Enerji A.Ş.	-	-	57.213.000	-	-	
OYAK Pazarlama Hizmet ve Turizm A.Ş.	-	-	40.972.146	-	-	
OYAK Savunma ve Güvenlik Sistemleri A.Ş.	-	-	36.748.351	-	-	
Ordu Yardımlaşma Kurumu (OYAK)	-	-	31.093.145	-	-	
Ereğli Demir Çelik Fabrikaları T.A.Ş.	-	-	27.305.443	-	-	
Akdeniz Chemson Kimya Sanayi ve Ticaret A.Ş.	-	-	14.526.783	-	-	
Mais Motorlu Araçlar İmal ve Satış A.Ş.	-	-	10.249.366	-	-	
İndisol Bilişim ve Teknoloji Hizmetleri A.Ş.	-	-	8.624.111	-	-	
Omsan Denizcilik A.Ş.	-	-	6.493.099	-	-	
Güzel Enerji Akaryakıt A.Ş.	-	-	6.455.646	-	-	
OYAK Akaryakıt ve LPG Yatırımları A.Ş.	-	-	5.765.920	-	-	
OYAK Elektrik Enerjisi Toptan Satış A.Ş.	-	-	5.442.318	-	-	
Satem Grup Gıda Dağıtım Ve Pazarlama A.Ş.	-	-	1.758.634	-	-	
İskenderun Enerji Üretim ve Tic.A.Ş.	-	-	1.642.697	-	-	
Omsan Lojistik A.Ş.	-	-	61.220	-	-	
Likitgaz Dağıtım ve Endüstri A.Ş.	-	-	163.606	-	-	
Oytaş İç ve Dış Ticaret A.Ş.	-	-	-	5.611.353	-	
Other	-	-	-	1.029.950	-	
	309.805.997	45.716.908	611.348.978	6.641.303	1.170.320.969	

(*) This is the amount related to the Group's long-term financial debt to Cimpor Global Holdings B.V.

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

4. RELATED PARTY DISCLOSURES (cont'd)

	31 December 2023					
	Receivables			Payables		
	Short-term			Short-term		Long-term
Balances with related parties	Trade	Non-trade	Trade	Non-trade	Non-trade	
OYAK İnşaat A.Ş.	143.381.203	-	-	-	-	
Cimpor Cote D'Ivoire	70.314.729	20.658.757	-	-	-	
Cimpor Cameroun SA	46.565.450	15.071.624	-	-	-	
Cimpor-SerVICES S.A.	8.345.052	358.044	-	-	-	
İskenderun Demir ve Çelik A.Ş.	3.802.146	-	-	-	-	
Cimpor - Industria de Cimentos	3.026.689	-	-	-	-	
Betao Liz, S.A.	1.626.180	-	-	-	-	
Cimpor Ghana	895.190	-	-	-	-	
Cimpor Global Holdings B.V.	125.164	-	-	-	1.257.752.972 (*)	
OYAK Selülöz ve Kağıt Fabrikaları A.Ş.	13.120	3.302	1.657	-	-	
OYAK Grup Sigorta ve Reasurans Brokerliği A.Ş.	-	-	256.621.861	-	-	
OYKA Kağıt Ambalaj San. ve Tic. A.Ş.	-	-	106.220.799	-	-	
OYAK Yenilenebilir Enerji A.Ş.	-	-	87.775.422	-	-	
Doco Petrol ve Danışmanlık A.Ş.	-	-	71.785.125	-	-	
OYAK Pazarlama Hizmet ve Turizm A.Ş.	-	-	54.279.858	-	-	
Kümaş Manyezit Sanayi A.Ş.	-	-	45.534.888	-	-	
Ordu Yardımlaşma Kurumu (OYAK)	-	-	36.038.662	-	-	
OYAK Savunma ve Güvenlik Sistemleri A.Ş.	-	-	36.012.048	-	-	
Akdeniz Chemson Kimya Sanayi ve Ticaret A.Ş.	-	-	32.452.156	-	-	
Ereğli Demir Çelik Fabrikaları T.A.Ş.	-	-	29.537.722	-	-	
Omsan Denizcilik A.Ş.	-	-	28.424.032	-	-	
İndisol Bilişim ve Teknoloji Hizmetleri A.Ş.	-	-	10.773.906	-	-	
OYAK Akaryakıt ve LPG Yatırımları A.Ş.	-	-	8.320.192	-	-	
Güzel Enerji Akaryakıt A.Ş.	-	-	7.728.639	-	-	
Satem Grup Gıda Dağıtım Ve Pazarlama A.Ş.	-	-	2.045.439	-	-	
OYAK Elektrik Enerjisi Toptan Satış A.Ş.	-	-	1.799.558	-	-	
İskenderun Enerji Üretim ve Tic.A.Ş.	-	-	1.640.754	-	-	
Omsan Havacılık A.Ş.	-	-	542.942	-	-	
Mais Motorlu Araçlar İmal ve Satış A.Ş.	-	-	469.677	-	-	
Omsan Lojistik A.Ş.	-	-	222.840	-	-	
Miilux Yüksek Mukavemetli Çelik Üretim A.Ş.	-	-	105.272	-	-	
ATAER Holding A.Ş.	-	-	82.732	-	-	
Likitgaz Dağıtım ve Endüstri A.Ş.	-	-	65.154	-	-	
OYAK Yatırım Menkul Değerler A.Ş.	-	-	54.366	-	-	
Oytaş İç ve Dış Ticaret A.Ş.	-	-	-	5.661.537	-	
Diğer	137.577	-	-	1.185.101	-	
	278.232.500	36.091.727	818.535.701	6.846.638	1.257.752.972	

(*) This is the amount related to the Group's long-term financial debt to Cimpor Global Holdings B.V.

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(Amounts are expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

4. RELATED PARTY DISCLOSURES (cont’d)

Transactions with related parties	1 January – 31 March 2024							
	Purchases	Sales	Purchases of tangible assets	Sales of tangible assets	Interest received	Interest paid	Other income	Other expense
OYAK Elektrik Enerjisi Toptan Satış A.Ş. (1)	520.415.023	-	-	-	-	-	-	-
Doco Petrol ve Danışmanlık A.Ş. (2)	128.999.362	-	-	-	-	-	-	-
OYKA Kağıt Ambalaj San. ve Tic. A.Ş. (3)	85.671.658	-	-	-	-	-	-	5.410.376
İskenderun Demir ve Çelik A.Ş. (4)	38.061.178	114.960.376	-	-	-	-	-	-
Omsan Denizcilik A.Ş. (5)	31.782.343	-	-	-	-	-	-	-
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. (6)	13.726.029	-	-	-	-	-	-	-
OYAK Pazarlama Hizmet ve Turizm A.Ş. (7)	9.059.371	-	-	-	-	-	-	19.924.255
Akdeniz Chemson Kimya San.ve Tic. A.Ş. (8)	6.855.477	-	-	-	-	-	18.256	1.989.770
Güzel Enerji Yakıt A.Ş. (9)	6.207.020	-	-	-	-	-	-	4.352.156
OYAK Savunma ve Güvenlik Sistemleri A.Ş. (10)	3.265.314	-	2.221.675	-	-	-	-	24.002.507
İskenderun Enerji Üretim ve Tic.A.Ş.	1.928.738	-	-	-	-	-	-	-
Likitgaz Dağıtım ve Endüstri A.Ş.	138.585	-	-	-	-	-	-	-
Omsan Lojistik A.Ş. (11)	61.591	-	-	-	-	-	-	-
OYAK İnşaat A.Ş. (12)	-	82.047.692	-	-	-	-	-	-
Mais Motorlu Araçlar İmal ve Satış A.Ş. (13)	6.236	-	18.534.069	-	-	-	-	107.670
Kümaş Manyezit Sanayi A.Ş. (14)	-	-	60.863.899	-	-	-	10.575	1.786.612
OYAK Anker Bank GmbH (15)	-	-	-	-	13.526.953	15.728.828	-	-
Cimpor Global Holdings B.V.	-	-	-	-	-	2.533.490	-	-
Erdemir Çelik Servis Merkezi San. Ve Tic. A.Ş.	-	-	-	-	-	-	578	-
İndisol Bilişim ve Teknoloji Hizmetleri A.Ş.	-	-	-	-	-	-	-	39.705
Satem Grup Gıda Dağıtım ve Pazarlama A.Ş.	-	-	-	-	-	-	-	6.674
OYAK Selüloz ve Kağıt Fabrikaları A.Ş.	-	-	-	-	-	-	3.588	-
Cimpor Cote d’Ivoire SARL (16)	-	-	-	-	-	-	21.508.768	-
Cimpor Cameroun SA	-	-	-	-	-	-	3.847.288	-
Ordu Yardımlaşma Kurumu (OYAK)	-	-	-	-	-	-	-	183.199
	846.177.925	197.008.068	81.619.643	-	13.526.953	18.262.318	25.389.053	57.802.924

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

4. RELATED PARTY DISCLOSURES (cont'd)

	1 January – 31 March 2023							
Transactions with related parties	Purchases	Sales	Purchases of tangible assets	Sales of tangible assets	Interest received	Interest paid	Other income	Other expense
OYAK Elektrik Enerjisi Toptan Satış A.Ş. (1)	954.207.335	-	-	-	-	-	-	-
OYKA Kağıt Ambalaj San. ve Tic. A.Ş. (2)	69.505.927	975.199	614.009	-	-	-	-	232.922
Doco Petrol ve Danışmanlık A.Ş. (3)	64.511.562	-	-	-	-	-	-	-
Omsan Denizcilik A.Ş. (4)	33.638.630	-	-	-	-	-	-	-
İskenderun Demir ve Çelik A.Ş. (5)	31.367.218	61.830	-	-	-	-	-	3.252
Akdeniz Chemson Kimya San.ve Tic. A.Ş. (6)	21.132.379	-	-	-	-	-	-	61.519
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. (7)	19.662.229	-	-	-	-	-	364.049	-
OYAK Pazarlama Hizmet ve Turizm A.Ş. (8)	13.033.412	-	148.528	-	-	-	-	34.504.534
Güzel Enerji Yakıt A.Ş. (9)	4.679.354	-	-	-	-	-	-	2.291.453
OYAK Savunma ve Güvenlik Sistemleri A.Ş. (10)	4.114.359	-	45.923	-	-	-	-	26.993.998
Omsan Lojistik A.Ş. (11)	8.762.280	-	-	-	-	-	-	-
İskenderun Enerji Üretim ve Tic.A.Ş.	1.309.232	-	-	-	-	-	-	-
OYAK İnşaat A.Ş. (12)	-	117.407.213	-	-	-	-	-	-
Likitgaz Dağıtım ve Endüstri A.Ş.	136.975	-	-	-	-	-	-	-
Mais Motorlu Araçlar İmal ve Satış A.Ş. (13)	-	-	-	-	-	-	-	70.685
Kümaş Manyezit Sanayi A.Ş. (14)	-	-	47.480.274	-	-	-	-	3.624.879
OYAK Anker Bank GmbH (15)	-	-	-	-	115.975.699	108.420.696	-	-
Ordu Yardımlaşma Kurumu (OYAK)	-	-	-	-	-	68.127.316	-	-
Cimpor Global Holdings B.V.	-	-	-	-	-	36.947.465	-	-
Erdemir Çelik Servis Merkezi San. Ve Tic. A.Ş.	-	-	-	-	-	-	207	-
Satem Grup Gıda Dağıtım ve Pazarlama A.Ş.	-	-	-	-	-	-	-	5.936
Omsan Logistique Maroc SARL	-	-	-	-	-	-	-	26.518
Cimpor Cameroun SA	-	-	-	-	-	-	2.771.771	-
	1.226.060.892	118.444.242	48.288.734	-	115.975.699	213.495.477	3.136.027	67.815.696

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024

(Amounts are expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL at 31 March 2024, unless otherwise indicated.)

4. RELATED PARTY DISCLOSURES (cont’d)

Disclosures related to transactions with related parties for the period 1 January – 31 March 2024 are as follows:

- (1) Purchases from OYAK Elektrik Enerjisi Toptan Satış A.Ş. consist of purchase of electricity energy.
- (2) Purchases from Doco Petrol ve Danışmanlık A.Ş. consist of fuel purchases.
- (3) Purchases from OYKA Kağıt Ambalaj San. ve Tic. A.Ş. consist of purchase of paper bag .
- (4) Purchases from İskenderun Demir ve Çelik A.Ş. consist of purchases of slag, petroleum and aggregate.
- (5) Purchases from Omsan Denizcilik A.Ş. consist of transportation service.
- (6) Purchases from Ereğli Demir Çelik Fabrikaları T.A.Ş. and İskenderun Demir ve Çelik A.Ş. consist of purchases of slag and ash.
- (7) Purchases from OYAK Pazarlama Hizmet ve Turizm A.Ş. consists of accommodation, transportation, construction and cleaning services.
- (8) Purchases from Akdeniz Chemson Kimya San.ve Tic. A.Ş. consist of raw material purchases.
- (9) Purchases from Güzel Enerji Yakıt A.Ş consist of fuel purchases.
- (10) Purchases from OYAK Savunma ve Güvenlik Hizmetleri A.Ş consist of security services.
- (11) Purchases from Omsan Lojistik A.Ş. consist of transportation service.
- (12) Sales to OYAK İnşaat A.Ş. consist of concrete sales.
- (13) Purchases from Mais Motorlu Araçlar İmal ve Satış A.Ş. consist of vehicle purchases.
- (14) Purchases from Kümaş Manyezit Sanayi A.Ş. consist of magnesite refractory brick.
- (15) Income from OYAK Anker Bank GmbH consists of interest income from time deposits.
- (16) Sales to Cimpor Cote d'Ivoire SARL consist of material sales.

Disclosures related to transactions with related parties for the period 1 January – 31 March 2023 are as follows:

- (1) Purchases from OYAK Elektrik Enerjisi Toptan Satış A.Ş. consist of purchase of electricity energy.
- (2) Purchases from OYKA Kağıt Ambalaj San. ve Tic. A.Ş. consist of purchase of paper bag .
- (3) Purchases from Doco Petrol ve Danışmanlık A.Ş. consist of fuel purchases.
- (4) Purchases from Omsan Denizcilik A.Ş. consist of transportation service.
- (5) Purchases from İskenderun Demir ve Çelik A.Ş. consist of purchases of slag, petroleum and aggregate.
- (6) Purchases from Akdeniz Chemson Kimya San.ve Tic. A.Ş. consist of raw material purchases.
- (7) Purchases from Ereğli Demir Çelik Fabrikaları T.A.Ş. and İskenderun Demir ve Çelik A.Ş. consist of purchases of slag and ash.
- (8) Purchases from OYAK Pazarlama Hizmet ve Turizm A.Ş. consists of accommodation, transportation, construction and cleaning services.
- (9) Purchases from Güzel Enerji Yakıt A.Ş consist of fuel purchases.
- (10) Purchases from OYAK Savunma ve Güvenlik Hizmetleri A.Ş consist of security services.
- (11) Purchases from Omsan Lojistik A.Ş. consist of transportation service.
- (12) Sales to OYAK İnşaat A.Ş. consist of concrete sales.
- (13) Purchases from Mais Motorlu Araçlar İmal ve Satış A.Ş. consist of vehicle purchases.
- (14) Purchases from Kümaş Manyezit Sanayi A.Ş. consist of magnesite refractory brick.
- (15) Income from OYAK Anker Bank GmbH consists of interest income from time deposits.

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- 31 March 2024	1 January- 31 March 2023
Salaries and other short-term benefits	16.172.242	62.869.807
	16.172.242	62.869.807

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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	31 March 2024	31 December 2023
Trade receivables	4.346.843.030	4.413.077.459
Income accruals	21.967.375	23.167.395
Notes receivable	482.056.935	406.259.250
Trade receivables from related parties (Note 4)	309.805.997	278.232.500
Provision for doubtful trade receivables and expected credit loss (-)	(103.317.394)	(124.377.062)
Total	5.057.355.943	4.996.359.542

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 45 days. (31 December 2023: 40 days).

As of 31 March 2024, there are receivables from customers who declared concordat amounting to TL 107.629 (31 December 2023: TL 123.842) and there is no guarantee related to them.

As of 31 March 2024, provision for doubtful receivables and expected credit loss has been made for the portion of trade receivables amounting to TL 103.317.394 (31 December 2023: TL 124.377.062).

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- 31 March 2024	1 January- 31 March 2023
Opening balance	(124.377.062)	(189.386.898)
Charge for the period	(59.811)	(42.492)
Canceled/collected during the year	4.672.661	156.724
Monetary gain/(loss)	16.446.818	21.071.020
Closing balance	(103.317.394)	(168.201.646)

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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	31 March 2024	31 December 2023
Trade payables	3.129.199.360	3.371.325.408
Trade payables to related parties (Note:4)	611.348.978	818.535.701
	3.740.548.338	4.189.861.109

The average payment term of trade payables related to the purchase of goods is 60 days (31 December 2023: 60 days).

6. OTHER PAYABLES

Other Short-term Payables	31 March 2024	31 December 2023
Taxes and funds payable	220.417.782	103.822.613
Deposits and guarantees received	84.545.140	88.877.046
Non-trade payables to related parties (Note 4)	6.641.303	6.846.638
Other	25.054.863	5.915.354
	336.659.088	205.461.651

Other Long-term Payables	31 March 2024	31 December 2023
Other payables to related parties (Note 4)	1.170.320.969	1.257.752.972
	1.170.320.969	1.257.752.972

7. INVENTORIES

	31 March 2024	31 December 2023
Raw material	3.326.526.083	3.197.582.771
Semi-finished goods	982.464.265	1.095.073.344
Finished goods	316.586.832	370.502.453
Trade goods	16.849.554	8.164.890
Goods in transit	109.628.582	209.611.555
Other inventories	6.106.316	8.178.858
Impairment on inventories (-)	(181.218.444)	(181.218.444)
	4.576.943.188	4.707.895.427

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8. PREPAID EXPENSES AND CONTRACT LIABILITIES

a) Prepaid Expenses

Short-term Prepaid Expenses	31 March 2024	31 December 2023
Order advances given for inventory purchase	69.188.905	166.093.565
Prepaid expenses	264.865.525	276.490.557
	334.054.430	442.584.122
Long-term Prepaid Expenses	31 March 2024	31 December 2023
Advanced given for fixed asset purchases	143.310.935	194.255.871
Prepaid expenses	10.272.840	13.626.772
Prepaid taxes and funds	299.605	344.738
	153.883.380	208.227.381

b) Contract liabilities

Short-term contract liabilities	31 March 2024	31 December 2023
Advances received	155.480.745	158.820.942
Short-term contract liabilities	20.894.780	32.672.470
	176.375.525	191.493.412

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9. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

a) Property, plant and equipment

Net book value of property, plant and equipment held in the three-month period ended on 31 March 2024 amounts to TL 16.189.058.312 (31 December 2023: TL 16.226.577.494).

Property, plant and equipment purchased in the three-month period ended on 31 March 2024 amounts to TL 384.939.011 (31 March 2023: TL 112.543.618).

Net book value of property, plant and equipment sold in the three-month period ended on 31 March 2024 amounts to TL 767.250 (31 March 2023: TL 74.761).

Property, plant and equipment’s depreciation in the three-month period ended on 31 March 2024 amounts to TL 250.632.982 (31 March 2023: TL 292.261.866).

b) Intangible Assets

Net book value of intangible assets held in the three-month period ended on 31 March 2024 amounts to TL 637.194.281 (31 December 2023: TL 615.830.012).

There are no intangible assets acquired in the three-month period ended on 31 March 2024 (31 March 2023: TL 6.331.721).

There are no intangible assets sold in the three-month period ended on 31 March 2024 (31 March 2023: None).

Intangible assets’s amortization in the three-month period ended on 31 March 2024 amounts to TL 7.628.257 (31 March 2023: TL 8.040.310).

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10. FINANCIAL INVESTMENTS

	31 March 2024	31 December 2023
Short-term financial investments		
a) Financial assets at fair value through profit and loss	1.132.964.723	616.794.536
b) Equity instruments designated as fair value through other comprehensive income	12.991.012	12.991.012
a) Financial assets at fair value through profit and loss		
	31 March 2024	31 December 2023
Listed equity instruments (short-term)		
-Ereğli Demir Çelik Fabrikaları A.Ş.	243.077.000	270.970.200
-Investment funds	339.946.875	345.824.336
Time Deposits		
- Time deposits with a maturity of more than three months (*)	549.940.848	-
	1.132.964.723	616.794.536

(*) Interest rates for deposits with a maturity of more than three months are 47,00% and 48,50% and their maturity dates are 2 May 2024 and 8 June 2024. All deposits with maturities longer than three months are denominated in TL.

b) Equity instruments designated as fair value through other comprehensive income

	31 March 2024	31 December 2023
Shares Not Traded on the Stock Exchange	12.991.012	12.991.012
	12.991.012	12.991.012

Financial investments at fair value through profit or loss:

	31 March 2024			31 December 2023		
	Share rate %	Amount	Cost	Share rate %	Amount	Cost
Shareholders						
<u>Shares Traded on the Stock Exchange</u>						
Ereğli Demir Çelik Fabrikaları A.Ş. (*)	<1	243.077.000	166.758.947	<1	270.970.200	166.758.947
<u>Shares Not Traded on the Stock Exchange</u>						
Investment funds		339.946.875	284.980.968		345.824.336	264.980.972

(*) Ereğli Demir Çelik Fabrikaları A.Ş. shares comprise 5.743.785 shares.

11. PROVISIONS

	31 March 2024	31 December 2023
Short-term provisions		
State provision for the mine (*)	96.805.927	81.207.775
Provision for legal cases	45.918.639	52.835.823
Other short-term provisions (**)	359.026.614	415.737.683
	501.751.180	549.781.281

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

(**) As of 31 March 2024 and 31 December 2023, a significant part of the other short-term provisions balance consists of sales turnover premium, other cost provisions and administrative penalty provisions.

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11. PROVISIONS (cont’d)

Long-term provisions	31 March 2024	31 December 2023
Mine rehabilitation	136.185.468	156.700.447
Provision for land occupation	27.012.195	25.615.772
	163.197.663	182.316.219

The movement of short and long-term provisions as of 31 March 2024 and 31 March 2023 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 2024	81.207.775	52.835.823	415.737.683	156.700.447	25.615.772
Additional provision	27.522.743	-	23.897.619	-	4.750.000
Reversal of provision	-	-	(5.717.916)	-	-
Payments during the period	-	-	(19.904.703)	-	-
Monetary Gain / Loss	(11.924.591)	(6.917.184)	(54.986.069)	(20.514.979)	(3.353.577)
31 March 2024	96.805.927	45.918.639	359.026.614	136.185.468	27.012.195
	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	44.128.022	39.999.041	124.128.697	58.561.453	19.268.164
Additional provision	32.387.506	-	76.491.361	-	-
Reversal of provision	-	-	(2.997.212)	-	-
Monetary Gain / Loss	(5.402.199)	(4.451.358)	(21.089.716)	(6.517.105)	(2.144.289)
31 March 2023	71.113.329	35.547.683	176.533.130	52.044.348	17.123.875

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12. COMMITMENTS

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

31 March 2024	TL	US Dollars (TL Equivalent)	Euro (TL Equivalent)	Total TL
A. Total Amount of GPMs Given for the Company’s Own Legal Personality	345.064.840	29.214.734	-	374.279.574
- <i>Guarantee Letters</i>	345.064.840	29.214.734	-	374.279.574
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	345.064.840	29.214.734	-	374.279.574

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

31 December 2023	TL equivalent	US Dollars (TL Equivalent)	Euro (TL Equivalent)	Total
A. Total Amount of GPMs Given for the Company’s Own Legal Personality	516.989.456	28.957.491	-	545.946.947
- <i>Guarantee Letters</i>	516.989.456	28.957.491	-	545.946.947
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	516.989.456	28.957.491	-	545.946.947

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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13. BORROWINGS

	31 March 2024	31 December 2023
Short-term borrowings		
Bank loans	-	1.674.828.483
Short-term portion of issued debt instruments	72.166.087	76.444.053
Short-term lease liabilities	43.925.502	34.243.994
	116.091.589	1.785.516.530
Long-term borrowings		
Bank loans	51.002.594	78.676.172
Long-term lease liabilities	115.703.354	78.328.280
	166.705.948	157.004.452

The details of bank loans are as follows:

Currency	Weighted average interest rate	31 March 2024	
		Short-term	Long-term
TL	42,17%	72.166.087	51.002.594
		72.166.087	51.002.594
Currency	Weighted average interest rate	31 December 2023	
		Short-term	Long-term
TL	38,92%	1.751.272.536	78.676.172
		1.751.272.536	78.676.172

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14. EMPLOYEE BENEFITS

Payables related to employee benefits

	31 March 2024	31 December 2023
Social security premiums payable	117.228.639	90.155.672
Personnel taxes payable	45.235.972	34.822.915
Due to personnel	53.004.591	18.697.033
	215.469.202	143.675.620

Short-term provisions for employee benefits

	31 March 2024	31 December 2023
Premiums and bonuses payable to personnel	621.746.423	601.370.689
	621.746.423	601.370.689

The movement of provision for personnel premium for the periods ended 31 March 2024 and 31 December 2023 are presented below;

	2024	2023
Provision as of 1 January	601.370.689	257.220.249
Provision made during the period	102.739.485	69.346.603
Payments made during the period	-	(186.916.143)
Reversal of provision	-	(41.679.376)
Monetary Gain/ (Loss)	(82.363.751)	(30.381.172)
Provision as of 31 March	621.746.423	67.590.161

Long-term provisions for employee benefits

	31 March 2024	31 December 2023
Provision for employment termination benefit	392.649.507	446.784.114
Provision for senior labor incentive premium	216.531.746	229.482.532
Provision for unused vacation	67.762.594	79.192.712
	676.943.847	755.459.358

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 35.058,58 for each period of service on 31 March 2024 (31 December 2023: TL 23.489,83).

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 31 March 2024, 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.

31 March 2024	
Discount rate	%24,27 (fix)
Inflation rate	%21,02 (fix)
Salary increase	For the 1st part of 2024 40%, 1.50% above inflation for subsequent years
Severance pay ceiling increase	For the 1st part of 2024 49%, same rate as inflation for subsequent years
31 December 2023	
Discount rate	%24,27 (fix)
Inflation rate	%21,02 (fix)
Salary increase	For the 1st part of 2024 40%, 1.50% above inflation for subsequent years
Severance pay ceiling increase	For the 1st part of 2024 49%, same rate as inflation for subsequent years

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 35.058,58 which is in effect since 1 January 2024 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 31 March 2024 and 31 March 2023 are presented below:

	2024	2023
Provision as of 1 January	446.784.113	647.636.093
Service cost	13.018.789	15.460.745
Interest cost (Note: 20)	19.252.997	22.250.747
Employment termination benefits paid	(28.170.144)	(166.937.059)
Actuarial loss / gain	-	-
Monetary Gain / Loss	(58.236.248)	(73.027.295)
Provision as of 31 March	392.649.507	445.383.231

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14. EMPLOYEE BENEFITS (cont'd)

Long-term provisions for 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 31 March 2024 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 31 March 2024 and 31 March 2023 are as follows:

	2024	2023
Provision as of 1 January	229.482.532	209.078.465
Service cost	8.594.495	6.012.150
Interest cost (Note: 20)	12.208.847	7.429.702
Seniority incentive paid	(3.070.403)	(3.647.094)
Monetary Gain / Loss	(30.683.725)	(23.607.739)
Provision as of 31 March	216.531.746	195.265.484

Provision for unused vacation

The movement of provision for unused vacation for the period ended as of 31 March 2024 and 31 March 2023 are presented below:

	2024	2023
Provision as of 1 January	79.192.712	58.440.199
Provisions during the period (net)	12.742.399	-
Paid (-)	(14.852.560)	-
Reversal of provision	-	(3.539.251)
Monetary Gain / Loss	(9.319.957)	(6.195.411)
Provision as of 31 March	67.762.594	48.705.537

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15. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Share Capital

As of 31 March 2024 and 31 December 2023, the paid-in capital structure of the Company is as follows:

Shareholders	%	31 March 2024		31 December 2023	
TCC OYAK Amsterdam Holdings B.V. (*)	75,81	945.082.999	75,81	945.082.999	
Publicly traded	24,19	301.495.407	24,19	301.495.407	
Nominal capital	100,00	1.246.578.406	100,00	1.246.578.406	
Adjustments to share capital (**)		8.169.091.608		8.169.091.608	
Adjusted capital		9.415.670.014		9.415.670.014	

(*) Cimpor Global Holdings B.V. owned 75,81% of OYAK Çimento Fabrikaları A.Ş.'s capital will be transferred to TCC OYAK Amsterdam Holdings B.V. as of 6 March 2024.

(**) Adjustments to share capital represent the restatement effect of cash and cash equivalent contributions to share capital.

As of 31 March 2024, the capital of the Company consists of 124.657.840.600 shares (31 December 2023: 124.657.840.600 shares). The nominal value of the shares is TL 0,01 per share (31 December 2023: 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:

	31 March 2024	31 December 2023
Legal Reserves	5.086.453.176	5.086.453.176
	5.086.453.176	5.086.453.176

In accordance with TFRS and statutory financial statements, as of 31 March 2024, historical values and inflation adjustment effects of the equity are as follows;

31 March 2024 (TFRS)	Historical Value	Inflation Adjustment Effect	Indexed Value
Capital	1.246.578.406	8.169.091.608	9.415.670.014
Repurchased shares	(6.935.220)	(25.277.328)	(32.212.548)
Share premiums/discounts	234.324	854.072	1.088.396
Restricted reserves appropriated from profit	393.498.308	4.692.954.868	5.086.453.176

31 March 2024 (Statutory)	Historical Value	Inflation Adjustment Effect	Indexed Value
Capital	1.246.578.406	13.973.455.630	15.220.034.036
Repurchased shares	(37.683.213)	(220.539.117)	(258.222.330)
Share premiums/discounts	234.324	4.931.831	5.166.155
Restricted reserves appropriated from profit	426.832.186	7.403.669.725	7.830.501.911
Other reserves	387.944.322	4.813.510.003	5.201.454.325

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

Current tax liability

	31 March 2024	31 December 2023
Current corporate tax	244.596.303	1.681.184.527
Less: Prepaid taxes and funds	(108.130.399)	(1.760.992.983)
Current tax liability	136.465.904	(79.808.456)

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

	1 January- 31 March 2024	1 January- 31 March 2023
The tax expense / (income) consists of:		
Current tax expense	(244.596.303)	(205.005.257)
Deferred tax expense	(273.562.412)	(285.037.140)
Total tax expense	(518.158.715)	(490.042.397)

Corporate Tax:

The Group is subject to Turkish corporate taxes in force. The necessary provisions are allocated in the consolidated financial statements for the estimated liabilities based on the Group's results for the year. 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 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.

The effective tax rate as of 31 March 2024 is 25% (31 December 2023: 25%). Deferred tax rate is 6,25% for valuation increases/decreases of financial investments ("listed on the stock exchange") held for more than two years. According to the laws of Romania and the Cameroun, it is calculated as 16% and 25%, respectively, on the taxable corporate income after deducting the legally deductible expenses.

"Law on the Amendment of Certain Tax Laws and Some Other Laws" numbered 7061 was published in the Official Newspaper dated 5 December 2017 and numbered 30261. In Article 89 of this Law, amendments are made in the 5th article entitled "Exceptions" of the Corporate Tax Law. The first paragraph of the article; (a) the 75% exemption applied to the earnings generated by the sale of immovable properties in the assets of the institutions for two full years has been reduced to 50%. This regulation entered into force on 5 December 2017.

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.

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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 261.894.353 (31 December 2023: TL 269.284.508) of tax advantages as deferred tax assets which are expected to be recovered in the foreseeable future in the consolidated financial statements as of 31 March 2024 TL 7.390.155 of deferred tax expense is recognized in the consolidated profit or loss statement for the period between January 1 – 31 March 2024 from accounting of such deferred tax assets. The contribution amount between 1 January –31 March 2024 benefited from the gain from investment is TL 10.321.530.

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 31 March 2024, 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 31 March 2024 is as follows:

Deferred tax assets/(liabilities):	31 March 2024	31 December 2023
Investment allowance	248.898.005	254.330.405
Energy incentive	12.996.348	14.954.103
Provision for employment termination benefit	98.162.377	111.696.028
Provision for doubtful trade receivables	6.280.649	9.112.645
Senior labor incentive bonus provision	54.132.937	57.370.633
Premium provision provided to employees	155.436.606	150.342.672
Provision for legal cases	9.132.263	10.507.947
Provision for mine royalty	24.201.482	20.301.944
Provision for unused vacation	16.940.649	19.798.178
Provision for adequate pay	6.753.049	6.403.943
Provision for rehabilitation	34.046.367	39.175.112
Valuation of equity shares	(5.084.803)	(6.513.203)
Revaluation adjustments of property, plant and equipment and intangible assets and depreciation and amortization differences of property, plant and equipment and other intangible assets	1.752.647.954	1.951.347.895
Inventories	(149.441.846)	(142.690.185)
Other	9.807.851	52.334.183
	2.274.909.888	2.548.472.300

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

	2024	2023
Opening balance as of 1 January	2.548.472.300	2.796.350.999
Charged to statement of profit or loss	(273.562.412)	(285.037.140)
Closing balance as of 31 March	2.274.909.888	2.511.313.859

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

Reconciliation of tax provision:	1 January- 31 March 2024	1 January- 31 March 2023
Profit before tax	1.325.184.318	928.680.677
Income tax rate of 25% (2023: 20%)	(331.296.080)	(185.736.135)
- non-deductible expenses	(3.616.612)	(313.110.653)
- exemptions and other discounts	9.000.366	181.374.333
- TPL 298/Ç re-assessment of fixed assets	-	504.024.229
- effect of change in tax rates	29.223.516	29.161.434
- investment incentive exemption	(6.524.244)	(50.038.490)
- current period losses not subject to deferred tax	-	(464.010.834)
- Monetary gain/(loss) and other IAS 29 effects	(214.945.661)	(191.706.281)
Tax provision expense in the statement of profit or loss and other comprehensive income	(518.158.715)	(490.042.397)

17. EARNING PER SHARE

Earning per Share	1 January- 31 March 2024	1 January- 31 March 2023
Net profit for the period	807.025.603	415.153.484
Average amount of shares available during the period	124.657.840.600	124.657.840.600
Earning per share from ongoing activities (TL 1 nominal cost)	0,65	0,33

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18. REVENUE AND COST OF SALES

a) Sales	1 January- 31 March 2024	1 January- 31 March 2023
Domestic sales	7.332.351.388	7.194.960.018
Foreign sales (export)	634.706.987	417.147.348
Foreign sales (export listed)	192.688.581	150.125.370
Other sales	21.258.165	23.896.826
Sales discounts (-)	(16.819.194)	(31.039.283)
	8.164.185.927	7.755.090.279
b) Cost of sales		
	1 January- 31 March 2024	1 January- 31 March 2023
Direct raw material and material costs	(4.038.816.160)	(3.523.068.253)
Direct labour costs	(610.899.781)	(433.028.148)
Depreciation and amortization	(381.747.018)	(409.056.156)
General production costs	(1.372.069.695)	(711.292.602)
Total production cost	(6.403.532.654)	(5.076.445.159)
Change in work-in progress	112.609.079	(238.942.719)
Change in finished goods	53.915.621	(119.789.584)
Change in trade goods	(17.781.287)	(8.483.740)
Cost of goods sold	(6.254.789.241)	(5.443.661.202)

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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 31 March 2024 and 2023 are as follows:

Other Income from Operating Activities	1 January- 31 March 2024	1 January- 31 March 2023
Operational foreign exchange income	209.431.999	155.569.054
Mining royalty income (*)	24.752.717	35.021.686
Interest income from delayed collections	10.095.410	1.046.736
Damage compensation income received from insurance	8.387.104	2.918.147
Profit from scrap and material sales	6.278.140	9.957.527
Income from provisions no longer required	4.672.661	41.836.100
Other income	10.021.483	14.688.245
	273.639.514	261.037.495

(*) Mining royalty income comprises of mining license income.

The details of other expenses from operating activities for the periods ended on 31 March 2024 and 2023 are as follows:

Other Expenses from Operating Activities	1 January- 31 March 2024	1 January- 31 March 2023
Foreign exchange losses related to operational activities	(237.404.706)	(62.952.822)
Discount interest expense	(4.668.650)	(760.565)
Commission expenses	(458.660)	(606.850)
Donation expenses (*)	(198.112)	(542.049.918)
Provision expenses	(59.811)	(42.492)
Other expenses	(2.567.813)	(2.216.301)
	(245.357.752)	(608.628.948)

(*) Consists of donations made due to the earthquake disaster that occurred on 6 February 2023.

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20. FINANCE INCOME AND EXPENSES

The details of finance income for the periods ended 31 March 2024 and 2023 are as follows:

Finance Income	1 January- 31 March 2024	1 January- 31 March 2023
Interest income from bank deposits	315.900.416	136.472.699
Foreign exchange gains related to financial activities	136.435.277	115.891.273
Other financial income	1.589.886	3.320.297
	453.925.579	255.684.269

The details of finance expenses for the periods ended 31 March 2024 and 2023 are as follows:

Finance Expenses	1 January- 31 March 2024	1 January- 31 March 2023
Foreign exchange losses related to financial activities	(101.211.091)	(361.818.598)
Commission expenses	(35.916.427)	(24.520.601)
Interest expense due to lease liabilities	(25.944.199)	(3.521.584)
Interest expense due to severance pay provision (Note: 19)	(19.252.997)	(22.250.747)
Interest expenses regarding related parties	(15.728.828)	(108.420.696)
Interest expenses due to short and long-term borrowings	(15.637.979)	(95.743.416)
Interest expense due to seniority incentive premium (Note: 19)	(12.208.847)	(7.429.702)
Other financial expenses	(19.578.954)	(733.244)
	(245.479.322)	(624.438.588)

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21. INCOME FROM INVESTMENT ACTIVITIES

The details of income from investment activities for the periods ended 31 March 2024 and 2023 are as follows:

Income from investment activities	1 January- 31 March 2024	1 January- 31 March 2023
Interest income from time deposits with a maturity of more than three months	39.775.870	83.852.538
Interest income from investment funds	31.278.590	2.013.296
Dividend income	2.871.893	-
Rent income from investment properties	2.333.684	4.152.984
Profit from sale of fixed assets	57.864	652.010
Other	-	438.909
	76.317.901	91.109.737

The details of expenses from investment activities for the periods ended 31 March 2024 and 2023 are as follows:

Expenses from investment activities	1 January- 31 March 2024	1 January- 31 March 2023
Valuation difference of financial assets measured at fair value through profit and loss	(27.892.314)	(107.129.433)
Loss from sale of fixed assets	(358.022)	-
Other	(374.645)	(504.187)
	(28.624.981)	(107.633.620)

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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 13, 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

	31 March 2024	31 December 2023
Financial payables (Note: 13)	282.797.537	1.942.520.982
Less: Cash and Cash Equivalents (Note:3)	(4.821.994.804)	(6.098.280.571)
Less: Short-term Financial Investments (Note: 10)	(1.132.964.723)	(616.794.536)
Net Debt	(5.672.161.990)	(4.772.554.125)
Total Equity	31.444.851.621	30.683.134.949
Total Capital	25.772.689.631	25.910.580.824
Net Debt/Total Capital Ratio	(0,22)	(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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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:

	31 March 2024			
	TL Equivalent (Functional currency)	US Dollar	EURO	Other
1. Trade Receivables	452.366.116	6.528.901	6.941.436	-
2. Monetary Financial Assets (including cash, bank deposits)	1.375.318.578	35.840.204	6.269.133	565
3. Other Current Assets	140.492.199	1.097.256	3.008.493	8.960
4. Current Assets (1+ 2 + 3)	1.968.176.893	43.466.361	16.219.062	9.525
5. Non-Current Assets	48.428	1.500	-	-
6. Total Assets (4 + 5)	1.968.225.321	43.467.861	16.219.062	9.525
7. Trade Payables	945.828.295	11.309.638	16.589.726	39.950
8. Other current liabilities	1.431.820	40.281	3.700	-
9. Current Liabilities (7 + 8)	947.260.115	11.349.919	16.593.426	39.950
10. Non-current Liabilities	1.170.320.969	-	33.567.216	-
11. Total Liabilities (9+10)	2.117.581.084	11.349.919	50.160.642	39.950
12. Net foreign currency asset liability position (6 - 11)	(149.355.763)	32.117.942	(33.941.580)	(30.425)

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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 2023			
	TL Equivalent (Functional currency)(*)	US Dollar	EURO	Other
1. Trade Receivables	261.475.888	3.591.175	3.730.784	-
2. Monetary Financial Assets (including cash, bank deposits)	1.250.161.208	30.484.789	5.788.516	13.893
3. Other Current Assets	70.920.940	317.975	1.604.827	-
4. Current Assets (1+ 2 + 3)	1.582.558.036	34.393.939	11.124.127	13.893
5. Non-Current Assets	145.594.181	180.182	3.721.660	-
6. Total Assets (4 + 5)	1.728.152.217	34.574.121	14.845.787	13.893
7. Trade Payables	1.145.618.299	16.800.764	15.368.041	(35.597)
8. Other current liabilities	55.755.535	1.083.583	505.624	-
9. Current Liabilities (7 + 8)	1.201.373.834	17.884.347	15.873.665	(35.597)
10. Non-current Liabilities	1.257.752.972	-	33.496.868	-
11. Total Liabilities (9+10)	2.459.126.806	17.884.347	49.370.533	(35.597)
12. Net foreign currency asset liability position (6 - 11)	(730.974.589)	16.689.774	(34.524.746)	49.490

(*) The amount is stated on the basis of the purchasing power of Turkish Lira as of March 31, 2024.

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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	31 March 2024		
	Level 1	Level 2	Level 3
Equity shares	243.077.000	-	-
Other financial assets	339.946.875	-	-

Financial assets at fair value in the balance sheet	31 December 2023		
	Level 1	Level 2	Level 3
Equity shares	270.970.200	-	-
Other financial assets	345.824.336	-	-

23. SUBSEQUENT EVENTS

In accordance with Procedure Law General Communiqué published in Official Gazette dated 30 April 2024, and numbered 32532, it is considered not to make inflation adjustments in the first provisional tax period of the 2024 and inflation adjustments will continue to be implemented in the following provisional tax periods.

"Changes or announcements of changes in the applicable tax rates or tax laws after the reporting period which would have a significant impact on current and deferred tax assets and liabilities" which is non-adjusting event after the reporting period has been considered as subsequent event within the scope of TAS 10 "Events After the Reporting Period" standard.

Inflation adjustment has been made on the Group's current and deferred tax calculations as of 31 March 2024.

According to the decision of our Company's Board of Directors dated 19 May 2024, it has been decided that the issued capital, which is currently 1.246.578.406 TL, will be increased to 4.861.655.783 TL by increasing 3.615.077.377 TL, at the rate of 290% of the existing issued capital, by covering the capital inflation adjustment differences, considering that the registered capital ceiling allowed is 1.500,000,000 TL until 2025. In addition, it has been decided that the shares that will arise as a result of the increase will be distributed to our shareholders as registered bonus shares, and the Financial Management and Financial Affairs Group Vice President will be authorized to carry out all transactions related to the capital increase.