(CONVENIENCE TRANSLATION OF THE REPORT AND FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND IT'S SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

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

Tel: +90 212 315 3000
Fax: +90 212 230 8291
ey.com
Ticaret Sicil No : 479920
Mersis No: 0-4350-3032-6000017

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of OYAK Çimento Fabrikaları Anonim Şirketi

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of OYAK Çimento Fabrikaları Anonim Şirketi ("the Company") and its subsidiaries (together referred as "the Group"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards ("TFRS").

2) Basis for Opinion

We conducted our audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and Independent Auditing Standards ("InAS") which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matters	***How our audit addressed the key audit matter***
Revenue recognition	
Revenue is recognized in the consolidated financial statements based on the transaction price in accordance with TFRS 15 "Revenue from Customer Contracts". The transaction price is the amount that the entity expects to be entitled to in exchange for transferring the goods promised to the customer, excluding amounts collected on behalf of third parties. The Group recognized revenue in financial statements when control of the goods or services is transferred to the customers. The Group recognized revenue from selling of cement, ready mixed concrete and clinker. Revenue is the most important indicator in evaluating the performance of the Group. Revenue is significant for evaluating the results of strategies implemented during the year and monitoring performance and has been determined as a key audit matter in the audit due to its importance as the most important financial statement item in terms of consolidated profit or loss and other comprehensive income statement for the period ending on December 31, 2023. Explanations on the Group's accounting policies and amounts related to revenue are disclosed in Note 3.3 and Note 22.	The following procedures have been performed in the audit of revenue: - Understanding the sales processes and evaluating the design of controls related to the processes, - Evaluating the conformity of the accounting policies applied by the Group management for revenue recognition with TAS, - Applying analytical procedures to determine whether the revenue recorded in the consolidated financial statements is at the expected levels, - Testing the accuracy of sales invoices through sampling and matching them with delivery notes, - Testing the transfer of the control of products on selected invoices by sampling to verify that they have been transferred to the customer, - Testing the completeness of revenue by matching the sample selected from shipping documents with accounting records and relevant invoices, - Obtaining confirmation letters from customers for sample selected trade receivables balances and controlling the conformity of the received replies with accounting records.

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Key audit matters	How key matters addressed in the audit
Existence, collectability and valuation of trade receivables	
As of December 31, 2023 the trade receivables constitute 12% of total assets in the consolidated statement of financial position, trade receivables are considered as an important balance sheet item. In addition, the collectability of trade receivables is an important element of the Group's credit risk and working capital management and includes significant judgments and estimates of the management. The impairment provision booked for trade receivables on gross balance of trade receivable amounting to TL 4.450.337.728 in the statement of consolidated financial position as of December 31, 2023 is TL 108.093.810. The determination of the collection risk for trade receivables and the provision to be booked or the determination of whether a particular specific receivable is collectible or not requires a significant judgment of the management. In this respect, the management of the Group assesses the aging of trade receivables, the examination of the risks on ongoing cases based on the letter received from the Group's lawyers, collaterals received within the scope of credit risk management, qualifications of such collaterals, collection performance in the current and subsequent period and all other information. The credit losses for financial assets are accounted in the financial statements as per the relevant standard by the Group. The magnitude of the amounts and the judgement required in the assessment of collectability of trade receivables and due the fact that the application of TFRS 9 is complex and comprehensive, the existence and collectability of trade receivables is determined as key audit matter. Explanations on the Group's accounting policies and amounts related to revenue are disclosed in Note 3.1 and Note 6.	The following procedures have been performed in the audit of trade receivable: - Assessing the collection follow up process of the Company's trade receivables and the operational efficiency of related internal controls, - Examining analytically the aging tables of trade receivables and comparing the collection turnover days to the prior period, - Testing of trade receivable balances by sending confirmation letters on a sample basis, - Testing of subsequent collections on a sample basis, - Testing the collaterals received for trade receivables on a sample basis and evaluating the convertibility into cash, - Evaluating the reasonableness and suitability of the key judgments and estimates used by the management, as well as the methods and data sources used in the calculation of impairment, within the scope of the TFRS 9, - Assessing the appropriateness of the accounting policies applied to TFRS 9, the Group's past performance and local and global practices, - To audit the appropriateness of the specific provisions for trade receivables, inquiring disputes and lawsuits related to receivables, and obtaining written confirmations from Company's legal counsels on ongoing litigations in relation to trade receivables, - Assessing the adequacy and TFRS compliance of disclosures on trade receivables and impairment of trade receivables.

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Key audit matters	*How our audit addressed the key audit matter*
Application of the hyperinflationary accounting	
As stated in Note 2.1 to the consolidated financial statements, the Group has started to apply "TAS 29 Financial Reporting in Hyperinflation Economies" since the functional currency of the Group (Turkish Lira) is the currency of a hyperinflationary economy as per TAS 29 as of December 31, 2023. In accordance with TAS 29, consolidated financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish Lira and, as a result, are expressed in terms of purchasing power of Turkish Lira as of the reporting date. In accordance with the guidance in TAS 29, the Group utilised the Turkey consumer price indices to prepare inflation adjusted financial statements. The principles applied for inflation adjustment is explained in Note 2.1. Given the significance of the impact of TAS 29 on the reported result and financial position of the Group, we have assessed the hyperinflation accounting as a key audit matter.	Our audit procedures included the following; - We inquired management responsible for financial reporting on the principles, which they have considered during the application of TAS 29, identification of non-monetary accounts and tested models designed, - We have tested the inputs and indices used, to ensure completeness and accuracy of the calculations, - We have audited the restatements of consolidated financial statements and corresponding figures as required by TAS 29, - We assessed the adequacy of the disclosures in inflation adjusted financial statements for compliance with TAS 29.

4) Other matter

The consolidated financial statements of the Group prepared in accordance with the Turkish Accounting Standards ("TAS") published by the Public Oversight and Auditing Standards Authority of Turkey ("POA") as of December 31, 2022, were audited by another audit firm whose independent auditor's report thereon dated March 7, 2023.

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5) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

6) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

In an independent audit, our responsibilities as the auditors are:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance,but is not a guarantee that an audit conducted in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and InAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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B) Report on Other Legal and Regulatory Requirements

1) Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on March 1, 2024.

2) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2023 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.

3) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Mehmet Can Altıntaş.

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

Mehmet Can Altıntaş, SMMM
Partner

March 1, 2024
Ankara, Türkiye

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(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

			Restated (Note 3.26)	Restated (Note 3.26)
		Audited	Audited	Audited
		Current period	Prior period	Prior period
	Notes	**31 December 2023**	31 December 2022	1 January 2022
Assets				
Current assets		**14.806.966.083**	15.462.634.839	10.248.548.069
Cash and cash equivalents	4	**5.299.903.159**	3.190.095.468	990.614.896
Financial investments	29	**536.044.754**	657.311.381	437.798.084
Trade receivables	6	**4.342.243.918**	4.502.436.794	3.644.259.243
Trade receivables from related parties	*5*	***241.806.734***	*262.708.398*	*338.385.795*
Trade receivables from third parties		***4.100.437.184***	*4.239.728.396*	*3.305.873.448*
Other receivables	7	**64.382.266**	579.520.764	345.000.511
Other receivables from related parties	*5*	***31.366.654***	*180.236.787*	*184.241.980*
Other receivables from third parties		***33.015.612***	*399.283.977*	*160.758.531*
Inventories	8	**4.091.545.077**	3.760.999.495	2.798.815.790
Prepaid expenses	9	**384.641.697**	346.606.116	254.531.702
Current tax assets	28	**69.360.057**	-	-
Other current assets	20	**665.611**	64.461.919	112.487.030
Assets held for sale	32	**18.179.544**	2.361.202.902	1.665.040.813
Non-current assets		**20.569.124.393**	20.297.091.757	17.688.251.323
Financial investments	29	**11.290.249**	11.290.249	11.290.249
Other receivables	7	**4.767.547**	7.767.090	19.313.178
Other receivables from third parties	*7*	***4.767.547***	*7.767.090*	*19.313.178*
Investment properties	10	**210.618.013**	211.441.279	211.937.773
Property, plant and equipment	11	**14.102.219.194**	13.710.963.256	13.553.803.300
Rights of use assets	13	**197.247.959**	218.103.785	162.623.746
Intangible assets		**3.645.465.416**	3.552.032.997	3.594.179.934
Goodwill	*14*	***3.110.258.912***	*3.110.258.912*	*3.110.258.912*
Other intangible assets	*12*	***535.206.504***	*441.774.085*	*483.921.022*
Prepaid expenses	9	**180.966.576**	152.041.257	127.827.289
Deferred tax assets	28	**2.214.830.269**	2.430.270.416	-
Other non-current assets		**1.719.170**	3.181.428	7.275.854
Total assets		**35.376.090.476**	35.759.726.596	27.936.799.392

The accompanying notes are an integral part of the consolidated financial statements.

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OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND IT'S SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2023

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

			Restated (Note 3.26)	Restated (Note 3.26)
		Audited	Audited	Audited
		Current period	Prior period	Prior period
	Notes	**31 December 2023**	31 December 2022	1 January 2022
Liabilities				
Current liabilities		**6.665.400.816**	8.510.619.637	5.792.501.976
Short-term financial liabilities	16	**1.455.562.542**	2.221.421.787	1.848.359.603
Short-term portion of long-term financial liabilities	16	**66.436.116**	548.340.640	36.996.259
Short-term lease liabilities	16	**29.760.824**	28.748.691	24.843.529
Trade payables	6	**3.641.331.007**	3.331.613.384	2.931.024.482
Trade payables from related parties	*5*	***711.374.280***	*600.509.560*	*440.847.579*
Trade payables from third parties		***2.929.956.727***	*2.731.103.824*	*2.490.176.903*
Employee benefit liabilities	19	**124.865.831**	80.537.337	62.177.293
Other payables	7	**178.562.931**	930.000.112	67.266.961
Other payables to related parties	*5*	***5.950.287***	*747.070.965*	*9.976.686*
Other payables to third parties		***172.612.644***	*182.929.147*	*57.290.275*
Contract liabilities	9	**166.423.392**	224.446.690	161.290.771
Current income tax liabilities	28	**-**	430.790.878	197.181.877
Short-term provisions		**1.000.444.943**	404.537.047	195.357.650
Provisions for employee termination benefits	*19*	***522.640.173***	*223.545.807*	*95.682.485*
Other short-term provisions	*17*	***477.804.770***	*180.991.240*	*99.675.165*
Other current liabilities		**2.013.230**	787.097	5.482.401
Liabilities related to assets held for sale		-	309.395.974	262.521.150
Non-current liabilities		**2.044.543.037**	8.651.659.109	12.078.461.028
Long-term financial liabilities	16	**68.376.010**	120.460.066	812.015.431
Long-term lease liabilities	16	**68.073.663**	67.947.234	61.673.078
Trade payables		**-**	306.504	-
Trade payables to third parties		-	*306.504*	-
Other payables	7	**1.093.089.908**	7.597.035.290	9.274.010.931
Other payables to third parties	*5*	***1.093.089.908***	*7.597.035.290*	*9.274.010.931*
Contract liabilities	9	-	2.924.071	12.853.764
Long-term provisions		**815.003.456**	862.985.944	575.334.403
Long-term provisions for employee termination benefits	*19*	***656.555.793***	*795.345.659*	*555.535.213*
Other long-term provisions	*17*	***158.447.663***	*67.640.285*	*19.799.190*
Deferred tax liabilities	28	-	-	1.342.573.421
Total liabilities		**8.709.943.853**	17.162.278.746	17.870.963.004

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2023

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

	Notes	**Audited** **Current period** **31 December 2023**	Restated (Note 3.26) Audited Prior period 31 December 2022	Restated (Note 3.26) Audited Prior period 1 January 2022
Equity		**26.666.146.623**	18.597.447.850	10.065.836.388
Paid-in share capital	21	**1.246.578.406**	1.159.793.441	1.159.793.441
Adjustment to share capital	21	**6.936.406.728**	6.936.406.728	6.936.406.728
Repurchased shares (-)		**(27.995.331)**	(27.995.331)	(27.995.331)
Share premiums		**945.905**	945.905	945.905
Other comprehensive income / (losses) not to be reclassified under profit or losses		**(351.966.345)**	(246.923.623)	-
- Gains (losses) on remeasurement of defined benefit plans		***(351.966.345)***	*(246.923.623)*	-
Other comprehensive income / (losses) to be reclassified under profit or losses		**(161.426.565)**	(248.008.852)	(203.594.620)
- Foreign currency translation differences		***(161.426.565)***	*(248.008.852)*	*(203.594.620)*
Restricted reserves	21	**4.420.542.634**	4.420.542.634	4.420.542.634
Business combinations under common control		**328.405.654**	(4.386.079.250)	(4.386.079.250)
Retained earnings		**6.146.759.287**	2.165.816.881	2.165.816.881
Net profit for the year		**8.127.896.250**	8.822.949.317	-
Total liabilities and equity		**35.376.090.476**	35.759.726.596	27.936.799.392

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

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND IT'S SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2023

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

	Notes	**Audited** **Current period** **1 January –** **31 December** **2023**	Restated (Note 3.26) Audited Prior period 1 January – 31 December 2022
Profit or loss			
Revenue	22	**30.699.746.814**	26.312.734.932
Cost of sales (-)	22	**(21.425.641.489)**	(19.855.968.138)
Gross profit		**9.274.105.325**	6.456.766.794
General administrative expenses (-)	23	**(1.058.727.601)**	(983.552.037)
Marketing expenses (-)	23	**(191.251.468)**	(137.751.079)
Research and development expenses (-)	23	**(66.498.957)**	(41.801.029)
Other income from operating activities	25	**1.065.434.417**	923.550.346
Other expenses from operating activities (-)	25	**(1.312.897.890)**	(497.108.588)
Operating profit		**7.710.163.826**	5.720.104.407
Income from investment activities	26	**83.828.052**	108.186.906
Expenses from investment activities (-)	26	**(170.847.668)**	(35.103.189)
Operating profit before financial income (expense)		**7.623.144.210**	5.793.188.124
Finance income	27	**5.120.852.837**	756.425.627
Finance expense (-)	27	**(6.768.191.801)**	(3.086.258.416)
Monetary loss / gain		**3.779.846.834**	2.971.377.978
Profit before tax from continuing operations		**9.755.652.080**	6.434.733.313
Tax expense		**(1.725.438.198)**	2.448.051.312
Current tax expense	28	**(1.461.086.462)**	(1.263.061.619)
Deferred tax (expense)/income	28	**(264.351.736)**	3.711.112.931
Net profit for the period from continuing operations		**8.030.213.882**	8.882.784.625
Net profit/(loss) for the period from discontinued operations	32	**97.682.368**	(59.835.308)
Net profit for the period		**8.127.896.250**	8.822.949.317
Net profit for the period attributable to			
Equity holders of the parent		**8.127.896.250**	8.822.949.317
Non-controlling interests		**-**	-
Earnings per share			
Earnings per share (Nominal value of TL 1)	30	**6,52**	7,61

The accompanying notes are an integral part of the consolidated financial statements.

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

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND IT'S SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2023

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

	Notes	**Audited** **Current period** **1 January –** **31 December 2023**	Restated (Note 3.26) Audited Prior period 1 January – 31 December 2022
Net profit for the period		**8.127.896.250**	8.822.949.317
Other comprehensive income			
Items not to be reclassified to profit or loss:			
- *Gains / (Losses) on remeasurement of defined benefit plans*	19	**(153.954.311)**	(308.654.529)
Taxes related to other comprehensive income			
- *Deferred tax income / (expense)*	28	**48.911.589**	61.730.906
Items to be reclassified to profit or loss:			
Foreign currency translation differences		**37.943.245**	(44.414.232)
Other comprehensive income / (expense)		**(67.099.477)**	(291.337.855)
Total comprehensive income / (expense)		**8.060.796.773**	8.531.611.462
Total comprehensive income / (expense) attributable to		**8.060.796.773**	8.531.611.462
Owners of the parent		**8.060.796.773**	8.531.611.462
Non-controlling interests		-	-

The accompanying notes are an integral part of the consolidated financial statements.

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND IT'S SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2023

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

	Paid-in share capital	**Adjustment to share capital**	**Repurchased shares (-)**	**Share premiums**	**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 2022	1.159.793.441	6.936.406.728	(27.995.331)	945.905	4.370.607.551	-	(178.688.644)	-	2.165.816.881	-	14.426.886.531
Restatement effect (Note 3.26)	-	-	-	-	49.935.083	-	(24.905.976)	(4.386.079.250)	-	-	(4.361.050.143)
Restated balance as of 1 January 2022	1.159.793.441	6.936.406.728	(27.995.331)	945.905	4.420.542.634	-	(203.594.620)	(4.386.079.250)	2.165.816.881	-	10.065.836.388
Total comprehensive income/(expense)	-	-	-	-	-	(246.923.623)	(44.414.232)	-	-	8.822.949.317	8.531.611.462
Net profit for the period	-	-	-	-	-	-	-	-	-	8.822.949.317	8.822.949.317
Other comprehensive Income (expense)	-	-	-	-	-	(246.923.623)	(44.414.232)	-	-	-	(291.337.855)
31 December 2022	1.159.793.441	6.936.406.728	(27.995.331)	945.905	4.420.542.634	(246.923.623)	(248.008.852)	(4.386.079.250)	2.165.816.881	8.822.949.317	18.597.447.850
1 January 2023	**1.159.793.441**	**6.936.406.728**	**(27.995.331)**	**945.905**	**4.370.607.551**	**(217.018.930)**	**(213.485.816)**	**-**	**2.165.816.881**	**5.933.652.297**	**20.108.722.726**
Restatement effect (Note 3.26)	**-**	**-**	**-**	**-**	**49.935.083**	**(29.904.693)**	**(34.523.036)**	**(4.386.079.250)**	**-**	**2.889.297.020**	**(1.511.274.876)**
Restated balance as of 1 January 2023	**1.159.793.441**	**6.936.406.728**	**(27.995.331)**	**945.905**	**4.420.542.634**	**(246.923.623)**	**(248.008.852)**	**(4.386.079.250)**	**2.165.816.881**	**8.822.949.317**	**18.597.447.850**
Transfers	-	-	-	-	-	-	-	-	8.822.949.317	(8.822.949.317)	-
Merger effect (*)	86.784.965	-	-	-	-	-	48.639.042	4.714.484.904	(4.842.006.911)	-	7.902.000
Total comprehensive income/(expense)	-	-	-	-	-	**(105.042.722)**	**37.943.245**	-	-	**8.127.896.250**	**8.060.796.773**
Net profit for the period	-	-	-	-	-	-	-	-	-	8.127.896.250	8.127.896.250
Other comprehensive income (expense)	-	-	-	-	-	(105.042.722)	37.943.245	-	-	-	(67.099.477)
31 December 2023	**1.246.578.406**	**6.936.406.728**	**(27.995.331)**	**945.905**	**4.420.542.634**	**(351.966.345)**	**(161.426.565)**	**328.405.654**	**6.146.759.287**	**8.127.896.250**	**26.666.146.623**

(*) On 13 June 2023, the Company with its former title OYAK Çimento A.Ş. made a capital increase of 4.714.484.904 TL. The difference arising from the merger of OYAK Denizli Çimento Anonim Şirketi, which was subject to joint control with the Company (former title OYAK Çimento A.Ş.) on 28 December 2023, within the Company was transferred from previous years' profits and losses. Within the framework of the Expert Organization Report dated 20 November 2023 prepared by an independent third-party consultancy firm, the Company's capital was determined as 1.246.578.406 TL and increased by 86.784.965 TL.

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND IT'S SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED AT 31 DECEMBER 2023

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

	Notes	**Audited Current Period 1 January – 31 December 2023**	**Audited Prior Period 1 January – 31 December 2022**
A. CASH FLOWS FROM OPERATING ACTIVITIES		**7.232.824.848**	**3.048.211.632**
Profit for the Period		**8.030.213.882**	**8.882.784.625**
Net Profit/(Loss) for the Period from Discontinued Operations		**97.682.368**	**(59.835.308)**
Adjustments Related to Reconciliation of Net Profit for the Period		**1.038.025.285**	**(2.140.034.275)**
- Adjustments Related to Depreciation and Amortization Expenses	24	1.324.239.215	1.312.189.517
- Adjustments Related to Doubtful Receivables	6	10.346.230	2.701.449
- Adjustments Related to Inventory Impairment (Reversal)	8	94.314.933	55.732.503
- Adjustments Related to Provisions		1.461.541.437	702.204.128
- Adjustments Related to Provision for Employee Benefits	19	*927.636.293*	*495.047.812*
- Adjustments Related to Provisions (Reversal of) for Legal Cases	17	*24.821.465*	*14.080.755*
- Adjustments Related to Other Provisions (Reversal)	17	*509.083.679*	*193.075.561*
- Adjustments Related to Interest (Income) and Expenses		286.975.114	714.538.518
- Adjustments Related to Interest Income	25, 26, 27	*(1.179.108.726)*	*(171.896.698)*
- Adjustments Related to Interest Expense	25, 27	*1.466.083.840*	*886.435.216*
- Adjustments Related to Fair Value Losses (Gains)		163.293.352	34.606.695
- Adjustments Related to Fair Value (Gains) /Losses of Financial Assets	26	*163.293.352*	*34.606.695*
- Adjustments Related to Dividend Income	26	-	(56.333.821)
- Adjustments Related to Losses (Gains) on Sale of Fixed Assets	26	(13.927.166)	(2.850.607)
Adjustments for Losses (Gains) Arise from Sale of Disposal Groups Classified as Held for Sale		(97.682.368)	-
- Adjustments Related to Unrealized Foreign Currency Translation Differences		(219.007.559)	1.533.090.486
- Adjustments Related to Tax Income / Expense	28	1.725.438.198	(2.448.051.312)
- Adjustments Related to Monetary (Gains) / Losses		(3.697.506.101)	(3.987.861.831)
Changes in Working Capital		**459.981.921**	**(2.464.029.216)**
- Adjustments Related to Changes in Trade Receivables		162.164.094	(837.305.718)
- Decrease (Increase) in Trade Receivables from Related Parties		*20.901.664*	*75.677.397*
- Decrease (Increase) in Trade Receivables from Third Parties		*141.262.430*	*(912.983.115)*
- Adjustments Related to Changes in Other Receivables Related to Operations		518.138.040	(444.704.614)
- Decrease (Increase) in Other Receivables Related to Operations from Related Parties		*148.870.133*	*(114.406.391)*
- Decrease (Increase) in Other Receivables Related to Operations from Third Parties		*369.267.907*	*(330.298.223)*
- Adjustments Related to Increase in Inventories		(424.860.515)	(1.017.916.208)
- Adjustments Related to Increase (Decrease) in Other Assets Related to Operations		65.258.566	(20.175.427)
- Changes in Assets Held for Sale		-	(649.287.265)
- Decrease (Increase) in Prepaid Expenses		(144.420.138)	(88.065.228)
- Adjustments Related to Changes in Trade Payables		309.411.119	400.895.406
- Increase (Decrease) in Trade Payables to Related Parties		*110.864.720*	*159.661.981*
- Increase (Decrease) in Trade Payables to Third Parties		*198.546.399*	*241.233.425*
- Increase in Payables Related to Employee Benefits		44.328.494	18.360.044
- Adjustments Related to Increase / (Decrease) in Other Operating Payables		(9.090.370)	120.943.568
- Increase (Decrease) in Other Operating Payables to Third Parties		*(9.090.370)*	*120.943.568*
-Increase / (Decrease) in contractual obligations		(60.947.369)	53.226.226
Cash Flows from Operations		**9.625.903.456**	**4.218.885.826**
- Payments Related to Provisions for Employee Benefits		(383.257.555)	(109.966.131)
- Tax Payments	28	(1.961.237.397)	(1.029.452.618)
- Payments due to provisions	25	(48.583.656)	(31.255.445)

OYAK ÇİMENTO FABRİKALARI ANONİM ŞİRKETİ AND IT'S SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED AT 31 DECEMBER 2023

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

	Notes	Audited Current Period 1 January – 31 December 2023	Audited Prior Period 1 January – 31 December 2022
B. CASH FLOWS FROM INVESTING ACTIVITIES		**(1.605.057.250)**	**(1.628.728.341)**
- Cash Inflows from the Sale of Tangible and Intangible Assets	11-26	15.747.568	6.277.378
- Cash Outflows from Purchases of Tangible and Intangible Assets		(1.742.071.445)	(1.473.340.456)
-Increases (Decreases) from Financial Investments		57.473.961	(254.119.992)
- Interest received		63.792.666	36.120.908
- Dividend Income	26	-	56.333.821
C. CASH FLOWS FROM FINANCING ACTIVITIES		**(1.848.931.038)**	**1.191.080.347**
- Cash Inflows from Borrowings		3.455.862.961	7.439.670.443
- Cash Inflows from Loans	*16*	*3.455.862.961*	*7.439.670.443*
- Cash Outflows Related to Debt Payments		(3.686.221.718)	*(6.607.869.316)*
- Cash Outflows Related to Loan Repayments	*16*	*(3.686.221.718)*	*(6.607.869.316)*
- Interest Paid	16	(810.825.305)	(351.697.089)
- Interest Received		1.036.587.541	58.710.204
Cash Outflows from Payments for Lease Liabilities		(117.348.024)	(84.828.174)
- Cash Outflows from Payments for Lease Liabilities from related parties		(1.726.986.493)	737.094.279
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT BEFORE CURRENCY TRANSLATION DIFFERENCE		**3.778.836.560**	**2.610.563.638**
Effect of Foreign Currency Translation Differences on Cash and Cash Equivalents		**230.853.545**	**86.721.492**
Monetary gain loss effect on cash and cash equivalents		**(1.964.920.106)**	**(550.743.970)**
E. NET INCREASE IN CASH AND CASH EQUIVALENTS		**2.044.769.999**	**2.146.541.160**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	**3.136.451.388**	**989.910.228**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	**5.181.221.387**	**3.136.451.388**

1. ORGANISATION AND OPERATIONS OF THE GROUP

Mardin Çimento Sanayii ve Ticaret A.Ş. (“Mardin Çimento”), was established on 2 June 1969 under the leadership of Türkiye Çimento Sanayii Türk Anonim Şirketi. The assembly of the factory was completed in 1975 and production started in September 1975.

OYAK Çimento A.Ş. (“OYAK Çimento”), which was established on 25 November 2015 as a 100% subsidiary of the Ordu Yardımlaşma Kurumu (“OYAK”) took over the shares of Mardin Çimento owned by OYAK on 3 December 2015 and OYAK Çimento became the main shareholder of the Company. On 26 November 2018, OYAK transferred 40% of its 100% owned OYAK Cement shares to Taiwan Cement Company ("TCC").

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

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

As of 31 December 2020, 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 passives.

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 June 19, 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 roof of 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. (“CGH”) became the parent of OYAK Çimento Fabrikaları A.Ş. with a share of 75.81%.

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

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

Before the merger transaction dated 28 December 2023, a preliminary memorandum of understanding was signed between OYAK and TCC on 27 November 2023 for the conduct of negotiations regarding the transfer of 20% of the shares of OYAK Denizli Çimento A.Ş., the main shareholder of the Company, to TCC. In December 10, 2023, binding contracts were signed and the process for the permits required to be obtained from official institutions and organizations was initiated. Following the signing of the binding contract, the process for the permissions required to be obtained from official institutions and organizations for the share transfer transaction, including but not limited to the permission of the Turkish Competition Board, has started and the necessary applications have been made. The Turkish Competition Board's permission, which is one of the necessary permissions for the share transfer transaction in question, was granted in accordance with the Board's decision dated January 18, 2024 and numbered E-70922894-120.01.06.81707, and thus the Turkish competition permit requirement within the scope of the binding contracts signed was fulfilled.

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 Camerun"), 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 the Company as of 31 December 2023 is 2.730 (31 December 2022: 2.424, 1 January 2022: 2333).

The Company's shares are traded on Borsa Istanbul ("BIST"). The registered address of the Company is Çukurambar Mahallesi 1480. Sokak, No: 2 A / 56, Çankaya, Ankara.

The details of the Company's subsidiaries are as follows:

			31 December 2023	31 December 2022	1 January 2022
Subsidiaries		**Sector**	**Shareholding rate (%)**	Shareholding rate (%)	Shareholding rate (%)
Adana Çimento San. Ve Tic. Ltd.	Cyprus	Sales of cement, clinker and ready mixed concrete	**100,00**	100,00	100,00
Adana Çimento Free Port Ltd.	Cyprus	Sales of cement, clinker and ready mixed concrete	**100,00**	100,00	100,00
Cimpor Romania Terminal SRL	Romania	Sales of cement	**100,00**	100,00	100,00
Marmara Madencilik San. Tic. Ltd. Şti.	Türkiye	Mining	**98,90**	98,90	98,90
OYAK Çimento Enerji A.Ş. (*)	Türkiye	Energy	**100,00**	100,00	100,00
Cimpor Cameroun SA (**)	Cameroon	Sales of cement and aggregate	-	100,00	100,00

(*) OYAK Çimento Enerji A.Ş. is not included in the consolidation due to its limited activities.
(**) On 31 August 2023, all Cimpor Cameroon shares were transferred to Cimpor Portugal.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

Dividends

As a result of the Ordinary General Assembly held on 30 March 2023, it was decided not to distribute dividends based on the profits of 2022.

Approval of Consolidated Financial Statements

The consolidated financial statements have been approved by the Board of Directors and authorized for publication on 1 March 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") Communique Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which was published in the Official Gazette No:28676 on 13 June 2013. The accompanying consolidated financial statements are prepared based on the Turkish Financial Reporting Standards and interpretations ("TFRS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communique.

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

Measurement Principles

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.

The changes in the foreign exchange rates as of the financial statement date and used for translation are as follows over the years:

	31 December 2023	31 December 2022	1 January 2022
RON / TL year end	**6,5113**	4,0062	3,0316
RON / TL average	**5,1587**	3,5061	2,1038
CFA / TL year end	**0,0498**	0,0306	0,0230
CFA / TL average	**0,0391**	0,0268	0,0159

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

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

2.1 Basis of Presentation (cont'd)

Financial Reporting in Hyperinflationary economy

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 with the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

Financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish Lira and, as a result, are expressed in terms of purchasing power of Turkish lira as of 31 December 2023 as per TAS 29.

In TAS 29 application, the enterprise used the conversion coefficients derived from the Consumer Price Indexes (CPI) published by the Turkish Statistical Institute in accordance with the guidance given by the POA. Since January 1, 2005, when the Turkish lira was no longer defined as the currency of a hyperinflationary economy, the CPI and corresponding conversion coefficients for the current and previous periods are as follows:

Year End	Index	Index, %	Conversion Factor
2004	113,86	13,86	16,33041
2005	122,65	7,72	15,16005
2006	134,49	9,65	13,82541
2007	145,77	8,39	12,75557
2008	160,44	10,06	11,58925
2009	170,91	6,53	10,87929
2010	181,85	6,40	10,22480
2011	200,85	10,45	9,25756
2012	213,23	6,16	8,72007
2013	229,01	7,40	8,11921
2014	247,72	8,17	7,50597
2015	269,54	8,81	6,89835
2016	292,54	8,53	6,35599
2017	327,41	11,92	5,67906
2018	393,88	20,30	4,72068
2019	440,50	11,84	4,22107
2020	504,81	14,60	3,68333
2021	686,95	36,08	2,70672
2022	1128,45	64,27	1,64773
2023	1859,38	64,77	1,00000

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

2.1 Basis of Presentation (cont'd)

Financial Reporting in Hyperinflationary economy (cont'd)

Assets and liabilities were separated into those that were monetary and non–monetary, with non–monetary items were further divided into those measured on either a current or historical basis to perform the required restatement of financial statements under TAS 29. Monetary items (other than index -linked monetary items) and non-monetary items carried at amounts current at the end of the reporting period were not restated because they are already expressed in terms of measuring unit as of 31 December 2023. Non-monetary items which are not expressed in terms of measuring unit as of 31 December 2023 were restated by applying the conversion factors. The restated amount of a non-monetary item was reduced, in accordance with appropriate TFRSs, in cases where it exceeds its recoverable amount or net realizable value. Components of shareholders' equity in the statement of financial position and all items in the statement of profit or loss and other comprehensive income have also been restated by applying the conversion factors.

Non-monetary items measured at historical cost that were acquired or assumed and components of shareholders' equity that were contributed or arose before the time when the Turkish lira previously ceased to be considered currency of hyperinflationary economy, i.e. before 1 January 2005, were restated by applying the change in the CPI from 1 January 2005 to 31 December 2023.

The application of TAS 29 results in an adjustment for the loss of purchasing power of the Turkish lira presented in Net Monetary Position Gains (Losses) item in the profit or loss section of the statement of profit or loss and comprehensive income. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power and an entity with an excess of monetary liabilities over monetary assets gains purchasing power to the extent the assets and liabilities are not linked to a price level. This gain or loss on the net monetary position is derived as the difference resulting from the restatement of non-monetary items, owners' equity and items in the statement of profit or loss and other comprehensive income and the adjustment of index linked assets and liabilities.

In addition, in the first reporting period in which TAS 29 is applied, the requirements of the Standard are applied as if the economy had always been hyperinflationary. Therefore, the statement of financial position at the beginning of the earliest comparative period, i.e. as of 1 January 2022, was restated as the base of all subsequent reporting. Restated retained earnings/losses in the statement of financial position as of 1 January 2022 was derived as balancing figure in the restated statement of financial position.

Going Concern

The consolidated financial statements have been prepared on a going concern basis, under the assumption that the Group will benefit from its assets and fulfil its obligations in the next year and in the natural flow of its activities.

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

2.2 Basis of Presentation (cont'd)

<u>Basis of Consolidation</u>

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.

In cases where the Company does not have a majority voting right over the invested company/asset, it has control over the invested company/asset, provided that it has sufficient voting rights to direct/manage the activities of the relevant investment on its own. The Company takes into account all relevant events and conditions in assessing whether a majority vote in the relevant investment is sufficient to provide control power, including the following factors:

• Comparing the voting rights held by the Company with the voting rights held by other shareholders;
• Potential voting rights held by the Company and other shareholders;
• Rights arising from other contractual agreements and
• Other events and conditions that may indicate whether the company has the current power to manage the relevant activities in situations where decisions need to be made (including votes made at general assembly meetings in previous periods).

Including a subsidiary within the scope of consolidation begins when the Company has control over the subsidiary and ends when it loses control. Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date of acquisition until the date of disposal.

Each item of profit or loss and other comprehensive income belongs to the shareholders of the parent company and non-controlling interests. The total comprehensive income of the subsidiaries is transferred to the parent company shareholders and the non-controlling interests, even if the non-controlling interests result in a reverse balance. If necessary, adjustments have been made to the accounting policies in the financial statements of subsidiaries to ensure that they are the same as the accounting policies followed by the Group. All in-group assets and liabilities, equity, income and expenses and cash flows relating to transactions between Group companies are eliminated on consolidation.

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

2.1 Basis of Presentation (cont'd)

Changes in the capital share of the Group's existing subsidiary

Changes in the Group's capital interest in its subsidiaries that do not result in a loss of control are accounted for as equity transactions. The book values of the Group's share and non-controlling interests are adjusted to reflect changes in subsidiary shares. The difference between the amount by which non-controlling interests are adjusted and the fair value of the consideration received or paid is directly recognized as the Group's share in equity.

In case the Group loses control over a subsidiary, profit/loss after sale is calculated as the difference between (the sum of the sales price received and the fair values of the remaining share) and the previous book values of the assets (including goodwill) and liabilities of the subsidiary and the non-controlling interests. Amounts previously recognized and collected in equity regarding the subsidiary within other comprehensive income are recorded according to the accounting method to be used on the assumption that the Company has sold the relevant assets (for example, in accordance with the relevant TFRS standards, transferring them to profit/loss or transferring them directly to retained earnings).

The fair value of the investment remaining after the sale of the subsidiary at the date of loss of control is used as fair value in the initial accounting determined the cost price is used within the scope of TFRS 9 "Financial Instruments: Recognition and Measurement Standard" or, where applicable, of the investment in an associate or a jointly controlled entity.

2.2 Changes and Errors in Accounting Policies

Significant changes in accounting policies are applied retrospectively and previous period financial statements are restated. The Group has not made any changes in its accounting policies during the current year.

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

2.2 Changes and Errors in Accounting Estimates

If changes in accounting estimates are related to only one period, they are applied prospectively in the current period in which the change is made; if they are related to future periods, they are applied prospectively both in the period in which the change is made and in future periods. There has been no significant change in the Group's accounting estimates during the current year. Significant accounting estimates and assumptions used in the preparation of consolidated financial statements are described in Note 3.25.

Identified material accounting errors are corrected retrospectively and previous period financial statements are rearranged. There is no material error detected by the Group in the current year.

2.3 Adoption of New and Revised Turkish Financial Reporting Standards

The accounting policies used in the preparation of consolidated financial statements for the accounting period ending 31 December 2023 have been applied consistently with those used in the previous year, except for the new and amended TFRS and TFRS interpretations valid as of 1 January 2023, summarized below. The effects of these standards and interpretations on the Group's financial position and performance are explained below.

i) New standard, amendments and interpretations effective as of January 1, 2023

TAS 8 Amendments – Definition of Accounting Estimates

In August 2021, POA issued amendments to TAS 8, in which it introduces a new definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date.

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

TAS 1 Amendments – Disclosure of Accounting Policies

In August 2021, POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added.

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

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

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

i) New standard, amendments and interpretations effective as of January 1, 2023 *(cont'd)*

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

In August 2021, POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized.

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

TAS 12 Amendments – 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. However, certain disclosure requirements are not required to be applied for any interim period ending on or before 31 December 2023.

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.

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

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

ii) Standards that have been published but have not entered into force and are not implemented early *(cont'd)*

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, 2024 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.

TAS 1 Amendments - Classification of liabilities as short and long term

In January 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 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 are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa.

Overall, the Group expects no significant impact on its balance sheet and equity.

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

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

ii) Standards that have been published but have not entered into force and are not implemented early *(cont'd)*

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. 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 to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. 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.

Overall, the Group expects no significant impact on its balance sheet and equity.

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 will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

Overall, the Group expects no significant impact on its balance sheet and equity.

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

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

iii) 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 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 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.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

The Group recognizes its financial assets in three classes: financial assets at amortized cost, financial assets at fair value reflected in profit or loss, and financial assets at fair value reflected in the other comprehensive income statement. Classification is made based on the business model and expected cash flows determined according to the purposes of utilizing financial assets. Management classifies financial assets on the date they are purchased.

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent measurement and classification

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Financial instruments (cont'd)

(a) Financial assets recognized at amortized cost

Financial assets where the management has adopted the business model of collecting contractual cash flows and the contractual terms include only principal and interest payments arising from the principal balance on certain dates, have fixed or determinate payments, are not traded in an active market and are not derivative instruments are classified as assets recognized at amortized cost. If their maturity is less than 12 months from the balance sheet date, they are classified as current assets, and if their maturity is longer than 12 months, they are classified as non-current assets. Financial assets recognized at amortized cost include "trade receivables" and "other receivables" items in the statement of financial position.

Trade and other receivables

Trade receivables arising as a result of the Group providing a product or service to a buyer are shown net of financing income. Short-term receivables without a determined interest rate are shown at their invoice value unless the interest accrual effect is significant.

Subsequent measurement and classification

(b) Financial assets measured at fair value through other comprehensive income

The Group measures a financial asset at fair value through other comprehensive income if both of the following conditions are met:

- holding the financial asset within the scope of a business model that aims to collect contractual cash flows and sell the financial asset,
- the contractual terms of the financial asset led to cash flows that include only principal and interest payments arising from the principal balance on certain dates.

In the initial recognition of an equity investment that is not held for trading purposes, the Group may make an irreversible choice to present subsequent changes in its fair value in other comprehensive income. This selection is made individually for each investment.

The following accounting policies apply to gains and losses arising from subsequent measurements:

Debt instruments measured at fair value through other comprehensive income	These assets are subsequently measured at fair value. Interest income, foreign currency gains and losses and impairment losses calculated using the effective interest method are recognized in profit or loss. Other gains and losses are recognized in other comprehensive income. When financial assets are derecognised, the total gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.
Equity instruments at fair value through other comprehensive income	These assets are subsequently measured at fair value. Dividends are recognized in profit or loss unless they are clearly a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are not reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (*cont'd)*

3.1 Financial instruments (*cont'd*)

Financial assets (cont'd)

Subsequent measurement and classification (cont'd)

(c) Financial assets at fair value through profit or loss

All financial assets that are not measured at amortized cost or at fair value through other comprehensive income as explained above are measured at fair value through profit or loss.

This category includes derivative instruments and listed equity investments that the Group has not irreversibly elected to classify as financial assets measured at fair value through other comprehensive income. Dividends from investments are recognized as other income in the statement of profit or loss when the right to payment is established.

Derecognition of financial assets

Financial assets (or, where applicable, part of a financial asset or part of a group of similar financial assets) are derecognized in the following situations. Mentioned situations are:

- Expiration of contractual rights regarding cash flows arising from the financial asset, or,

- The Group has transferred its contractual rights to receive cash flows from the asset, or retains the contractual rights to receive the cash flows of the financial asset but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When transferring a financial asset, the Group evaluates to what extent it will continue to retain the risks and returns arising from the ownership of this financial asset. If the Group transfers the right to receive cash flows from the asset but does not transfer all risks or benefits or does not transfer control over it, the asset is carried in the consolidated financial statements to the extent of the Group's ongoing relationship with the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (*cont'd)*

3.1 Financial instruments (*cont'd*)

Financial assets (cont'd)

Impairment

The Group allocates a provision for expected credit losses (ECLs) for all debt instruments whose fair value is not reflected in profit or loss.

ECLs are recorded in two stages.

- 12-month ECLs: At the reporting date, if there has not been a significant increase in the credit risk of a financial instrument since its initial recognition in the financial statements, the Group measures the allowance for the financial instrument in question at an amount equal to the 12-month expected credit losses,

- Lifetime ECLs: If the credit risk on a financial instrument has increased significantly since its initial recognition in the financial statements, at each reporting date, the Group measures the credit risk on that financial instrument at an amount equal to the lifetime expected credit losses.

For trade receivables, other receivables and contract assets, the Group applies a simplified approach in calculating ECLs. In addition, it recognizes a provision based on lifetime ECLs at each reporting date. Expected credit losses are calculated through a matrix based on actual credit loss experiences in the past years, also taking into account future forecasts.

Financial Liabilities

The Group's non-derivative financial liabilities consist of "borrowings", "trade payables" and "other payables" items in the statement of financial position.

i. Borrowings

Loans are first recorded at fair value, after deducting any transaction costs incurred. Borrowings are subsequently measured at amortized cost. The difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the borrowing period using the effective interest method. Fees paid to establish credit facilities are recognized as transaction costs of the loan if it is probable that some or all of the loan will be retired. In this case, the fee is postponed until the draw takes place. If there is no evidence that part or all of the loan will be retired, the fee is capitalized as a down payment for liquidity services and amortized over the term of the applicable loan.

Liabilities are removed from the financial statements in the balance sheet when the obligation specified in the contract is fulfilled, cancelled or expired.

3. SIGNIFICANT ACCOUNTING POLICIES (*cont'd)*

3.1 Financial instruments (*cont'd*)

Financial Liabilities (*cont'd*)

ii. Trade and other payables

Trade and other payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the debts arising from these liabilities are eliminated, cancelled or expired. An exchange of debt instruments with significantly different terms between an existing debtor and creditor or a significant change in the terms of an existing financial liability indicates that the old financial liability has been eliminated and a new financial liability must be recognized in the financial statements.

3.2 Related Parties

Related parties are individuals or businesses that are related to the entity that prepares its financial statements (reporting entity).

a) A person or a close member of that person's family is considered to be related to the reporting entity if:

(i) has control or joint control over the reporting entity,
(ii) has a significant impact on the reporting entity,
(iii) is a member of the key management personnel of the reporting entity or a parent of the reporting entity.

(b) An entity is considered related to a reporting entity if any of the following conditions are present:

(i)The entity and the reporting entity are members of the same group (that is, each parent, subsidiary and other subsidiary is related to the others).
(ii) The entity is a subsidiary or joint venture of the other entity (or a member of a group of which the other entity is a member).
(iii) If both businesses are joint ventures of the same third party.
(iv) If one of the entities is a joint venture of a third entity and the other entity is a subsidiary of that third entity.
(v) The entity has post-employment benefit plans for employees of the reporting entity or an entity related to the reporting entity.

If the reporting entity itself has such a plan, sponsoring employers are also associated with the reporting entity.

(vi) If the entity is controlled or jointly controlled by a person identified in (a).
(vii) a person identified in subparagraph (i) of (a) has significant influence over the entity or is a member of the key management personnel of that entity (or its parent).

A related party transaction is the transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a fee is charged.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Revenue recognition

The Group recognizes revenue in its consolidated financial statements within the scope of the five-stage model below, in line with TFRS 15 "Revenue from Customer Contracts Standard".

• Defining contracts with customers

• Defining performance obligations in contracts

• Determining the transaction price in contracts

• Distribution of the transaction price to performance obligations

• Revenue recognition

The Group evaluates the cement, clinker and aggregate amounts it undertakes in each contract made with customers and determines each commitment it makes to transfer the goods or services in question as a separate performance obligation. The group fulfils its performance obligations at a certain time by transferring the goods or services. When the Group fulfils its performance obligation by transferring a promised good or service to its customer, it records the transaction price corresponding to this performance obligation as revenue in its consolidated financial statements. When control of goods or services passes (or passes) to customers, the goods or services are transferred.

The Group takes into account the following criteria when evaluating the transfer of control of the goods or services sold to the customer:

- the Group's ownership of the right to collect receivables regarding the goods or services,
- the customer has legal ownership of the goods or services,
- transfer of possession of goods or services,
- the customer's ownership of significant risks and rewards arising from ownership of the goods or services,
- customer's acceptance of goods or services

Rental Income

Rental income is reflected in the consolidated financial statements when earned monthly.

Dividend

Dividend income from share investments is recorded when the shareholders' right to receive dividends arises (as long as the Group will receive economic benefits and it is possible to measure the income reliably).

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 Inventories

Inventories are valued at the lower of cost or net realizable value. Costs, including a portion of fixed and variable general production expenses, are valued according to the weighted average cost method of raw materials, semi-finished products, finished goods, commodity stocks and spare parts, according to the method appropriate to the class to which the inventory belongs. Net realizable value is obtained by deducting the estimated cost of completion and the estimated costs that must be incurred to realize the sale from the estimated sales price in ordinary commercial activity. When the net realizable value of inventories falls below their cost, the inventories are reduced to their net realizable value and reflected as an expense in the statement of profit or loss and other comprehensive income in the year in which the impairment occurs. In cases where the conditions that previously caused stocks to be reduced to net realizable value no longer apply or an increase in net realizable value is proven due to changing economic conditions, the impairment provision is cancelled. The cancelled amount is limited to the previously allocated impairment amount.

3.5 Business Combinations

Business acquisitions are recorded using the acquisition method. The amount transferred in a business combination is measured at fair value; The transferred amount is calculated as the sum of the fair values of the assets transferred by the acquirer at the date of acquisition, the debts assumed by the acquirer against the previous owners of the acquired enterprise, and the equity shares issued by the acquirer. Acquisition-related costs are generally recognized as an expense as soon as they are incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with TAS 12 Income Taxes and TAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with TFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with TFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the amount transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

3 SIGNIFICANT ACCOUNTING POLICIES (*cont'd)*

3.5 Business Combinations (*cont'd*)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another TFRS.

When the amount transferred by the Group in a business combination includes assets or liabilities resulting from a contingent amount, the contingent amount is measured at its acquisition-date fair value and included as part of the amount transferred in a business combination. Changes in the fair value of the contingent amount that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Subsequent accounting treatments for changes in the fair value of contingent amount that are not considered measurement period adjustments vary depending on the classification made for the contingent amount. Contingent amount classified as equity is not remeasured and any subsequent payment for it is recognized in equity. If the contingent amount classified as an asset or liability is a financial instrument and is within the scope of TAS 39 standard, the contingent amount is measured at fair value and the gain or loss resulting from the change is recognized in profit or loss or other comprehensive income. Those not within the scope of TAS 39 are accounted for in accordance with TAS 37 Provisions or other appropriate TAS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

The Group has applied TFRS 3 "Business Combinations".

Goodwill is not included in the financial statements due to the recognition of business combinations subject to joint control by pooling of interest. When applying the method of merging rights, the financial statements should be corrected and presented comparatively as of the beginning of the reporting period when the joint control occurred, as if the combination began from the beginning of that period. As it is appropriate to consider in the sense of the parent in the presentation of the business combinations subject to joint control in the financial statements, on and after the date of the acquisition of control by the entity having control of the group in the consolidation process over the entities under common control, the financial statements are restated as if that is done according to TFRS, in accordance with the provisions of TFRS including combination accounting. "The Effects of Business Combinations Under Common Control" account is used as an equalizing account under shareholders' equity in order to eliminate the possible asset - liability mismatch resulting from business combination subject to common control.

3 SIGNIFICANT ACCOUNTING POLICIES (*cont'd)*

3.6 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.7 Borrowing Costs

For qualifying assets that require a considerable amount of time to be ready for use and sale (assets that require a longer period of time to be ready for use and sale as intended), borrowing costs that can be directly related to the acquisition, construction or production of the related asset, it is capitalized as an element of cost until it is ready for sale. Borrowing costs that are not included in this scope are expensed as incurred. There isn't borrowing cost capitalized for the year ending as of 31 December 2023 (31 December 2022: None, 1 January 2022: None).

3.8 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits and other short-term investments with high liquidity and a maturity of 3 months or less than 3 months from the date of purchase which can be immediately converted to cash and do not have a significant risk of value change.

3.9 Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Lands held for use in the production or supply of goods or services, or for administrative purposes, are not subject to depreciation and stated by the fair value at the date of acquisition less any subsequent accumulated impairment losses.

Assets in the construction phase for administrative purposes or for other purposes that are not specified yet, are carried at cost, less any impairment. Legal fees are also included in the cost. In the case of assets that require significant time to be ready for use and sale, borrowing costs are capitalized. When these assets are completed and ready for use, they are classified in the related tangible fixed assets item. Such assets are depreciated when they are ready to use, as in the depreciation method used for other fixed assets.

3. SIGNIFICANT ACCOUNTING POLICIES (*cont'd)*

3.9 Property, Plant and Equipment (cont'd)

The cost of property, plant and equipment except land and construction in progress are depreciated on a straight-line basis over their estimated useful lives disclosed below. Expected useful life, residual value and depreciation method are reviewed every year for the possible effects of the changes occurring in the estimates and are accounted for prospectively if there is a change in the estimates.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Leasehold improvements are depreciated over their expected useful lives on the same basis as owned assets or lease terms if less than useful lives.

Depreciation periods of property, plant and equipment are as follows:

	Useful Life
Land improvements	1-50 Years
Buildings	10-50 Years
Plant, machinery and equipment	2-40 Years
Vehicles	5-7 Years
Furniture and Fixtures	4-20 Years
Leasehold improvements	5-50 Years

3.10 Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at the beginning of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

3. SIGNIFICANT ACCOUNTING POLICIES (*cont'd)*

3.10 Leases (cont'd)

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under TAS 37. The costs are included in the related right-of-use asset unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and included in 'other expenses' in profit or loss.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

3. SIGNIFICANT ACCOUNTING POLICIES (*cont'd)*

3.10 Leases (cont'd)

The Group as Lessor

The Group enters into lease agreements as a lessor for some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income from operating leases is accounted for on a straight-line basis during the relevant lease period. The direct initial costs incurred in the realization and negotiation of the operating lease are included in the cost of the leased asset and amortized over the lease term using the straight-line method.

Leases - the Group as lessor

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net outstanding investment in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Leases - the Group as lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the beginning of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (*cont'd)*

3.11 Discontinued operations and asset groups held for sale and related liabilities

A discontinued operation refers to the geographical portion of a business's main business line/operations that is planned to be disposed of or held for sale within the framework of a coordinated plan.

Details of the net profit or loss and net profit or loss of discontinued operations stated in the financial statements during the disposal of the assets or asset groups that constitute the discontinued operations are disclosed in the footnotes. In addition, net cash flows associated with operating, investing and financing activities of discontinued operations are stated in the relevant footnote.

Non-current asset groups are classified as non-current asset groups held for sale in cases where they will be recovered as a result of sales rather than through use. Liabilities directly associated with these assets are grouped accordingly.

Non-current assets or asset groups that meet the criteria for classification as held for sale are measured at the lower of their fair value, less sales costs, and their carrying value. No depreciation is allocated on these assets.

3.12 Intangible Assets

Intangible assets acquired

Intangible assets comprise acquired rights, computer software and rehabilitation assets reserved for mines are reflected in the consolidated financial statements with their accumulated amortization and net value after deducting the impairment, if any. Mining assets are amortized with the commencement of production, other assets according to their expected useful lives using the straight-line depreciation and production amount method. The estimated useful life and amortization method are reviewed at the end of each annual reporting period and the changes in the estimates are accounted for on a prospective basis.

The useful lives of intangible assets are as follows.

	Economic Life
Other rights/mining license rights	2 - 20 Years
Licenses	15 Years
Computer software	3 Years
Other intangible assets	2 – 50 Years

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.12 Intangible Assets (cont'd)

Mining license rights

Mining license rights; It consists of costs related to the purchase of mining sites. Mining license rights are stated in the financial statements with their net book value based on their acquisition costs, deducting accumulated depreciation and permanent impairment, if any. Depreciation expenses of mining license rights are associated with the production cost on the basis of the relevant mining areas. Depreciation expenses of mining license rights are amortized throughout the license period on the basis of the relevant mining areas.

Mining assets

Mining assets; consist of reduced costs such as mine site reclamation, rehabilitation and closure of the area. Mining assets are reflected with net book value in financial statements over the cost of acquisition after eliminated the accumulated depreciation and impairment losses. Mining assets are started to be amortized with the start of production. Depreciation expense of mining assets in some of the relevant mining sites is associated with the production cost.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Profit or loss arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

3.13 Impairment of Non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest of cash-generating units for identifying a reasonable and consistent allocation basis.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.13 Impairment of Non-financial assets (cont'd)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.14 Segment Reporting of Financial Information

The Group has two operating segments, cement and ready-mixed concrete, which contains information used by the management to evaluate their performance and decide on resource allocation (Note 3.27).

3.15 Effects of exchange differences

<u>Foreign Currency Transactions and Balances</u>

The results and financial position of the Group are expressed in TL, which is the functional currency of the Company, and the presentation currency for the financial statements.

In preparing the financial statements of the Group, transactions in currencies other than functional currency (foreign currencies other than TL) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated to Turkish Lira at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated to Turkish Lira at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- Exchange differences on transactions entered, in order to hedge certain foreign currency risks (see below for hedging accounting policies); and

- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.16 Provisions, Contingent Assets and Liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.17 Government Grants and Incentives

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. The government incentives as a financial instrument, should be associated with the balance sheet as unearned income rather than being recognized in profit or loss in order to clarify the expense item financed and should be systematically reflected in profit or loss during the economic life of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

Government grants that enable the payment of the reduced corporate tax with a discount are assessed in accordance with TAS 12 Income Taxes; and deferred tax asset is recognized on condition that it is probable to benefit from the tax advantage of making taxable profit in the future over the tax advantage amount for which is entitled.

3.18 Taxation

Tax expense includes current tax expense and deferred tax expense. Tax is included in the statement of profit or loss provided that it does not relate directly to a transaction recognized in equity. Otherwise, the tax is accounted under equity along with the relevant transaction.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.18 Taxation (cont'd)

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases which are used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Provided that they are subject to the tax legislation of the same country and there is a legally enforceable right to offset current tax assets from current tax liabilities, deferred tax assets and liabilities are mutually offset from each other.

If deferred tax is related to transactions directly associated with equity capital in the same or a different period, it is directly associated with the equity account group.

The Company recognizes a deferred tax asset for all deductible temporary differences arising from its interests in subsidiaries, if and only if both situations are probable:

- Temporary differences will reverse within the foreseeable future and
- There will be sufficient taxable income to use temporary differences.

The Company recognizes a deferred tax liability for all taxable temporary differences relating to its interests in subsidiaries, except where both of the following conditions are met:

- As the parent company, the company can control the reversal times of temporary differences
- Most likely the temporary difference will not reverse in the foreseeable future.

State incentives that enable reduced corporate tax payment are evaluated within the scope of TAS 12 Income Taxes standard; A deferred tax asset is recognized over the amount of the tax advantage, provided that it is highly probable to benefit from this advantage by obtaining taxable profit in the future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.18 Taxation (cont'd)

Deferred tax assets are recognized on the basis of all temporary differences and unused tax losses if it is probable that sufficient profits will be available to allow deductible temporary differences and unused tax losses in the future. In each balance sheet period, the Group reviews deferred tax assets and recognizes them by taking into account the possibility that they may be deducted in the future.

Current and deferred tax for the period

Current and deferred tax are recognized as in profit or loss, except when they relate to items that are recognized in directly in equity, in which case, the current and deferred tax are recognized in other comprehensive income.

3.19 Investment Properties

Investment properties are properties held for the purpose of rental income and/or capital appreciation and are shown at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of replacing any part of the existing investment property is included in the amount on the balance sheet if it meets the accepted criteria. The amount in question does not include daily maintenance on investment properties. The straight-line method is used in the depreciation of investment properties. The depreciation period for investment properties is 8 - 30 years.

Investment properties are derecognized if they are sold or become unusable and it is determined that no future economic benefit will be obtained from their sale. Profit/loss arising from the derecognition or sale of investment real estate is included in the statement of profit or loss and other comprehensive income in the period in which it occurs.

When the use of a property changes such that it is reclassified as property, plant and equipment, its historical cost becomes its cost for subsequent accounting. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, Plant and Equipment" up to the date of change in use.

3.20 Capital and Dividends

Common shares are classified as equity. Dividends distributed on common shares are recorded as deducted from accumulated profit in the period in which they are declared.

3.21 Earnings Per Share

Earnings per share stated in the statement of profit or loss and other comprehensive income are calculated by dividing the net profit by the weighted average number of shares outstanding during the year.

In Turkey, companies can increase their capital by distributing "bonus shares" to their shareholders from retained earnings. Such "bonus share" distributions are treated as issued shares in earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations was found by taking into account the retrospective effects of the stock distributions in question.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.22 Events After The Reporting Period

Events after the reporting period; It covers all events between the balance sheet date and the date of authorization for publication of the balance sheet, even if they occurred after any announcement regarding the profit or other selected financial information has been disclosed to the public.

If events requiring adjustment occur after the balance sheet date, the Group adjusts the amounts included in the financial statements in accordance with this new situation.

3.23 Employee Benefits

Provision for employment termination benefits

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Company. Such payments are considered as being part of defined retirement benefit plan as per revised TAS 19 Employee Benefits ("TAS 19").

The employment termination benefit recognized in the balance sheet was calculated according to the net present value of the liability amounts expected to arise in the future due to the retirement of all employees and reflected in the financial statements. All calculated actuarial gains and losses are accounted for under other comprehensive income.

Provision for senior labour incentive premium

The Group has a benefit under the name of "seniority incentive premium" paid to its employees with a certain seniority. The seniority incentive premium provision accrued in the financial statements represents the discounted value of the estimated total provision of possible future liabilities to the present time.

The Group used actuarial valuation methods for the calculation of the provision for severance incentive premium in the financial statements.

Defined benefit plans

The Group has to pay contributions to the Social Security Institution on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. These contributions are recognised as an employee benefit expense when they are accrued.

Unused vacation rights

The Group is obliged to pay the number of days with the number of days but not with the number of days that have been paid but not used in case of termination of the employees, by multiplying the total daily gross wage and other contractual benefits. In this context, the Group recognizes the unused vacation days provision for employee benefits. The Group's expectation is that it will not be possible to fulfil all of the unused vacation days in twelve months following the annual reporting period, hence such provision provisions are classified in the long term provisions for employee benefits.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.24 Provision for rehabilitation

The Group records the present value of the estimated costs of legal and constructive obligations required to restore mines in the period when the liability is occurred. These restoration activities include the closure and restoration of mine areas, and the improvement and afforestation of the affected areas.

Obligation usually occurs when the asset is installed or the place / environment in the production area is adversely affected. When the liability is initially recognized, the present value of the estimated costs is capitalized on the net book value of the respective mining assets. The liability that is discounted over time is increased by the change in the present value, which reflects the market assessments and the risks specific to the liability in the current period.

Changes in additional deterioration or rehabilitation costs are reflected to the related asset and rehabilitation obligations as incurred or incurred.

3.25 Significant Accounting Judgements, Estimates and Assumptions

Critical judgments in applying the Group's accounting policies

The Group makes estimates and assumptions while preparing consolidated financial statements in accordance with TFRS in the process of applying the accounting policies specified in Note 3. Accounting estimates rarely produce exactly the same results as actual events. Estimates and assumptions that may cause significant adjustments to the carrying value of assets and liabilities in the next financial reporting period are stated below.

Impairment on goodwill

The Group annually tests the impairment of goodwill in accordance with the accounting policy set out in Note 3.6. Recoverable amounts of cash-generating units require management estimates to determine their value at use or cost-of-sale reduced fair value included in fair value calculations. These estimates include assumptions about profitability, turnover growth, investment spending. The difference between realizations and actual results may affect recoverable value.

Expected loss allowance for doubtful receivables

When measuring expected loss allowances on trade receivables, the Group uses reasonable and supportable forecasts based on assumptions about different future economic conditions and how these conditions will affect each other. While the provision is calculated to cover future losses for receivables that have a risk of not being collected within the framework of current economic conditions as of the balance sheet date, the provision amount is calculated by making an estimate of the loss that will occur in case of default for receivables that are not impaired as of the balance sheet date, in line with future expectations. The provisions recorded by the Group management for the risk of non-collection of trade receivables as of the relevant balance sheet date are explained in Note 6.

Provision for legal cases

While making the provision for legal cases, the probability of losing the relevant lawsuits and the consequences to be incurred in case of loss are evaluated in line with the opinions of the Group's lawyers and the Group Management makes the best estimates using the available data and is reflected in the consolidated financial statements by estimating the required provision (Note 17).

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.25 Significant Accounting Judgements, Estimates and Assumptions (cont'd)

Useful lives of property, plant and equipment, intangible assets and investment properties

Group management makes significant assumptions in determining the useful lives of property, plant and equipment, intangible assets in accordance with technical team's experience. (Note: 10, 11 and 12).

Employee benefits

The Group makes various assumptions in the calculation of employment termination and retirement benefits and provision for seniority incentive premium such as discount rate, inflation rate, real salary increase rate, and the possibility of turnover. The assumptions used in the calculation of the liability are given in Note 19 in detail.

Provision for rehabilitation

The Group recognized the present value of the estimated costs of legal obligations required to restore mines in the period in which the obligation occurred. Due to the large number of factors that may affect the final liability to be paid, important estimates and assumptions are made in determining the rehabilitation provision. These factors include estimates of the scope and cost of rehabilitation activities, technological changes, changes in regulations, cost increases in proportion to inflation rates and changes in discount rates. These uncertainties may cause future expenditures to differ from those estimated today.

Provision for land occupation

It includes the management estimate regarding the payments that have to be paid to the state or individuals as a result of the use of privately owned areas under the control of the state.

Provision for impairment on inventories

Regarding inventory impairment provision, physical conditions of inventories are analysed, and their disposability is determined upon the opinion of the technical personnel. In the determination of net realizable value of inventories, data regarding the standard selling price and presumptions are made regarding the possible sale expenses. Based on these analyses, provision is booked for obsolete inventories and for inventories the net realizable value of which is below their cost values.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.25 Significant Accounting Judgements, Estimates and Assumptions (cont'd)

Deferred Tax

Deferred tax assets represent receivables related to deductible temporary differences, unused financial losses transferred to future periods and unused tax incentives transferred to future periods.

Deferred tax assets are not calculated for (continuous) amounts that are not available for deduction in terms of tax legislation.

The Group recorded its deferred tax asset as of 31 December 2023, since it is highly probable that sufficient profit will arise that will result in tax liability that will be netted off in the following periods.

3.26 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 financial position statements, profit or loss and other comprehensive income and expense statements as of 31 December 2022 and 1 January 2022 are as follows:

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

		Previously reported	Adjustments	Restated
Assets	**Notes**	**1 January 2022**		**1 January 2022**
Current assets				
Cash and cash equivalents		852.118.949	138.495.947	990.614.896
Financial investments		437.798.084	-	437.798.084
Trade receivables		3.371.559.493	272.699.750	3.644.259.243
Trade receivables from related parties		*351.054.379*	*(12.668.584)*	*338.385.795*
Trade receivables from third parties		*3.020.505.114*	*285.368.334*	*3.305.873.448*
Other receivables		51.607.844	293.392.667	345.000.511
Other receivables from related parties		39.503.159	144.738.821	*184.241.980*
Other receivables from third parties		12.104.685	148.653.846	*160.758.531*
Inventories		2.543.625.659	255.190.131	2.798.815.790
Prepaid expenses		189.811.717	64.719.985	254.531.702
Other current assets		58.766.644	53.720.386	112.487.030
Assets held for sale		60.868.613	1.604.172.200	1.665.040.813
Total current assets	**A**	7.566.157.003	2.682.391.066	10.248.548.069
Non-current assets				
Financial investments		-	11.290.249	11.290.249
Other receivables		13.480.260	5.832.918	19.313.178
Other receivables from third parties		*13.480.260*	*5.832.918*	*19.313.178*
Investment properties		211.937.773	-	211.937.773
Tangible assets		12.176.781.679	1.377.021.621	13.553.803.300
Right of use assets		155.648.198	6.975.548	162.623.746
Intangible assets		520.174.591	3.074.005.343	3.594.179.934
Goodwill		*93.784.841*	*3.016.474.071*	*3.110.258.912*
Other intangible assets		*426.389.750*	*57.531.272*	*483.921.022*
Prepaid expenses		119.446.697	8.380.592	127.827.289
Other non-current assets		7.275.854	-	7.275.854
Total non-current assets	**A**	13.204.745.052	4.483.506.271	17.688.251.323
Total assets	**A**	20.770.902.055	7.165.897.337	27.936.799.392

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

		Previously reported	**Adjustments**	**Restated**
Liabilities	**Notes**	**1 January 2022**		**1 January 2022**
Current liabilities				
Short-term financial liabilities		359.844.524	1.488.515.079	1.848.359.603
Short-term portion of long-term financial liabilities		13.533.591	23.462.668	36.996.259
Short-term lease liabilities		21.352.033	3.491.496	24.843.529
Trade payables		2.745.091.674	185.932.808	2.931.024.482
Trade payables from related parties		*473.604.407*	*(32.756.828)*	*440.847.579*
Trade payables from third parties		*2.271.487.267*	*218.689.636*	*2.490.176.903*
Employee benefit liabilities		44.210.217	17.967.076	62.177.293
Other payables		59.261.834	8.005.127	67.266.961
Other payables to related parties		*9.976.686*	-	*9.976.686*
Other payables to third parties		*49.285.148*	*8.005.127*	*57.290.275*
Contract liabilities		154.673.980	6.616.791	161.290.771
Current income tax liabilities		188.744.628	8.437.249	197.181.877
Short-term provisions		165.316.841	30.040.809	195.357.650
Provisions for employee termination benefits		*74.299.412*	*21.383.073*	*95.682.485*
Other short-term provisions		*91.017.429*	*8.657.736*	*99.675.165*
Other current liabilities		235.340	5.247.061	5.482.401
Liabilities related to assets held for sale		-	262.521.150	262.521.150
Total current liabilities	**A**	3.752.264.662	2.040.237.314	5.792.501.976
Non-current liabilities				
Long-term financial liabilities		812.015.431	-	812.015.431
Long-term Lease liabilities		57.374.761	4.298.317	61.673.078
Other payables		-	9.274.010.931	9.274.010.931
Other payables to third parties		-	*9.274.010.931*	*9.274.010.931*
Contract liabilities		10.908.368	1.945.396	12.853.764
Long-term provisions		504.010.894	71.323.509	575.334.403
Long-term provisions for employment termination benefits		*487.070.327*	*68.464.886*	*555.535.213*
Other long-term provisions		*16.940.567*	*2.858.623*	*19.799.190*
Deferred tax liabilities		1.207.441.408	135.132.013	1.342.573.421
Total non-current liabilities		2.591.750.862	9.486.710.166	12.078.461.028
Total liabilities	**A**	6.344.015.524	11.526.947.480	17.870.963.004

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

	Notes	Previously reported 1 January 2022	Adjustments	Restated 1 January 2022
Equity holders of the parent		14.426.886.531	(4.361.050.143)	10.065.836.388
Paid-in share capital		1.159.793.441	-	1.159.793.441
Adjustment to share capital		6.936.406.728	-	6.936.406.728
Repurchased shares (-)		(27.995.331)	-	(27.995.331)
Share premiums		945.905	-	945.905
Other comprehensive income / (losses) not to be reclassified under profit or losses		-	-	-
- *Gains (Losses) on remeasurement of defined benefit plans*		-	-	-
Other comprehensive income / (losses) to be reclassified under profit or losses		(178.688.644)	(24.905.976)	(203.594.620)
- *Foreign currency translation differences*		*(178.688.644)*	*(24.905.976)*	*(203.594.620)*
Restricted reserves		4.370.607.551	49.935.083	4.420.542.634
Business combinations under common control		-	(4.386.079.250)	(4.386.079.250)
Retained earnings		2.165.816.881	-	2.165.816.881
Total shareholders' equity	**A**	14.426.886.531	(4.361.050.143)	10.065.836.388
Total liabilities and shareholders' equity	**A**	20.770.902.055	7.165.897.337	27.936.799.392

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Assets	**Notes**	**Previously reported 31 December 2022**	**Adjustments**	**Restated 31 December 2022**
Current Assets				
Cash and cash equivalents	B	2.917.883.261	272.212.207	3.190.095.468
Financial investments	B	438.784.571	218.526.810	657.311.381
Trade receivables		4.296.323.143	206.113.651	4.502.436.794
Trade receivables from related parties		*415.329.187*	*(152.620.789)*	*262.708.398*
Trade receivables from third parties		*3.880.993.956*	358.734.440	*4.239.728.396*
Other receivables		34.301.521	545.219.243	579.520.764
Other receivables from related parties		*7.308.540*	*172.928.247*	*180.236.787*
Other receivables from third parties		*26.992.981*	*372.290.996*	*399.283.977*
Inventories		3.450.003.607	310.995.888	3.760.999.495
Prepaid expenses		311.272.814	35.333.302	346.606.116
Other current assets		9.447.436	55.014.483	64.461.919
Assets held for sale		64.883.257	2.296.319.645	2.361.202.902
Total current assets	**A**	11.522.899.610	3.939.735.229	15.462.634.839
Non-current assets				
Financial investments		-	11.290.249	11.290.249
Other receivables		6.078.679	1.688.411	7.767.090
- Other receivables from third parties		*6.078.679*	*1.688.411*	*7.767.090*
Investment properties		211.441.279	-	211.441.279
Tangible assets		12.108.254.091	1.602.709.165	13.710.963.256
Right of use assets		217.494.678	609.107	218.103.785
Intangible assets		447.240.574	3.104.792.423	3.552.032.997
- Goodwill		*93.784.841*	*3.016.474.071*	*3.110.258.912*
- Other intangible assets		*353.455.733*	*88.318.352*	*441.774.085*
Prepaid expenses		107.298.544	44.742.713	152.041.257
Deferred tax asset		2.064.696.147	365.574.269	2.430.270.416
Other non-current assets		3.181.428	-	3.181.428
Total non-current assets	**A**	15.165.685.420	5.131.406.337	20.297.091.757
Total assets	**A**	26.688.585.030	9.071.141.566	35.759.726.596

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Liabilities	Notes	Previously reported 31 December 2022	Adjustments	Restated 31 December 2022
Current liabilities				
Short-term financial liabilities		1.446.938.413	774.483.374	2.221.421.787
Short-term portion of long-term financial liabilities		-	548.340.640	548.340.640
Short-term lease liabilities		28.358.553	390.138	28.748.691
Trade payables		3.149.090.644	182.522.740	3.331.613.384
Trade payables from related parties		668.325.017	(67.815.457)	*600.509.560*
Trade Payables from third parties		2.480.765.627	250.338.197	*2.731.103.824*
Employee benefit liabilities		72.414.810	8.122.527	80.537.337
Other payables		142.924.312	787.075.800	930.000.112
Other payables to related parties		*7.350.938*	*739.720.027*	*747.070.965*
Other payables to third parties		*135.573.374*	*47.355.773*	*182.929.147*
Contract liabilities		186.723.741	37.722.949	224.446.690
Current income tax liabilities		411.482.282	19.308.596	430.790.878
Short-term provisions		332.687.789	71.849.258	404.537.047
Provisions for employment termination benefits		*176.072.409*	*47.473.398*	*223.545.807*
Other short-term provisions		*156.615.380*	*24.375.860*	*180.991.240*
Other current liabilities		718.195	68.902	787.097
Liabilities related to assets held for sale		-	309.395.974	309.395.974
Total current liabilities	**A**	5.771.338.739	2.739.280.898	8.510.619.637
Non-current Liabilities				
Long-term financial liabilities		-	120.460.066	120.460.066
Long-term lease liabilities		67.744.085	203.149	67.947.234
Trade payables		-	306.504	306.504
- *Trade payables to third parties*		-	*306.504*	*306.504*
Other payables		-	7.597.035.290	7.597.035.290
- *Other payables to third parties*		-	*7.597.035.290*	*7.597.035.290*
Contract liabilities		*2.213.509*	710.562	2.924.071
Long-term provisions		738.565.971	124.419.973	862.985.944
Long-term provisions for employment termination benefits		*692.592.994*	*102.752.665*	*795.345.659*
Other long-term provisions		*45.972.977*	*21.667.308*	*67.640.285*
Total non-current liabilities		808.523.565	7.843.135.544	8.651.659.109
Total liabilities	**A**	6.579.862.304	10.582.416.442	17.162.278.746

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.26 Comparative Information and Restatement Of Prior Period Consolidated Financial Statements (cont'd)

	Notes	Previously reported 31 December 2022	Adjustments	Restated 31 December 2022
Equity holders of the parent		20.108.722.726	(1.511.274.876)	18.597.447.850
Paid-in share capital		1.159.793.441	-	1.159.793.441
Adjustment to share capital		6.936.406.728	-	6.936.406.728
Repurchased shares (-)		(27.995.331)	-	(27.995.331)
Share premiums		945.905	-	945.905
Items not to be reclassified under profit or losses		(217.018.930)	(29.904.693)	(246.923.623)
- *Gains (Losses) on remeasurement of defined benefit plans*		*(217.018.930)*	*(29.904.693)*	*(246.923.623)*
Items to be reclassified under profit or losses		(213.485.816)	(34.523.036)	(248.008.852)
- *Foreign currency translation differences*		*(213.485.816)*	*(34.523.036)*	*(248.008.852)*
Restricted reserves		4.370.607.551	49.935.083	4.420.542.634
Business combinations under common control		-	(4.386.079.250)	(4.386.079.250)
Retained earnings		2.165.816.881	-	2.165.816.881
Net profit for the period		5.933.652.297	2.889.297.020	8.822.949.317
Total shareholders' Equity	**A**	20.108.722.726	(1.511.274.876)	18.597.447.850
Total liabilities and shareholders' Equity	**A**	26.688.585.030	9.071.141.566	35.759.726.596

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Profit or loss		Previously reported 1 January– 31 December 2022	Adjustments	Restated 1 January– 31 December 2022
Revenue		23.696.052.342	2.616.682.590	26.312.734.932
Cost of sales (-)		(18.214.338.597)	(1.641.629.541)	(19.855.968.138)
Gross profit		5.481.713.745	975.053.049	6.456.766.794
General administrative expenses (-)		(869.900.180)	(113.651.857)	(983.552.037)
Marketing expenses (-)		(129.445.689)	(8.305.390)	(137.751.079)
Research and development expenses (-)		(40.065.009)	(1.736.020)	(41.801.029)
Other income from operating activities		605.572.502	317.977.844	923.550.346
Other expenses from operating activities (-)		(372.401.576)	(124.707.012)	(497.108.588)
Operating profit	**A**	4.675.473.793	1.044.630.614	5.720.104.407
Income from investment activities	**B**	69.071.002	39.115.904	108.186.906
Expenses from investment activities (-)		(34.821.881)	(281.308)	(35.103.189)
Operating profit before financial income (expense)	**A**	4.709.722.914	1.083.465.210	5.793.188.124
Finance income	**B**	251.490.191	504.935.436	756.425.627
Finance expense (-)		(512.012.641)	(2.574.245.775)	(3.086.258.416)
Monetary loss / gain		(80.477.402)	3.051.855.380	2.971.377.978
Profit before tax	**A**	4.368.723.062	2.066.010.251	6.434.733.313
Tax expense		1.564.929.235	883.122.077	2.448.051.312
Current tax expense		(1.201.631.086)	(61.430.533)	(1.263.061.619)
Deferred tax (expense)/income		2.766.560.321	944.552.610	3.711.112.931
Net profit for the period from continuing operations	**A**	5.933.652.297	2.949.132.328	8.882.784.625
Net profit/(loss) for the period from discontinued operations		-	(59.835.308)	(59.835.308)
Net profit for the period		5.933.652.297	2.889.297.020	8.822.949.317
Net profit for the period attributable to				
Equity Holders of the Parent		5.933.652.297	2.889.297.020	8.822.949.317
Non-controlling Interests		-	-	-
Earnings per share				
Earnings per share (nominal value of TL 1)		5,12	2,49	7,61
Other comprehensive income				
Other comprehensive income		(251.816.102)	(39.521.753)	(291.337.855)
Items not to Be Reclassified to Profit or Loss:				
- Gains / (Losses) on Remeasurement of Defined Benefit Plans		(271.273.663)	(37.380.866)	(308.654.529)
Taxes Related to Other Comprehensive Income		54.254.733	7.476.173	61.730.906
Items to Be Reclassified to Profit or Loss:				
- Foreign Currency Translation Differences		(34.797.172)	(9.617.060)	(44.414.232)
Total comprehensive income	**A**	5.681.836.195	2.849.775.267	8.531.611.462
Total comprehensive income attributable to				
Owners of the Parent		5.681.836.195	2.849.775.267	8.531.611.462
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 financial position dated 31 December 2022, the Group classified time deposits with a maturity of more than three months amounting to 218.019.399 TL, presented under cash and cash equivalents, to the financial investments account.
In the consolidated statement of profit or loss and other comprehensive income for the period 1 January 2022 – 31 December 2022, the Group has classified the interest income from securities amounting to 35.508.094 TL presented under financial income to the income from investment activities account.

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.27 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 years ended at 31 December 2023 and 31 December 2022.

a) Statement of Profit or Loss by Segments

1 January - 31 December 2023	**Ready-mixed Concrete**	**Cement**	**Total**
PROFIT OR LOSS			
Revenue	8.534.347.102	22.165.399.712	30.699.746.814
Cost of Sales (-)	(7.850.274.457)	(13.575.367.032)	(21.425.641.489)
GROSS PROFIT	**684.072.645**	**8.590.032.680**	**9.274.105.325**
General Administrative Expenses (-)	(105.091.447)	(953.636.154)	(1.058.727.601)
Marketing Expenses (-)	(46.677.612)	(144.573.856)	(191.251.468)
Research and Development Expenses (-)	(64.304.860)	(2.194.097)	(66.498.957)
Other Income from Operating Activities	6.064.247	1.059.370.170	1.065.434.417
Other Expenses from Operating Activities (-)	(51.563.660)	(1.261.334.230)	(1.312.897.890)
PROFIT (LOSS) FROM OPERATING ACTIVITIES	**422.499.313**	**7.287.664.513**	**7.710.163.826**

1 January - 31 December 2022	Ready-mixed Concrete	Cement	Total
PROFIT OR LOSS			
Revenue	6.423.471.912	19.889.263.020	26.312.734.932
Cost of Sales (-)	(5.735.261.775)	(14.120.706.363)	(19.855.968.138)
GROSS PROFIT	688.210.137	5.768.556.657	6.456.766.794
General Administrative Expenses (-)	(116.982.281)	(866.569.756)	(983.552.037)
Marketing Expenses (-)	(25.005.950)	(112.745.129)	(137.751.079)
Research and Development Expenses (-)	(40.064.138)	(1.736.891)	(41.801.029)
Other Income from Operating Activities	14.526.605	909.023.741	923.550.346
Other Expenses from Operating Activities (-)	(5.001.059)	(492.107.529)	(497.108.588)
PROFIT (LOSS) FROM OPERATING ACTIVITIES	515.683.314	5.204.421.093	5.720.104.407

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.27 Segment Reporting (cont'd)

b) Assets and Liabilities According to Segments

31 December 2023	**Ready-mixed Concrete**	**Cement**	**Undistributed**	**Total**
Assets and liabilities				
Inventories	177.794.899	3.913.750.178	-	4.091.545.077
Property, plant and equipment	1.667.068.340	12.435.150.854	-	14.102.219.194
Intangible assets	8.549.935	3.636.915.481	-	3.645.465.416
Undistributed assets	-	-	13.536.860.789	13.536.860.789
Total assets	**1.853.413.174**	**19.985.816.513**	**13.536.860.789**	**35.376.090.476**
Undistributed liabilities	-	-	8.709.943.853	8.709.943.853
Total liabilities	**-**	**-**	**8.709.943.853**	**8.709.943.853**

31 December 2022	Ready-mixed Concrete	Cement	Undistributed	Total
Assets and liabilities				
Inventories	131.183.508	3.629.815.987	-	3.760.999.495
Property, plant and equipment	1.159.878.747	12.551.084.509	-	13.710.963.256
Intangible assets	9.941.008	3.542.091.989	-	3.552.032.997
Undistributed assets	-	-	14.735.730.848	14.735.730.848
Total assets	1.301.003.263	19.722.992.485	14.735.730.848	35.759.726.596
Undistributed liabilities	-	-	17.162.278.746	17.162.278.746
Total liabilities	-	-	17.162.278.746	17.162.278.746

1 January 2022	Ready-mixed Concrete	Cement	Undistributed	Total
Assets and liabilities				
Inventories	181.477.337	2.617.338.453	-	2.798.815.790
Property, plant and equipment	932.326.441	12.621.476.859	-	13.553.803.300
Intangible assets	16.330.054	3.577.849.880	-	3.594.179.934
Undistributed assets	-	-	7.990.000.368	7.990.000.368
Total assets	1.130.133.832	18.816.665.192	7.990.000.368	27.936.799.392
Undistributed liabilities	-	-	17.870.963.004	17.870.963.004
Total liabilities	-	-	17.870.963.004	17.870.963.004

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

4. CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022	1 January 2022
Bank	**5.133.121.000**	3.019.231.880	922.645.874
Demand deposits	***50.479.234***	*53.644.080*	*25.508.574*
Time deposits with a maturity of less than three months	***5.082.641.766***	*2.965.587.800*	*897.137.300*
Other cash and cash equivalents (*)	**166.782.159**	170.863.588	67.969.022
Cash and cash equivalents on the financial statement	**5.299.903.159**	3.190.095.468	990.614.896
Less: Interest accruals	**(118.681.772)**	(53.644.080)	(704.668)
Cash and cash equivalents in the statement of cash flows	**5.181.221.387**	3.136.451.388	989.910.228

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

Detailed information on time deposits as of 31 December 2023, 31 December 2022 and 1 January 2022 is as follows:

Currency	**Maturity**	**Foreign currency amount**	**Gross interest rate (%)**	**31 December 2023**
TL	January 2024 – March 2024	3.994.795.868	%5,25-%46,00	3.994.795.868
USD	January 2024	30.543.659	%0,01-%5,55	899.150.332
EURO	January 2024	5.792.845	%1,60-%4,00	188.695.566
				5.082.641.766

Currency	Maturity	Foreign currency amount	Gross interest rate (%)	31 December 2022
TL	January 2023 – March 2023	2.261.524.272	%5,75-%30,00	2.261.524.272
USD	January 2023	26.891.268	%0,01-%3,00	502.821.000
EURO	January 2023	8.567.244	%1	170.787.126
RON	January 2023	7.602.067	%0,46	30.455.402
				2.965.587.800

Currency	Maturity	Foreign currency amount	Gross interest rate (%)	1 January 2022
TL	January 2022	469.714.695	%15,00-%26,00	469.714.695
USD	January 2022	22.606.881	%0,05-%0,75	301.309.357
EURO	January 2022	6.887.697	%0,01	103.912.754
RON	January 2022	7.323.029	%0,35	22.200.494
				897.137.300

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

5. RELATED PARTY DISCLOSURES

Salaries and other benefits for key management personnel

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

	1 January– 31 December 2023	1 January– 31 December 2022
Salaries and other short-term benefits	**165.074.270**	111.750.825
	165.074.270	111.750.825

The Group carries out various transactions with related parties during its activities. The balances of the related parties as of 31 December 2023, 31 December 2022 and 1 January 2022 and the transaction amounts and balances made with these institutions are explained as follows:

Deposits in OYAK Anker Bank GmbH managed by the ultimate parent	**31 December 2023**	31 December 2022	1 January 2022
Time deposits (*)	**1.453.298.630**	461.926.356	**-**

(*) The maturity of the time deposit is February 2024 (31 December 2022: maturity between January and June 2023, interest rates are in the range of 26%-30%; 1 January 2022: None) and interest rate of time deposit is %39.

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

5. 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
Ultimate parent					
Ordu Yardımlaşma Kurumu (OYAK)	-	-	31.320.536	-	-
Parent					
Cimpor Global Holdings BV	108.778	-	-	-	1.093.089.908(*)
Other companies managed by the ultimate parent					
OYAK İnşaat A.Ş.	124.609.959	-	-	-	-
İskenderun Demir ve Çelik A.Ş.	3.304.375	-	-	-	-
OYAK Çimento Enerji A.Ş.	119.566	-	-	-	-
OYAK Selülöz ve Kağıt Fabrikaları A.Ş.	11.402	2.870	1.440	-	-
OYAK Grup Sigorta ve Reasurans Brokerlığı A.Ş.	-	-	223.025.326	-	-
OYKA Kağıt Ambalaj San. ve Tic. A.Ş.	-	-	92.314.537	-	-
OYAK Yenilenebilir Enerji A.Ş.	-	-	76.284.000	-	-
Doco Petrol ve Danışmanlık A.Ş.	-	-	62.387.128	-	-
OYAK Pazarlama Hizmet ve Turizm A.Ş.	-	-	47.173.623	-	-
Kümaş Manyezit Sanayi A.Ş.	-	-	39.573.531	-	-
OYAK Savunma ve Güvenlik Sistemleri A.Ş.	-	-	31.297.407	-	-
Akdeniz Chemson Kimya Sanayi ve Ticaret A.Ş.	-	-	28.203.570	-	-
Ereğli Demir Çelik Fabrikaları T.A.Ş.	-	-	25.670.689	-	-
Omsan Denizcilik A.Ş.	-	-	24.702.802	-	-
İndisol Bilişim ve Teknoloji Hizmetleri A.Ş.	-	-	9.363.403	-	-
OYAK Akaryakıt ve LPG Yatırımları A.Ş.	-	-	7.230.925	-	-
Güzel Enerji Akaryakıt A.Ş.	-	-	6.716.818	-	-
Satem Grup Gıda Dağıtım Ve Pazarlama A.Ş.	-	-	1.777.653	-	-
OYAK Elektrik Enerjisi Toptan Satış A.Ş.	-	-	1.563.963	-	-
İskenderun Enerji Üretim ve Tic.A.Ş.	-	-	1.425.949	-	-
Omsan Havacılık A.Ş.	-	-	471.861	-	-
Mais Motorlu Araçlar İmal ve Satış A.Ş.	-	-	408.188	-	-
Omsan Lojistik A.Ş.	-	-	193.666	-	-
Miilüx Yüksek Mukavemetli Çelik Üretim A.Ş.	-	-	91.490	-	-
ATAER Holding A.Ş.	-	-	71.901	-	-
Likitgaz Dağıtım ve Endüstri A.Ş.	-	-	56.624	-	-
OYAK Yatırım Menkul Değerler A.Ş.	-	-	47.250	-	-
Oytaş İç ve Dış Ticaret A.Ş.	-	-	-	4.920.337	-
Other	-	-	-	1.029.950	-
Other companies managed by the parent					
Cimpor Cote D'Ivoire	61.109.234	17.954.145	-	-	-
Cimpor Cameroun SA	40.469.174	13.098.470	-	-	-
Cimpor-Serviços S.A.	7.252.531	311.169	-	-	-
Cimpor - Industria de Cimentos	2.630.440	-	-	-	-
Betao Liz, S.A.	1.413.283	-	-	-	-
Cimpor Ghana	777.992	-	-	-	-
	241.806.734	31.366.654	711.374.280	5.950.287	1.093.089.908

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

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

5. RELATED PARTY DISCLOSURES (cont'd)

31 December 2022	Receivables		Payables		
	Short-term		Short-term		Long-term
Balances with related parties	Trade	Non-trade	Trade	Non-trade	Non-trade
Ultimate parent					
Ordu Yardımlaşma Kurumu (OYAK)	-	-	30.256.377	491.249	-
Parent					
Cimpor Global Holdings BV	37.361	-	-	-	7.597.035.290(*)
Other companies managed by the ultimate parent					
OYAK İnşaat A.Ş.	92.123.198	-	-	-	-
Akdeniz Chemson Kimya Sanayi ve Ticaret A.Ş.	16.936	-	11.502.771	-	-
OYAK Selüloz ve Kağıt Fabrikaları A.Ş.	-	1.496	-	-	-
Kümaş Manyezit Sanayi A.Ş.	-	-	149.228.076	-	-
İskenderun Demir ve Çelik A.Ş.	-	-	73.731.254	-	-
OYAK Grup Sigorta ve Reasurans Brokerlığı A.Ş.	-	-	72.565.429	-	-
Omsan Denizcilik A.Ş.	-	-	56.391.989	-	-
Ereğli Demir Çelik Fabrikaları T.A.Ş.	-	-	50.272.046	-	-
OYKA Kağıt Ambalaj San. ve Tic. A.Ş.	-	-	48.737.427	-	-
Doco Petrol ve Danışmanlık A.Ş.	-	-	39.242.660	-	-
OYAK Pazarlama Hizmet ve Turizm A.Ş.	-	-	38.161.208	-	-
OYAK Savunma ve Güvenlik Sistemleri A.Ş.	-	-	11.656.719	-	-
Omsan Lojistik A.Ş.	-	-	8.741.981	-	-
OYAK Akaryakıt ve LPG Yatırımları A.Ş.	-	-	3.932.914	-	-
İskenderun Enerji Üretim ve Tic.A.Ş.	-	-	2.817.452	-	-
Güzel Enerji Akaryakıt A.Ş.	-	-	2.109.709	-	-
Satem Grup Gıda Dağıtım Ve Pazarlama A.Ş.	-	-	707.464	-	-
OYAK Elektrik Enerjisi Toptan Satış A.Ş.	-	-	183.221	-	-
ATAER Holding A.Ş.	-	-	88.440	-	-
Mais Motorlu Araçlar İmal ve Satış A.Ş.	-	-	52.940	-	-
Likitgaz Dağıtım ve Endüstri A.Ş.	-	-	46.074	-	-
OYAK Yatırım ve Menkul Değerler A.Ş.	-	-	8.219	-	-
Konut Ön Biriktirim Fonu (KÖBF)	-	-	-	739.228.777	-
Oytaş İç ve Dış Ticaret A.Ş.	-	-	-	5.653.860	-
Other	-	-	-	1.697.079	-
Other companies managed by the parent					
Cimpor Cote D'Ivoire	162.288.563	179.684.436	75.190	-	-
Cımpor-Servıços, Sa.	6.732.905	-	-	-	-
Betao Liz	984.121	-	-	-	-
Cimpor - Industria de Cimentos	478.680	-	-	-	-
Cimpor Portugal Holdings SGPS S.A.	46.634	550.855	-	-	-
	262.708.398	180.236.787	600.509.560	747.070.965	7.597.035.290

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

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

5. RELATED PARTY DISCLOSURES (cont'd)

1 January 2022	Receivables		Payables		
	Short-term		Short-term		
Balances with related parties	Trade	Non-trade	Trade	Non-trade	Non-trade
Ultimate parent					
Ordu Yardımlaşma Kurumu (OYAK)	-	-	13.498.617	-	-
Parent					
Cimpor Global Holdings BV	-	-	-	-	9.274.010.931(*)
Other companies managed by the ultimate parent	-	-	-	-	-
OYAK İnşaat A.Ş.	40.325.588	-	-	-	-
Oyak Sentetik Karbon Ürünleri Sanayi Ve Ticaret A.Ş.	134.145	-	-	-	-
Akdeniz Chemson Kimya Sanayi ve Ticaret A.Ş.	38.525	-	902.823	-	-
OYKA Kağıt Ambalaj San. Ve Tic. A.Ş.	-	1.477.890	73.870.879	-	-
OYAK Yatırım ve Menkul Değerler A.Ş.	-	136.013	3.293.129	-	-
OYAK Selüloz VE KAĞIT FAB	-	8.402	-	-	-
İskenderun Demir ve Çelik A.Ş.	-	-	70.410.789	-	-
OYAK Grup Sigorta ve Reasurans Brokerlığı A.Ş.	-	-	63.621.079	-	-
Ereğli Demir Çelik Fabrikaları T.A.Ş.	-	-	43.280.062	-	-
OYAK Pazarlama Hizmet ve Turizm A.Ş.	-	-	34.172.755	-	-
Kümaş Manyezit Sanayi A.Ş.	-	-	32.332.649	-	-
Omsan Denizcilik A.Ş.	-	-	31.625.508	-	-
Doco Petrol ve Danışmanlık A.Ş.	-	-	27.309.224	-	-
Omsan Lojistik A.Ş.	-	-	16.282.287	-	-
OYAK Savunma ve Güvenlik Sistemleri A.Ş.	-	-	15.063.931	-	-
Güzel Enerji Akaryakıt A.Ş.	-	-	4.394.822	-	-
Omsan Havacılık A.Ş.	-	-	3.792.605	-	-
OYAK Elektrik Enerjisi Toptan Satış A.Ş.	-	-	3.249.174	-	-
İskenderun Enerji Üretim ve Tic.A.Ş.	-	-	1.706.570	-	-
Mais Motorlu Araçlar İmal ve Satış A.Ş.	-	-	250.940	-	-
Miilux Yüksek Mukavemetlı Çelık Üretim A.Ş.	-	-	133.690	-	-
Likitgaz Dağıtım ve Endüstri A.Ş.	-	-	70.916	-	-
Hektaş Ticaret T. A.Ş.	-	-	17.810	-	-
Satem Grup Gıda Dağıtım Ve Pazarlama A.Ş.	-	-	17.613	-	-
Oytaş İç ve Dış Ticaret A.Ş.	-	-	-	7.188.903	-
Other	65.547	-	1.456.230	2.787.783	-
Other companies managed by the parent					
Cimpor Cote D'Ivoire	290.047.516	182.396.100	-	-	-
Cımpor-Servıços, Sa.	7.282.612	-	93.477	-	-
Cimpor - Industria de Cimentos	491.862	223.575	-	-	-
	338.385.795	184.241.980	440.847.579	9.976.686	9.274.010.931

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

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

5. RELATED PARTY DISCLOSURES (cont'd)

	1 January– 31 December 2023							
			Purchases of	Sales of	Interest	Interest	Other	Other
Transactions with related parties	**Purchases**	**Sales**	**tangible assets**	**tangible assets**	**received**	**paid**	**income**	**expense**
Ultimate parent								
Ordu Yardımlaşma Kurumu (OYAK)	**25.916.693**	**14.711**	-	-	-	**66.248.251**	-	**727.459**
Parent								
Cimpor Global Holdings B.V. (9)	-	**70.875**	-	-	-	**81.263.607**	-	**748.892.606**
Other companies managed by the ultimate parent								
OYAK Elektrik Enerjisi Toptan Satış A.Ş. (2)	**2.237.614.679**	-	-	-	-	-	-	-
OYKA Kağıt Ambalaj San. ve Tic. A.Ş. (1)	**353.185.252**	**2.774.997**	**533.625**	-	-	-	**671.741**	**22.476.143**
Doco Petrol ve Danışmanlık A.Ş. (10)	**315.801.449**	**2.010.163**	-	-	-	-	-	-
Omsan Denizcilik A.Ş. (12)	**186.178.996**	**5.239.375**	-	-	-	-	-	**5.543.953**
İskenderun Demir ve Çelik A.Ş. (11)	**131.981.775**	**66.778.709**	-	-	-	-	-	**14.927**
Akdeniz Chemson Kimya San.ve Tic. A.Ş. (16)	**87.441.792**	**584.593**	-	-	-	-	**24.094**	**3.203.160**
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. (3)	**62.630.831**	-	-	-	-	-	**424.803**	-
OYAK Pazarlama Hizmet ve Turizm A.Ş. (4)	**43.876.368**	**950.840**	**10.729.618**	-	-	-	-	**105.309.158**
Güzel Enerji Yakıt A.Ş. (8)	**20.424.345**	**392.675**	-	-	-	-	-	**9.779.769**
OYAK Savunma ve Güvenlik Sistemleri A.Ş. (5)	**16.902.704**	**704.321**	**4.835.217**	-	-	-	-	**94.668.134**
Omsan Havacılık A.Ş.	**10.803.160**	-	-	-	-	-	-	**98.597**
Omsan Lojistik A.Ş. (6)	**7.848.088**	-	-	-	-	-	-	**212.811**
İskenderun Enerji Üretim ve Tic.A.Ş.	**4.073.198**	-	-	-	-	-	-	-
OYAK İnşaat A.Ş. (15)	**431.534**	**389.693.495**	-	-	-	-	-	-
Likitgaz Dağıtım ve Endüstri A.Ş.	**255.694**	**7.566**	-	-	-	-	-	-
ATAER Holding A.Ş.	**59.917**	-	-	-	-	-	-	-
Oyak Akaryakıt ve LPG Yatırımları A.Ş.	**48.324**	**366**	-	-	-	-	-	**7.468.836**
Mais Motorlu Araçlar İmal ve Satış A.Ş. (17)	**15.972**	-	**113.860.287**	**10.253.018**	-	-	-	**306.248**
Kümaş Manyezit Sanayi A.Ş. (13)	-	-	**84.010.863**	-	-	-	**2.469.329**	**20.354.164**
OYAK Anker Bank GmbH (7)	-	-	-	-	**537.984.920**	**491.145.639**	-	-
Erdemir Çelik Servis Merkezi San. Ve Tic. A.Ş.	-	-	-	-	-	-	**399**	-
İndisol Bilişim ve Teknoloji Hizmetleri A.Ş.	-	-	-	-	-	-	-	**7.808.984**
Satem Grup Gıda Dağıtım ve Pazarlama A.Ş.	-	-	-	-	-	-	-	**1.792.384**
Oytaş İç ve Dış Ticaret A.Ş.	-	-	-	-	-	-	-	**1.489.033**
OYAK Yatırım Menkul Değerler A.Ş.	-	-	-	-	-	-	-	**150.000**
Omsan Logistique Maroc SARL	-	-	-	-	-	-	-	**22.537**
OYAK Selüloz ve Kağıt Fabrikaları A.Ş.	-	-	-	-	-	-	-	**5**
Other companies managed by the parent								
Cimpor Cote d'Ivoire SARL (14)	-	**17.741.323**	-	-	-	-	**779.487**	-
Cimpor İndustria de Cimentos S.A.	-	**2.198.911**	-	-	-	-	-	-
Nova Cimpor Serviços	-	**758.152**	-	-	-	-	-	**509**
Betao Liz, SA.	-	**441.998**	-	-	-	-	-	-
Cimpor Cameroun SA					-	**317.964.991**	**27.445.715**	-
	3.505.490.771	**490.363.070**	**213.969.610**	**10.253.018**	**537.984.920**	**956.622.488**	**31.815.568**	**1.030.319.417**

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

5. RELATED PARTY DISCLOSURES (cont'd)

	1 January– 31 December 2022							
Transactions with related parties	Purchases	Sales	Purchases of tangible assets	Sales of tangible assets	Interest received	Interest paid	Other income	Other expense
Ultimate parent								
Ordu Yardımlaşma Kurumu (OYAK)	25.076.858	21.691	-	-	-	114.661.580	-	-
Parent								
Cimpor Global Holdings B.V. (9)	-	36.440	-	-	-	141.573.780	-	1.828.238.370
Other companies managed by the ultimate parent								
OYAK Elektrik Enerjisi Toptan Satış A.Ş. (2)	3.243.641.315	-	-	-	-	-	-	-
OYKA Kağıt Ambalaj San. ve Tic. A.Ş. (1)	365.025.617	1.287.517	-	-	-	-	-	410.354
Doco Petrol ve Danışmanlık A.Ş. (10)	314.103.688	-	-	-	-	-	-	-
Omsan Denizcilik A.Ş. (12)	264.951.581	17.012.555	-	-	-	-	52.713	11.579.016
İskenderun Demir ve Çelik A.Ş. (11)	163.382.250	176.279	-	-	-	-	-	69.717
Ereğli Demir ve Çelik Fabrikaları T.A.Ş. (3)	99.625.330	4.394.736	-	-	-	-	-	-
Omsan Lojistik A.Ş. (6)	34.714.866	19.033	-	-	-	-	-	4.235.901
OYAK Pazarlama Hizmet ve Turizm A.Ş. (4)	29.641.424	1.454.935	16.576.584	-	-	-	-	99.407.164
Kümaş Manyezit Sanayi A.Ş. (13)	26.211.005	-	198.968.404	-	-	-	-	17.017.969
Güzel Enerji Yakıt A.Ş. (8)	21.006.894	33.544	-	-	-	-	-	10.800.914
OYAK Savunma ve Güvenlik Sistemleri A.Ş. (5)	10.711.705	1.046.211	2.030.217	-	-	-	-	74.264.085
Akdeniz Chemson Kimya San.ve Tic.A.Ş. (16)	7.828.600	314.519	-	-	-	-	172.797	35
İskenderun Enerji Üretim ve Tic.A.Ş.	7.658.998	-	-	-	-	-	-	-
Akdeniz Chemson Kimyasal Ürünler Pazarlama İç ve Dış Ticaret A.Ş.	2.581.988	-	-	-	-	-	-	-
OYAK İnşaat A.Ş. (15)	702.228	430.157.808	-	244.441	-	-	-	-
Likitgaz Dağıtım ve Endüstri A.Ş.	244.961	-	-	-	-	-	-	-
Miilux Yüksek Mukavemetli Çelik Üretimi A.Ş.	204.116	-	-	-	-	-	-	30.348
Omsan Havacılık A.Ş.	102.859	-	-	-	-	-	-	672.824
ATAER Holding A.Ş.	71.152	-	-	-	-	-	-	-
Hektaş Ticaret T.A.Ş.	7.121	-	-	-	-	-	-	7.145
Mais Motorlu Araçlar İmal ve Satış A.Ş. (17)	-	-	8.655.806	-	-	-	-	384.358
OYAK Anker Bank GmbH (7)	-	-	-	-	36.770.314	49.024.958	-	-
Erdemir Çelik Servis Merkezi San. Ve Tic. A.Ş.	-	-	-	-	-	-	5.077	-
Konut Ön Biriktirim Fonu (KÖBF)	-	-	-	-	-	-	-	63.335.148
Oyak Akaryakıt ve LPG Yatırımları A.Ş.	-	-	-	-	-	-	-	3.771.573
OYAK Yatırım Menkul Değerler A.Ş.	-	-	-	-	-	85.681.175	-	1.053.192
Satem Grup Gıda Dağıtım ve Pazarlama A.Ş.	-	-	-	-	-	-	-	700.624
Other companies managed by the parent								
Cimpor Cote d'Ivoire SARL (14)	-	271.027.289	-	-	-	-	-	-
Nova Cimpor Serviços	-	571.250	-	-	-	-	-	-
Betao Liz, SA.	-	181.001	-	-	-	-	-	-
Cimpor Portugal Holdings SGPS S.A.	-	44.859	-	-	-	-	-	-
	4.617.494.556	727.779.667	226.231.011	244.441	36.770.314	390.941.493	230.587	2.115.978.737

5. RELATED PARTY DISCLOSURES (cont'd)

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

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

Disclosures related to transactions with related parties for the period 1 January – 31 December 2022 are as follows:

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

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

6. 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 December 2023**	31 December 2022	1 January 2022
Trade receivables	**3.835.324.219**	3.924.405.019	3.270.085.689
Trade receivables from related parties (Note 5)	**241.806.734**	262.708.398	338.385.795
Notes receivable	**353.072.421**	442.117.400	406.648.474
Income accruals	**20.134.354**	37.798.907	**-**
Provision for doubtful trade receivables and expected credit loss (-)	**(108.093.810)**	(164.592.930)	(370.860.715)
	4.342.243.918	4.502.436.794	3.644.259.243

The turnover days of trade receivables varies depending on the type of the product and contracts made with the customer, and the average is 40 days. (31 December 2022: 60 days, 1 January 2022: 60 days). Overdue but not impaired receivables are amounting to 349.095.569 TL (31 December 2022: 438.599.744 TL, 1 January 2022: 482.951.591 TL), and there is a guarantee for these receivables amounting to 164.728.500 (31 December 2022:77.998.556 TL, 1 January 2022: 196.717.261 TL) (Note 31).

As of 31 December 2023, there are receivables from customers who declared concordat amounting to 107.629 TL (31 December 2022: 107.629 TL, 1 January 2022: 108.458.944 TL) and there is no guarantee related to them. (31 December 2022: None, 1 January 2022: 163.550.735 TL).

Explanations regarding the nature and level of risks in trade receivables are explained in Note 31.

As of 31 December 2023, provision for doubtful receivables and expected credit loss has been made for the portion of trade receivables amounting to 108.093.810 TL (31 December 2022:164.592.930 TL, 1 January 2022: 370.860.715 TL).

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

Movements of provision for doubtful trade receivables and expected credit loss	**1 January-31 December 2023**	1 January-31 December2022
Opening balance	**(164.592.930)**	(370.860.715)
Provisions no longer required	**-**	55.831.026
Charge for the period	**(10.346.230)**	(2.701.449)
Collections	**2.143.185**	8.040.946
Monetary gain/(loss)	**64.702.165**	145.097.262
Closing balance	**(108.093.810)**	(164.592.930)

The Group measures the loss allowance for trade receivables based on the lifetime expected credit losses. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the customer and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the customers operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

6. 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 December 2023**	31 December 2022	1 January 2022
Trade payables	**2.929.956.727**	2.731.103.824	2.490.176.903
Trade payables to related parties (Note 5)	**711.374.280**	600.509.560	440.847.579
	3.641.331.007	3.331.613.384	2.931.024.482

The average turnover days of trade payables related to the purchase of goods is 60 days. (31 December 2022: 60 days, 1 January 2022: 60 days).

7. OTHER RECEIVABLES AND PAYABLES

a) Other Receivables

Other short-term receivables	**31 December 2023**	31 December 2022	1 January 2022
Other receivables from related parties (Note 5)	**31.366.654**	180.236.786	184.241.980
Deposits and guarantees given	**8.771.461**	28.038.173	99.025
Receivables from tax administration	**10.561.739**	1.017.193	2.870.131
Receivables from personnel	**-**	-	45.814
Other receivables	**14.986.080**	371.512.742	159.358.735
Other doubtful receivable provision (-)	**(1.303.668)**	(1.284.130)	(1.615.174)
	64.382.266	579.520.764	345.000.511

Other long-term receivables	**31 December 2023**	31 December 2022	1 January 2022
Deposits and guarantees given	**4.767.547**	7.228.489	19.313.178
Other long-term receivables	**-**	538.601	**-**
	4.767.547	7.767.090	19.313.178

Movements of allowance for doubtful other receivables and expected credit loss:

Movements of allowance for doubtful other receivables	**1 January - 31 December 2023**	1 January – 31 December 2022
Opening balance	**(1.284.130)**	(1.615.174)
Charge for the period	**(524.335)**	(300.884)
Monetary gain/ (loss)	**504.797**	631.928
Closing balance	**(1.303.668)**	(1.284.130)

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

7. OTHER RECEIVABLES AND PAYABLES (cont'd)

b) Other payables

Other short-term payables	**31 December 2023**	31 December 2022	1 January 2022
Taxes and funds payable	**90.230.318**	135.427.612	17.627.301
Deposits and guarantees received	**77.241.401**	40.460.419	36.644.161
Other payables to related parties (Note 5)	**5.950.287**	747.070.965	9.976.686
Other miscellaneous payables	**5.140.925**	7.041.116	3.018.813
	178.562.931	930.000.112	67.266.961

Other long-term payables	**31 December 2023**	31 December 2022	1 January 2022
Other payables to related parties (Note 5)	**1.093.089.908**	7.597.035.290	9.274.010.931
	1.093.089.908	7.597.035.290	9.274.010.931

8. INVENTORIES

	31 December 2023	31 December 2022	1 January 2022
Raw material	**2.778.960.206**	2.085.550.921	1.553.046.339
Semi-finished goods	**951.708.044**	1.130.951.637	665.420.676
Finished goods	**321.996.848**	269.745.273	153.948.818
Trade goods	**7.095.955**	4.698.819	962.007
Goods in transit (*)	**182.169.536**	326.756.038	423.052.456
Spare parts and other inventories	**7.108.095**	6.475.481	9.831.665
Impairment on inventories (-)	**(157.493.607)**	(63.178.674)	(7.446.171)
	4.091.545.077	3.760.999.495	2.798.815.790

(*) As of 31 December 2023, 31 December 2022 and 1 January 2022 the balance of goods in transit consists of Petro coke stocks purchased.

Movements of the provision for impairment on inventories over the years are as follows:

Movement of inventories impairment	**1 January – 31 December 2023**	1 January – 31 December 2022
Opening balance	**(63.178.674)**	(7.446.171)
Charge for the period	**(94.314.933)**	(56.055.534)
Reversal of impairment	**-**	323.031
Closing balance	**(157.493.607)**	(63.178.674)

9. PREPAID EXPENSES AND DEFERRED INCOME

a) Prepaid Expenses

Short-term prepaid expenses	**31 December 2023**	31 December 2022	1 January 2022
Advances given for inventory purchases	**144.348.854**	241.214.750	141.934.007
Prepaid expenses	**240.292.843**	105.391.366	112.597.695
	384.641.697	346.606.116	254.531.702

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

9. PREPAID EXPENSES AND CONTRACT LIABILITIES (cont'd)

a) Prepaid Expenses (cont'd)

Long-term prepaid expenses	**31 December 2023**	31 December 2022	1 January 2022
Advanced given for fixed asset purchases	**168.824.194**	91.364.956	119.588.110
Prepaid expenses	**11.842.776**	60.676.301	8.239.179
Prepaid taxes and funds	**299.606**	-	-
	180.966.576	152.041.257	127.827.289

b) Contract liabilities

Short-term contract liabilities	**31 December 2023**	31 December 2022	1 January 2022
Advances received	**138.028.351**	192.460.892	144.943.355
Short-term contract liabilities	**28.395.041**	31.985.798	16.347.416
	166.423.392	224.446.690	161.290.771

Long-term contract liabilities	**31 December 2023**	31 December 2022	1 January 2022
Long-term contract liabilities	**-**	2.924.071	12.853.764
	-	2.924.071	12.853.764

10. INVESTMENT PROPERTIES

Cost	**Lands**	**Land improvements**	**Buildings**	**Total**
Opening balance as of 1 January 2023	**205.718.226**	**30.513.292**	**8.440.240**	**244.671.758**
Closing balance as of 31 December 2023	**205.718.226**	**30.513.292**	**8.440.240**	**244.671.758**
Accumulated depreciation				
Opening balance as of 1 January 2023	-	**27.051.039**	**6.179.440**	**33.230.479**
Charge for the period	-	**586.378**	**236.889**	**823.266**
Closing balance as of 31 December 2023	-	**27.637.417**	**6.416.329**	**34.053.745**
Net book value as of 31 December 2023	**205.718.226**	**2.875.875**	**2.023.911**	**210.618.013**

Cost	Lands	Land improvements	Buildings	Total
Opening balance as of 1 January 2022	205.718.226	30.513.292	8.440.240	244.671.758
Closing balance as of 31 December 2022	205.718.226	30.513.292	8.440.240	244.671.758
Accumulated depreciation				
Opening balance as of 1 January 2022	-	26.758.680	5.975.305	32.733.985
Charge for the period	-	292.359	(204.135	496.494
Closing balance as of 31 December 2022	-	27.051.039	6.179.440	33.230.479
Net book value as of 31 December 2022	205.718.226	3.462.253	2.260.800	211.441.279

All depreciation charges are included in the expenses from investment activities (Note 26).

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

10. INVESTMENT PROPERTIES (cont'd)

Fair value measurements of the Group's investment properties

As of 31 December 2023, the fair value of the investment properties of the Group is determined by independent valuation company TSKB Gayrimenkul Değerleme A.Ş. authorized by the CMB, provide real estate valuation services in accordance with the capital market legislation and have sufficient experience and quality in measuring the fair value of properties in the relevant regions. The fair value of the investment properties owned was determined according to the market comparative approach, which reflects the current transaction prices for similar properties for lands, and the cost formation approach for land improvements and buildings.

The rental income generated by the Group for its investment properties is disclosed in Note 26.

As of 31 December 2023, 31 December 2022 and 1 January 2022 the Group's investment properties and the fair value hierarchy of these assets are presented in the table below:

		Fair value level as of reporting period		
	31 December 2023	**Level 1 TL**	**Level 2 TL**	**Level 3 TL**
Investment Land	**1.293.332.000**	**-**	**1.293.332.000**	**-**
Investment Buildings	**8.813.651**	**-**	**8.813.651**	**-**
Investment Land Improvements	**6.759.200**	**-**	**6.759.200**	**-**
Total	**1.308.904.851**	**-**	**1.308.904.851**	**-**

		Fair value level as of reporting period		
	31 December 2022	Level 1 TL	Level 2 TL	Level 3 TL
Investment Land	1.025.484.032	-	1.025.484.032	-
Investment Buildings	15.921.229	-	15.921.229	-
Investment Land Improvements	11.137.331	-	11.137.331	-
Total	1.052.542.592	-	1.052.542.592	-

		Fair value level as of reporting period		
	1 January 2022	Level 1 TL	Level 2 TL	Level 3 TL
Investment Land	720.109.470	-	720.109.470	-
Investment Buildings	5.665.161	-	5.665.161	-
Investment Land Improvements	6.920.215	-	6.920.215	-
Total	732.694.846	-	732.694.846	-

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

11. PROPERTY, PLANT AND EQUIPMENT

	Lands	Land improvements	Buildings	Plant, machinery and equipment	Vehicles	Furniture and fixtures	Construction in progress	Leasehold improvements	Total
Cost									
Opening balance as of 1 January 2023	1.949.953.754	1.843.033.819	6.857.125.818	32.610.472.907	1.459.151.447	996.672.133	1.161.129.384	885.853.066	47.763.392.328
Additions	117.588.040	74.717.890	91.853.059	488.309.203	304.160.108	22.121.838	614.442.368	15.695	1.713.208.201
Disposals	-	-	-	(1.129.369)	(15.734.409)	(571.326)	-	-	(17.435.104)
Transfers from construction in progress (*)	-	11.561.053	418.820	436.698.202	-	1.476.770	(470.086.914)	434.784	(19.497.285)
Translation differences	-	-	(12.750.372)	(5.629.266)	(212.569)	(14.844)	-	-	(18.607.051)
Closing balance as of 31 December 2023	2.067.541.794	1.929.312.762	6.936.647.325	33.528.721.677	1.747.364.577	1.019.684.571	1.305.484.838	886.303.545	49.421.061.089
Accumulated depreciation									
Opening balance as of 1 January 2023	-	1.545.864.815	4.354.281.497	25.691.674.896	1.004.244.912	895.680.032	-	560.682.920	34.052.429.072
Charge for the period	-	45.915.796	120.723.234	971.473.958	91.332.884	24.256.590	-	20.040.751	1.273.743.213
Disposals	-	-	-	(1.129.369)	(14.073.523)	(411.810)	-	-	(15.614.702)
Translation differences	-	-	4.822.746	3.355.992	(35.518)	141.092	-	-	8.284.312
Closing balance as of 31 December 2023	-	1.591.780.611	4.479.827.477	26.665.375.477	1.081.468.755	919.665.904	-	580.723.671	35.318.841.895
Net book value as of 31 December 2023	2.067.541.794	337.532.151	2.456.819.848	6.863.346.200	665.895.822	100.018.667	1.305.484.838	305.579.874	14.102.219.194

(*) An amount of 19.497.285 TL was transferred from construction in progress to intangible assets during the period.

Depreciation of property, plant and equipment are disclosed in Note 24.
There is no mortgage or pledge on the property, plant and equipment of the Group as of 31 December 2023.

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

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

	Lands	Land improvements	Buildings	Plant, machinery and equipment	Vehicles	Furniture and fixtures	Construction in progress	Leasehold improvements	Total
Cost									
Opening balance as of 1 January 2022	1.893.264.109	1.817.238.581	6.892.262.470	31.705.465.873	1.150.883.334	968.889.810	991.937.730	878.585.755	46.298.527.662
Additions	-	18.793.779	4.246.668	638.173.122	215.863.588	23.845.845	446.275.323	7.109.004	1.354.307.329
Disposals	-	-	-	(2.623.997)	(3.372.455)	(774.482)	-	-	(6.770.934)
Transfers from construction in progress (*)	56.689.645	7.001.459	3.321.460	204.923.493	182.404	4.806.901	(277.083.669)	158.307	-
Transfers (*)	-	-	-	81.401.236	96.228.979	-	-	-	177.630.215
Translation differences		-	(42.704.780)	(16.866.820)	(634.403)	(95.941)	-	-	(60.301.944)
Closing balance as of 31 December 2022	1.949.953.754	1.843.033.819	6.857.125.818	32.610.472.907	1.459.151.447	996.672.133	1.161.129.384	885.853.066	47.763.392.328
Accumulated depreciation									
Opening balance as of 1 January 2023	-	1.475.908.133	4.230.417.901	24.753.112.656	874.797.768	874.535.921	-	535.951.983	32.744.724.362
Charge for the period	-	69.956.682	139.614.495	924.712.332	79.667.235	21.597.851	-	24.730.937	1.260.279.532
Disposals	-	-	-	(964.686)	(2.052.993)	(326.484)	-	-	(3.344.163)
Transfers (*)	-	-	-	28.625.876	52.409.688	-	-	-	81.035.564
Translation differences	-	-	(15.750.899)	(13.811.282)	(576.786)	(127.256)	-	-	(30.266.223)
Closing balance as of 31 December 2022	-	1.545.864.815	4.354.281.497	25.691.674.896	1.004.244.912	895.680.032	-	560.682.920	34.052.429.072
Net book value as of 31 December 2022	1.949.953.754	297.169.004	2.502.844.321	6.918.798.011	454.906.535	100.992.101	1.161.129.384	325.170.146	13.710.963.256

(*) It is the transfer of plant, machinery and equipment obtained through financial leasing.

Depreciation of property, plant and equipment are disclosed in Note 24.
There is no mortgage or pledge on the property, plant and equipment of the Group as of 31 December 2022. (1 January 2022: None.)

As of 31 December 2023, the insurance amount on the Company's property, plant and equipment is 1.243.849.549 USD, the TL equivalent of 36.616.603.465 (31 December 2022: 364.254.000 USD; TL equivalent is 11.222.581.327, 1 January 2022: 3.816.300 USD, 204.451.544 EURO, 12.097.125.379 TL, the TL equivalent is 20.583.678.834 TL).

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

12. INTANGIBLE ASSETS

	Rights	Capitalized development expenses	Computer Software and Other Intangible Assets	Total
Cost value				
Opening balance as of 1 January 2023	500.211.074	73.722.255	369.552.959	943.486.288
Additions	-	22.410.038	83.912.444	106.322.482
Transfers (*)	19.497.285	-	-	19.497.285
Translation Differences	657.347	-	-	657.347
Closing balance as of 31 December 2023	520.365.706	96.132.293	453.465.403	1.069.963.402
Accumulated amortization and impairment				
Opening balance as of 1 January 2023	191.647.283	13.536.825	296.528.095	501.712.203
Charge for the period	8.715.898	1.202.430	22.527.649	32.445.977
Translation Differences	598.718	-	-	598.718
Closing balance as of 31 December 2023	200.961.899	14.739.255	319.055.744	534.756.898
Net book value as of 31 December 2023	319.403.807	81.393.038	134.409.659	535.206.504

(*) An amount of 19.497.285 TL was transferred from construction in progress to intangible assets during the period.

Amortization of intangible assets are disclosed in Note 24.

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

12. INTANGIBLE ASSETS (cont'd)

	Rights	Capitalized development expenses	Computer Software and Other Intangible Assets	Total
Cost value				
Opening balance as of 1 January 2022	658.041.510	53.006.659	319.131.974	1.030.180.143
Additions	19.673.392	20.715.596	50.420.985	90.809.973
Transfers	(177.630.215)	-	-	(177.630.215)
Translation Differences	126.387	-	-	126.387
Closing balance as of 31 December 2022	500.211.074	73.722.255	369.552.959	943.486.288
Accumulated amortization and impairment				
Opening balance as of 1 January 2022	257.831.602	9.969.715	278.457.804	546.259.121
Charge for the period	14.859.213	3.567.110	18.070.291	36.496.614
Transfers	(81.035.564)	-	-	(81.035.564)
Translation Differences	(7.968)	-	-	(7.968)
Closing balance as of 31 December 2022	191.647.283	13.536.825	296.528.095	501.712.203
Net book value as of 31 December 2022	308.563.791	60.185.430	73.024.864	441.774.085

(*) It is the transfer of Plant, machinery and equipment obtained through financial leasing.

Amortization of intangible assets are disclosed in Note 24.

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

13. RIGHT-OF-USE ASSETS

As of 31 December 2023, the Group's right-of-use assets obtained by leasing are as follows:

	Land	Buildings	Plant, machinery and equipment	Vehicles	Land and port usage rights	Total
Cost value						
Opening balance as of 1 January 2023	**43.150.223**	**6.148.131**	**77.369.150**	**75.022.586**	**140.483.298**	**342.173.388**
Additions	**4.271.375**	**-**	**3.000.152**	**589.399**	**7.720.781**	**15.581.707**
Disposals	**-**	**-**	**-**	**(6.363.146)**	**(19.210.774)**	**(25.573.920)**
Closing balance as of 31 December 2023	**47.421.598**	**6.148.131**	**80.369.302**	**69.248.839**	**128.993.305**	**332.181.175**
Accumulated amortization and impairment						
Opening balance as of 1 January 2023	**11.174.091**	**3.122.930**	**39.017.784**	**41.114.954**	**29.639.844**	**124.069.603**
Additions	**1.783.202**	**-**	**2.227.130**	**12.868.719**	**347.708**	**17.226.759**
Disposals				**(6.363.146)**		**(6.363.146)**
Closing balance as of 31 December 2023	**12.957.293**	**3.122.930**	**41.244.914**	**47.620.527**	**29.987.552**	**134.933.216**
Net book value as of 31 December 2023	**34.464.305**	**3.025.201**	**39.124.388**	**21.628.312**	**99.005.753**	**197.247.959**

	Land	Buildings	Plant, machinery and equipment	Vehicles	Land and port usage rights	Total
Cost value						
Opening balance as of 1 January 2022	44.592.001	6.148.131	43.044.219	45.543.777	136.627.879	275.956.007
Additions	1.889.380	-	34.324.931	31.585.922	7.052.169	74.852.402
Disposals	(3.331.158)	-	-	(2.107.113)	(3.196.750)	(8.635.021)
Closing balance as of 31 December 2022	43.150.223	6.148.131	77.369.150	75.022.586	140.483.298	342.173.388
Accumulated amortization and impairment						
Opening balance as of 1 January 2022	13.131.098	2.347.510	33.850.953	34.934.948	29.067.752	113.332.261
Additions	296.833	775.420	5.166.831	8.105.701	572.092	14.916.877
Disposals	(2.253.840)	-	-	(1.925.695)	-	(4.179.535)
Closing balance as of 31 December 2022	11.174.091	3.122.930	39.017.784	41.114.954	29.639.844	124.069.603
Net book value as of 31 December 2022	31.976.132	3.025.201	38.351.366	33.907.632	110.843.454	218.103.785

Amortization of right of use assets are disclosed in Note 24.

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

14. GOODWILL

	31 December 2023	31 December 2022	1 January 2022
Goodwill	**3.110.258.912**	3.110.258.912	3.110.258.912
	3.110.258.912	3.110.258.912	3.110.258.912

The Group assesses goodwill allocated to cash generating units for impairment annually or more frequently when there is an indication of impairment. The recoverable amount of cash generating unit is determined by calculating the value in use or fair value less costs to sell calculations. No impairment has been identified as a result of the impairment tests realized on the basis of cash generating units. Sensitivity testing was conducted by increasing and decreasing the discount rate and growth rate, which are estimates and assumptions used in impairment tests, by 1%, and no impairment was detected as a result of the sensitivity test. Discount rate and growth rate, which are important assumptions used in calculating recoverable amounts, are as follows;

Discount rate

	2024	**2025**	**2026**	**2027**	**2028**	**Ongoing period**
31 December 2023	57,3%	42,3%	25,6%	23,0%	20,5%	20,5%

Inflation rate

	2024	**2025**	**2026**	**2027**	**2028**	**Ongoing period**
31 December 2023	20,8%	39,9%	23,7%	15,3%	12,0%	12,0%

c

As of 31 December 2023, 31 December 2022 and 1 January 2022, goodwill amounting to 3.016.473.552 TL carried in consolidated financial statements is related to acquisition of Denizli Çimento and remaining portion is due to acquisition of İskenderun Plant.

15. GOVERNMENT INCENTIVES AND GRANTS

Ünye Çimento has received an investment incentive certificate dated 28 July 2016 for the Waste Derived Fuel investment. Within the scope of the investment incentive certificate, the investment contribution rate is 55% and it is subject to 100% deduction from the tax base. In this regard, Ünye Çimento has deducted investment incentive amounting to 14.461.556 TL from the total investment amount of 26.615.160 TL on the investment incentive certificate from the tax base until 31 December 2023 (31 December 2022: 23.707.107 TL, 1 January 2022: 34.572.910 TL). As a result of the revaluation of the tax base, there is an investment contribution amount of 8.142.015 TL that can be used in future periods (31 December 2022: 9.366.250 TL, 1 January 2022: None). The investment process has been completed and the investment completion visa is completed.

Aslan Çimento received an investment incentive certificate dated 21 February 2019 and numbered 502785 was obtained for clinker production line modernization and energy efficiency investment and the related investment was completed as of 30 September 2020. Within the scope of the investment incentive certificate, the investment contribution rate is 55% and it is subject to 100% deduction from the tax base. Within the scope of the document, the actual investment expenditure since the beginning of the investment is 117.995.483 TL. As of 31 December 2023, the total amount of contribution to the investment benefited was 55.835.321 TL (31 December 2022: 24.933.415 TL, 1 January 2022: 19.618.293 TL). An investment completion visa application has been made regarding this document and the process is still ongoing.

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

15. GOVERNMENT INCENTIVES AND GRANTS (cont'd)

The Company received an investment incentive certificate dated 15 April 2022 and numbered 535527 for the marble quarry operation to be realized at Çınarlı Mah. Bedalan Mevkii Küme Evleri No:15B Marmara/Balıkesir. Investment contribution rate is 40% and tax discount rate is 80%. The total amount of investment within the scope of the document is 60.679.000 TL, and the contribution to the total investment is 24.271.600 TL. As of December 31, 2023, the contribution amount to the investment is 19.417.280 TL (31 December 2022: 18.351.584 TL, 1 January 2022: None). The investment process is still ongoing.

16. FINANCIAL BORROWINGS

Short-term borrowings	**31 December 2023**	31 December 2022	1 January 2022
Short-term financial borrowings	**1.455.562.542**	2.221.421.787	1.848.359.603
Short-term portions of issued debt instruments	**-**	504.027.788	23.462.668
Short-term portions of long-term borrowings	**66.436.116**	44.312.852	13.533.591
Short-term lease borrowings	**29.760.824**	28.748.691	24.843.529
	1.551.759.482	2.798.511.118	1.910.199.391

Long-term borrowings	**31 December 2023**	31 December 2022	1 January 2022
Long-term financial borrowings	**68.376.010**	120.460.066	-
Long-term borrowing instruments issued	**-**	-	812.015.431
Long-term lease borrowings	**68.073.663**	67.947.234	61.673.078
	136.449.673	188.407.300	873.688.509

The details of bank loans are as follows:

Currency	**Weighted average interest rate**	**31 December 2023 Short-term**	**Long-term**
TL	**38,92%**	**1.521.998.658**	**68.376.010**
		1.521.998.658	**68.376.010**

Currency	Weighted average interest rate	31 December 2022 Short-term	Long-term
TL	19,64%	2.233.083.167	120.460.067
EUR	EURSTR+2,25%	32.651.472	-
		2.265.734.639	120.460.067

Currency	Weighted average interest rate	1 January 2022 Short-term	Long-term
TL	16,70%	1.861.893.194	**-**
		1.861.893.194	-

16. FINANCIAL BORROWINGS (cont'd)

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

The details of debt instruments issued are as follows:

Currency	Weighted average interest rate	31 December 2022 Short-term	Long-term
TL	TLREF+1,35%	504.027.786	-

Currency	Weighted average interest rate	1 January 2022 Short-term	Long-term
TL	TLREF+1,35%	23.462.668	812.015.431

As of 31 December 2022 and 1 January 2022, the issued debt instruments have quarterly coupon payments and their maturity is 31 October 2023. As of 31 December 2022 1 January 2022, the valid interest rates are 11.61% and 16.77%, respectively. There are no debt instruments issued as of 31 December 2023.

Payment periods of financial borrowings other than leasing liabilities and other financial liabilities are as follows:

	31 December 2023	31 December 2022	1 January 2022
Within one year	**1.521.998.658**	2.769.762.427	1.885.355.862
Between 1-2 years	**52.758.482**	67.280.122	453.532.018
Between 2-3 years	**12.948.162**	41.000.126	276.379.848
Between 3-4 years	**2.669.366**	7.781.427	52.454.220
Between 4-5 years	**-**	4.398.391	29.649.345
	1.590.374.668	2.890.222.493	2.697.371.293

Movement of financial borrowings other than leasing liabilities and other financial liabilities for the years ended at 31 December 2023 and 31 December 2022 are as follows:

	1 January-31 December 2023	1 January-31 December 2022
Opening balance	**2.890.222.493**	2.697.371.293
Interest paid	**(810.825.305)**	(351.697.089)
Interest accrual	**865.648.717**	447.474.308
Foreign exchange differences	**11.845.985**	320.604.882
Loans and borrowing instruments acquired	**3.455.862.961**	7.439.670.443
Repayment of loans and borrowing instruments	**(3.686.221.718)**	(6.607.869.316)
Monetary gain / (loss)	**(1.136.158.465)**	(1.055.332.028)
	1.590.374.668	2.890.222.493

17. PROVISIONS

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

a) Short-term provisions:

	31 December 2023	31 December 2022	1 January 2022
Provision for state mining rights (*)	**70.576.179**	38.350.850	33.127.046
Legal provisions	**45.918.639**	34.762.429	34.108.262
Other short-term provisions (**)	**361.309.952**	107.877.961	32.439.857
	477.804.770	180.991.240	99.675.165

(*) 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 December 2023, 31 December 2022 and 1 January 2022, a significant part of the other short-term provisions balance consists of sales turnover premium, other cost provisions and administrative penalty provisions.

a) Long-term provisions:

	31 December 2023	31 December 2022	1 January 2022
Mine rehabilitation provision	**136.185.468**	50.894.679	12.946.901
Provision for land occupation	**22.262.195**	16.745.606	6.852.289
	158.447.663	67.640.285	19.799.190

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

17. PROVISIONS (cont'd)

The movements of short and long-term provisions for the years ended at 31 December 2023 and 31 December 2022 are as follows:

	Short-term			**Long-term**	
	Provision for state mining rights	**Legal provisions**	**Other**	**Provision for rehabilitation of mines**	**Provision for land occupation**
1 January 2023	**38.350.850**	**34.762.429**	**107.877.961**	**50.894.679**	**16.745.606**
Additional provisions	**70.576.179**	**24.821.465**	**361.309.953**	**105.297.699**	**12.099.356**
Payments during the period	**(23.274.972)**	**-**	**(25.308.684)**	**-**	**-**
Reversal of provisions	**-**	**-**	**(40.199.508)**	**-**	**-**
Monetary Gain / Loss	**(15.075.878)**	**(13.665.255)**	**(42.369.770)**	**(20.006.910)**	**(6.582.767)**
31 December 2023	**70.576.179**	**45.918.639**	**361.309.952**	**136.185.468**	**22.262.195**

	Short-term			Long-term	
	Provision for state mining rights	Legal provisions	Other	Provision for rehabilitation of mines	Provision for land occupation
1 January 2022	33.127.046	34.108.262	32.439.857	12.946.895	6.852.287
Additional provisions	38.350.851	14.080.755	106.708.211	43.013.183	13.700.502
Payments during the period	(17.424.426)	(81.914)	(12.622.843)	-	(1.126.262)
Reversal of provisions	(2.741.841)	-	(5.955.345)	-	-
Monetary Gain / Loss	(12.960.780)	(13.344.674)	(12.691.919)	(5.065.399)	(2.680.921)
31 December 2022	38.350.850	34.762.429	107.877.961	50.894.679	16.745.606

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

18. COMMITMENTS AND CONTINGENT ASSETS

Guarantees-Pledges-Mortgages ("GPM") given by the Group:

31 December 2023	**TL**	**USD (TL Equivalent)**	**EURO (TL Equivalent)**	**Total TL**
A. Total Amount of GPMs Given for the Group's Own Legal Personality	**449.306.000**	**25.166.421**	**-**	**474.472.421**
-Guarantee Letters	***449.306.000***	***25.166.421***	***-***	***474.472.421***
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	**449.306.000**	**25.166.421**	**-**	**474.472.421**

31 December 2022	TL	USD (TL Equivalent)	EURO (TL Equivalent)	Total TL
A. Total Amount of GPMs Given for the Group's Own Legal Personality	392.466.696	34.856.305	-	427.323.001
-Guarantee Letters	*392.466.696*	*34.856.305*	*-*	*427.323.001*
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	392.466.696	34.856.305	-	427.323.001

1 January 2022	TL	USD (TL Equivalent)	EURO (TL Equivalent)	Total TL
A. Total Amount of GPMs Given for the Group's Own Legal Personality	545.891.627	66.250.447	4.655.241	616.797.315
-Guarantee Letters	*545.891.627*	*66.250.447*	*4.655.241*	*616.797.315*
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	545.891.627	66.250.447	4.655.241	616.797.315

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

18. COMMITMENTS AND CONTINGENT ASSETS (cont'd)

Contingent assets	**31 December 2023**	31 December 2022	1 January 2022
Letters of guarantee received from customers	**3.716.605.370**	1.936.555.994	852.757.492
Direct debit system limit	**2.124.394.619**	1.112.854.737	420.979.458
Collateral insurances received from customers	**649.653.440**	295.972.583	188.563.928
	6.490.653.429	3.345.383.314	1.462.300.878

19. EMPLOYEE BENEFITS

Payables due to employee benefits

	31 December 2023	31 December 2022	1 January 2022
Social security premiums payable	**78.352.632**	52.378.449	28.133.780
Personnel taxes payable	**30.263.953**	18.579.789	26.639.934
Due to personnel	**16.249.246**	9.579.099	7.403.579
	124.865.831	80.537.337	62.177.293

Short-term provisions related to employee benefits

	31 December 2023	31 December 2022	1 January 2022
Provision for personnel premiums and bonuses	**522.640.173**	223.545.807	95.682.485
	522.640.173	223.545.807	95.682.485

The movement of provision for personnel premium for the years ended at 31 December 2023 and 31 December 2022 is as follows:

	1 January – 31 December 2023	1 January – 31 December 2022
Provision as of 1 January	**223.545.807**	95.682.485
Provision made during the period	**668.238.610**	338.416.180
Payments made during the period	**(162.446.263)**	(77.911.293)
Provision reversed	**(36.222.976)**	-
Monetary Gain/ (Loss)	**(170.475.005)**	(132.641.565)
Provision as of 31 December	**522.640.173**	223.545.807

Long-term provisions related to employee benefits

	31 December 2023	31 December 2022	1 January 2022
Provision for severance pay	**388.291.832**	562.849.673	386.104.914
Provision for senior labour incentive premium	**199.439.036**	181.706.592	141.662.672
Provision for unused vacation	**68.824.925**	50.789.394	27.767.627
	656.555.793	795.345.659	555.535.213

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

19. EMPLOYEE BENEFITS (cont'd)

Provision for severance pay

According to the Turkish Labour Law, the Group has to pay severance pay to its employees; who have retired after 25 years of employment (age 58 years for women, 60 years for men), who have been dismissed from work, called for military service or who have died.

As of 31 December 2023, retirement pay provision is subject to the ceiling of 23.489.83 TL (31 December 2022: 15,371.40 TL, 1 January 2022: 8.248,52 TL). The severance pay ceiling is determined by the Ministry of Treasury and Finance for each period, and the severance pay ceilings are expressed as the purchasing power of the specified dates.

The liability of severance pay is not subject to any funding legally. The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. TAS 19 *Employee Benefits* requires actuarial valuation methods to be developed to estimate the Group's obligation under defined benefit plans. The employee termination benefit liability is calculated by an independent actuary.

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for future inflation effects. Consequently, in the accompanying consolidated financial statements as of 31 December 2023, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees.

The provisions at the respective balance sheet dates have been calculated using the ratios in the following table.

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

31 December 2022	
Discount rate	16.19% (fix)
Inflation rate	14.23% (fix)
Salary increase	For the 1st part of 2023 30%, 1.50% above inflation for subsequent years
Severance pay ceiling increase	For the 1st part of 2023 30%, same rate as inflation for subsequent years

1 January 2022	
Discount rate	%19 (fixt)
Inflation rate	%15 (fixt)
Salary increase	For the 1st part of 2022 35%, 1.50% above inflation for subsequent years
Severance pay ceiling increase	For the 1st part of 2022 27,90%, same rate as inflation for subsequent years

Turnover rates were considered as 1-11% for employees working for 0-15 years and 0% for employees working more than 15 years. Ceiling amount of 35.058,58 TL which is in effect since 1 January 2024 is used in the calculation of Groups' provision for retirement pay liability (1 January 2023: 19,982.83 TL, 1 January 2022:10.596,74 TL).

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

19. EMPLOYEE BENEFITS (cont'd)

Provision for severance pay (cont'd)

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

- If the discount rate is increased by 1 percent annually, the severance pay amount decreases by 8.4 percent.
- If the discount rate is reduced by 1 percent annually, the severance pay amount increases by 9.9 percent.
- If the annual inflation rate increases by 1 percent, the severance pay amount increases by 10.1 percent.
- If the annual inflation rate is reduced by 1 percent, the severance pay amount decreases by 8.6 percent.
- If the possibility of voluntary turnover is not used, the severance pay amount increases by 4.3 percent.

For the years ended at 31 December 2023 and 2022, the movement of severance pay provision is as follows:

Movements of severance pay provision	**1 January- 31 December 2023**	1 January- 31 December 2022
Provision as of 1 January	**562.849.673**	386.104.914
Service cost	**107.934.646**	33.225.507
Interest cost (Note: 27)	**54.850.325**	53.453.655
Employment termination benefits paid	**(190.749.250)**	(19.575.847)
Actuarial loss / (gain)	**153.954.311**	308.654.529
Monetary Gain / Loss	**(300.547.873)**	(199.013.085)
Provisions as of 31 December	**388.291.832**	562.849.673

Provision for seniority incentive premium

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 December 2023 were calculated on the basis of a valuation carried out by an independent valuer by using 'expected unit credit method'. Actuarial assumptions used are disclosed below.

The principal assumptions used in the calculation of provision for seniority incentive premium liability are discount rate, inflation rate and probability of turnover.

- If the discount rate is increased by 1 percent annually, the seniority incentive premium amount decreases by 7.1 percent.
- If the discount rate is reduced by 1 percent annually, the seniority incentive premium amount increases by 8.0 percent.
- If the annual inflation rate is increased by 1 percent, the seniority incentive premium amount increases by 8.1 percent.
- If the annual inflation rate is reduced by 1 percent, the seniority incentive premium amount decreases by 7.3 percent.
- If the possibility of voluntary turnover is not used, the senior labour incentive premium amount increases by 6.3 percent.

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

19. EMPLOYEE BENEFITS (cont'd)

Provision for seniority incentive premium (cont'd)

Movement of provision for the seniority incentive premium for the years ended at 31 December 2023 and 2022, is as follows:

Movements of provision for seniority incentive premium	**1 January-31 December 2023**	1 January-31 December 2022
Provision as of January 1	**181.706.592**	141.662.672
Service cost	**122.143.286**	86.463.730
Interest cost (Note: 27)	**24.130.109**	18.427.250
Seniority incentive premium paid (-)	**(13.106.793)**	(9.422.302)
Monetary Gain / Loss	**(115.434.158)**	(55.424.758)
Provision as of 31 December	**199.439.036**	181.706.592

Provision for unused vacation

The movement of provision for unused vacation for the years ended at 31 December 2023 and 2022 are as follows:

	1 January-31 December 2023	1 January-31 December 2022
Provision as of 1 January	**50.789.394**	27.767.627
Provisions during the period (net)	**65.542.727**	36.942.395
Paid (-)	**(16.955.249)**	(3.056.689)
Monetary Gain / Loss	**(30.551.947)**	(10.863.939)
Provision as of 31 December	**68.824.925**	50.789.394

20. OTHER CURRENT ASSETS

Other Current Assets	**31 December 2023**	31 December 2022	1 January 2022
Deferred VAT	**371.899**	64.021.298	112.087.113
Other	**293.712**	440.621	399.917
	665.611	64.461.919	112.487.030

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

21. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Share Capital

As of 31 December 2023, 31 December 2022 and 1 January 2022 the paid-in capital structure of the Company is as follows:

Shareholders	%	31 December 2023	%	31 December 2022	%	1 January 2022
Cimpor Global Holdings B.V. (*)	**75,81**	**945.082.999**	73,25	849.507.227	73,25	849.507.227
Publicly traded	**24,19**	**301.495.407**	26,75	310.286.214	26,75	310.286.214
Nominal capital	**100,00**	**1.246.578.406**	100,00	1.159.793.441	100,00	1.159.793.441
Inflation adjustment		**6.936.406.728**		6.936.406.728		6.936.406.728
Adjusted capital		**8.182.985.134**		8.096.200.169		8.096.200.169

(*) As explained in Note 1, 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 11 September 2023, for the Company's merger with OYAK Denizli Çimento A.Ş., its main shareholder, under the roof of the Company by taking over it as a whole together with its assets and liabilities, and the application was approved on 22 November 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. ("CGH") became the parent of OYAK Çimento Fabrikaları A.Ş. with a share of 75.81%.

As of 31 December 2023, the Group's capital consists of 124.657.840.600 shares. (31 December 2022: 115.979.344.100 shares, 1 Janauary 2022: 115.979.344.100 shares). The nominal value of the shares is 0,01 TL per share (31 December 2022: 0,01 TL per share, 1 January 2022: 0,01 TL per share).

b) Restricted reserves

	31 December 2023	31 December 2022	1 January 2022
Restricted reserves	**4.420.542.634**	4.420.542.634	4.420.542.634
	4.420.542.634	4.420.542.634	4.420.542.634

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all a dividend distributions. Under the Turkish Commercial Code, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed fifty percent of paid-in capital.

Equity inflation adjustment and carrying value of extraordinary reserves can be used in free capital increase, cash profit distribution and loss deduction. However, equity inflation adjustment is subject to corporate tax if it is used in cash profit distribution.

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

21. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS (cont'd)

b) Restricted reserves

Legal reserves are shown in their legal records. In this context, differences arising from inflation adjustments that aren't subject to dividend distribution or capital increase as of the date of the report have been associated with prior years' profit / loss.

c) Profit distribution

Listed companies distribute dividend in accordance with the Communique No. II-19.1 issued by the CMB which is effective from 1 February 2014. Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly also in conformity with relevant legislations. The communique does not constitute a minimum dividend rate. Companies distribute dividend in accordance with the method defined in their dividend policy or articles of incorporation. In addition, dividend can be paid by fixed or variable instalments and advance dividend can be distributed in accordance with profit on interim financial statements of the Company. As of the reporting period, the Company has retained earnings of 938.495.335 TL, net profit for the period of TL 5.832.900.218 TL, extraordinary reserve amounting to 4.731.057.424 TL distribution and special fund amounting to 3.189.218.812 TL and 814.966.565 TL other profit/loss which can be subject to profit distribution.

22. REVENUE AND COST OF SALES

a) Sales

	1 January - 31 December 2023	1 January - 31 December 2022
Domestic sales	**28.080.677.117**	23.179.045.794
Foreign sales (export)	**2.055.238.548**	2.438.140.855
Foreign sales (export listed)	**595.950.159**	736.789.278
Other sales	**82.994.664**	53.204.667
Sales discounts (-)	**(115.113.674)**	(94.445.662)
	30.699.746.814	26.312.734.932

b) Cost of sales

	1 January - 31 December 2023	1 January - 31 December 2022
Direct raw material and material costs	**(15.746.633.545)**	(16.269.741.486)
Direct labour costs	**(1.590.059.088)**	(1.019.998.689)
General production costs	**(2.560.999.510)**	(1.775.832.527)
Depreciation and amortization	**(1.289.909.589)**	(1.272.516.634)
Total production cost	**(21.187.601.732)**	(20.338.089.336)
Change in work-in progress	**(179.243.593)**	465.530.961
Change in finished goods	**52.251.575**	115.796.455
Change in services	**(111.047.739)**	(99.206.218)
Cost of goods sold	**(21.425.641.489)**	(19.855.968.138)

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

23. GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES

	1 January - 31 December 2023	1 January - 31 December 2022
General administrative expenses (-)	**(1.058.727.601)**	(983.552.037)
Marketing expenses (-)	**(191.251.468)**	(137.751.079)
Research and development expenses (-)	**(66.498.957)**	(41.801.029)
	(1.316.478.026)	(1.163.104.145)

a) General Administrative Expenses

	1 January - 31 December 2023	1 January - 31 December 2022
Personnel expenses	**(515.290.654)**	(455.643.245)
Outsourced benefits and services	**(298.868.284)**	(296.417.949)
Tax and duty expenses	**(31.779.665)**	(37.655.440)
Depreciation and amortization expenses	**(31.302.468)**	(35.261.421)
Other material costs	**(30.716.264)**	(22.368.165)
Travel costs	**(20.788.331)**	(9.098.996)
Insurance costs	**(14.863.006)**	(17.290.874)
Energy costs	**(14.082.624)**	(29.779.427)
Other	**(101.036.305)**	(80.036.520)
	(1.058.727.601)	(983.552.037)

b) Marketing Expenses:

	1 January - 31 December 2023	1 January - 31 December 2022
Personnel expenses	**(158.024.182)**	(102.797.897)
Travel costs	**(13.362.782)**	(12.935.871)
Outsourced benefits and services	**(3.969.768)**	(7.509.904)
Other material costs	**(3.267.787)**	(594.216)
Depreciation and amortization expenses	**(1.760.599)**	(2.634.136)
Other	**(10.866.350)**	(11.279.055)
	(191.251.468)	(137.751.079)

c) Research and Development Expenses:

	1 January - 31 December 2023	1 January - 31 December 2022
Personnel expenses	**(59.688.504)**	(34.888.012)
Depreciation and amortization expenses	**(1.266.559)**	(1.777.326)
Outsourced benefits and services	**(1.660.081)**	(962.900)
Other	**(3.883.813)**	(4.172.791)
	(66.498.957)	(41.801.029)

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

24. EXPENSES BY NATURE

Depreciation and amortization	**1 January - 31 December 2023**	1 January - 31 December 2022
Cost of sales	**(1.289.909.589)**	(1.272.516.634)
General administrative expenses	**(31.302.468)**	(35.261.421)
Marketing expenses	**(1.760.599)**	(2.634.136)
Research and Development expenses	**(1.266.559)**	(1.777.326)
	(1.324.239.215)	(1.312.189.517)

Personnel expenses	**1 January - 31 December 2023**	1 January - 31 December 2022
Cost of sales	**(1.590.059.088)**	(1.019.998.689)
General administrative expenses	**(515.290.654)**	(455.643.245)
Marketing expenses	**(158.024.182)**	(102.797.897)
Research and Development expenses	**(59.688.504)**	(34.888.012)
	(2.323.062.428)	(1.613.327.843)

The fees related to the services received from the independent auditor:

Based on the Board Decision of the Public Oversight, Accounting and Auditing Standards Authority published in the Official Gazette, the fees related to the services received from the independent auditor/independent audit firm as of the reporting period are presented below:

	1 January - 31 December 2023	1 January - 31 December 2022
Independent audit fee for the reporting period	**8.173.090**	3.519.029
	8.173.090	3.519.029

25. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other income from operating activities for the years ended at 31 December 2023 and 2022 is as follows:

Other Income from Operating Activities	**1 January - 31 December 2023**	1 January - 31 December 2022
Operational foreign exchange income	**757.733.784**	662.786.058
Mining royalty income (*)	**120.001.457**	99.509.448
Income from provisions no longer required	**76.422.484**	64.528.212
Damage compensation income received from insurance	**36.090.161**	4.158.003
Profit from scrap and material sales	**21.062.684**	22.739.436
Interest income from delayed collections	**13.690.827**	24.126.174
Other income	**40.433.020**	45.703.015
	1.065.434.417	923.550.346

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

(**) 36.222.976 TL of the balance (31 December 2022: None) is from provisions that no longer required regarding personnel bonus, 26.958.032 TL from provisions that no longer required regarding administrative penalties (31 December 2022: None), and as of 31 December 2022, there were 55.381.026 TL of provisions that were no longer subject to doubtful receivables.

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

25. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES (cont'd)

The details of other expenses from operating activities for the years ended at 31 December 2023 and 2022 are as follows:

Other Expenses from Operating Activities	**1 January- 31 December 2023**	1 January- 31 December 2022
Foreign exchange losses related to operational activities	**(751.515.461)**	(467.977.008)
Donation expenses (*)	**(477.937.411)**	(2.821.686)
Discount interest expense	**(12.317.448)**	(552.892)
Provision expenses	**(11.126.274)**	(3.923.250)
Commission expenses	**(667.942)**	(1.844.138)
Other expenses	**(59.333.354)**	(19.989.614)
	(1.312.897.890)	(497.108.588)

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

26. INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

The details of income from investment activities for the years ended at 31 December 2023 and 2022 are as follows:

Income from investment activities

	1 January- 31 December 2023	1 January- 31 December 2022
Interest income from investment funds	**63.792.666**	-
Profit from sale of fixed assets	**13.927.166**	2.850.607
Rent income from investment properties (Note 10)	**5.627.959**	6.773.912
Interest income from time deposits with a maturity of more than three months	**-**	36.120.908
Dividend income	**-**	56.333.821
Other	**480.261**	6.107.658
	83.828.052	108.186.906

(*) It consists of the profit from the sale of all Cimpor Cameroon shares owned by the Company (Note 1).

The details of expenses from investment activities for the years ended at 31 December 2023 and 2022 are as follows:

Expenses from investment activities	**1 January- 31 December 2023**	1 January- 31 December 2022
Valuation difference of financial assets measured at fair value through profit and loss (*)	**(163.293.352)**	(34.606.695)
Other	**(7.554.316)**	(496.494)
	(170.847.668)	(35.103.189)

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

27. FINANCIAL INCOME AND EXPENSES

The details of financial income for the years ended at 31 December 2023 and 2022 are as follows:

Financial Income	**1 January- 31 December 2023**	1 January- 31 December 2022
Foreign exchange gains related to financial activities	**4.003.287.793**	633.960.708
Interest income from bank deposits	**1.101.625.233**	111.649.616
Other financial income	**15.939.811**	10.815.303
	5.120.852.837	756.425.627

The details of financial expenses for the years ended at 31 December 2023 and 2022 are as follows:

Finance Expenses	**1 January- 31 December 2023**	1 January- 31 December 2022
Foreign exchange losses related to financial activities	**(5.214.502.043)**	(2.124.492.641)
Interest expenses regarding related parties	**(956.622.487)**	(390.941.493)
Interest expenses due to short and long-term borrowings	**(374.503.078)**	(398.449.350)
Commission expenses	**(95.358.319)**	(51.695.963)
Interest expense due to severance pay provision (Note 19)	**(54.850.325)**	(53.453.655)
Interest expense due to lease liabilities	**(43.660.393)**	(24.610.576)
Interest expense due to seniority incentive premium (Note 19)	**(24.130.109)**	(18.427.250)
Other financial expenses	**(4.565.047)**	(24.187.488)
	(6.768.191.801)	(3.086.258.416)

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

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

Current tax liabilities

Income tax payable	**31 December 2023**	31 December 2022	1 January 2022
Corporate tax provision	**1.461.086.462**	1.263.061.619	608.469.829
Less: Prepaid taxes and funds (-)	**(1.530.446.519)**	(832.270.741)	(411.287.952)
	(69.360.057)	430.790.878	197.181.877

The effective tax rate as of 31 December 2023 is 25% (31 December 2022: 23%, 1 January 2022: 25%).

Tax expense in profit or loss and other comprehensive income

	1 January - 31 December 2023	1 January - 31 December 2022
Current tax expense	**1.461.086.462**	1.263.061.619
Deferred tax income / (expense)	**264.351.736**	(3.711.112.931)
	1.725.438.198	(2.448.051.312)

Tax recognized directly under equity

	1 January - 31 December 2023	1 January - 31 December 2022
Actuarial loss / gain	**48.911.589**	61.730.906
	48.911.589	61.730.906

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 December 2023 is 25% (31 December 2022: 23%, 1 January 2022: 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.

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

Corporate Tax: (cont'd)

"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 temporary differences arising between its financial statements in accordance with TFRS and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes and are set out below.

Deferred tax assets and liabilities (excluding land) tax rate used for calculating corporate tax for the subsidiaries in Turkey in accordance with the additional provisional Article 10 of Corporate Tax Law; corporate tax rate is 25% for the corporate earnings to be obtained in the taxation periods of 2023 and following years.

Tax Advantages within the scope of investment incentive system:

The Group's earnings from investments subject to incentive certificates are subject to corporate tax at reduced rates, starting from the accounting period in which the investment is partially or fully operated, until it reaches the investment contribution amount. In this context, as of 31 December 2023, the tax advantage amounting to 234.030.199 TL (31 December 2022: 174.383.206 TL), which the Group will benefit from in the foreseeable future, has been reflected in the consolidated financial statements as a deferred tax asset. As a result of the accounting of the tax advantage in question as of 31 December 2023, a deferred tax income of 59.646.993 TL was created in the consolidated profit or loss statement for the period of 1 January - 31 December 2023. The contribution amount benefited from the income obtained from the investment between 1 January and 31 December 2023 is 4.365.176 TL.

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 carried out as of 31 December 2023, when the inputs in the basic macroeconomic and sectoral assumptions that make up the business plans were increased/decreased by 10%, there was no change in the recovery period of deferred tax assets related to investment incentives, which is estimated to be 5 years.

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

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

Deferred tax assets/(liabilities):	**31 December 2023**	31 December 2022	1 January 2022
Investment incentive allowance	**221.033.864**	260.476.290	152.885.199
Energy incentive	**12.996.335**	27.912.067	19.155.384
Provision for employment termination benefit	**97.072.958**	112.569.935	77.220.983
Provision for doubtful trade receivables	**7.919.632**	23.419.524	40.773.609
Seniority labor incentive bonus provision	**49.859.759**	52.694.912	28.332.534
Provision for personnel premiums and bonuses	**130.660.043**	44.709.161	19.136.497
Legal provisions	**9.132.263**	6.364.430	5.828.741
Provision for state mining rights	**17.644.045**	7.670.170	6.625.409
Provision for unused vacation	**17.206.231**	10.157.879	5.553.525
Provision for land occupation	**5.565.549**	3.349.120	1.370.457
Provision for sales incentive premium	-	1.074.875	1.765.692
Provision for rehabilitation of mines	**34.046.367**	10.178.936	2.589.379
Valuation of financial investments	**(5.660.505)**	(19.359.515)	(21.634.183)
Revaluation adjustments of property, plant and equipment and intangible assets and depreciation and amortization differences of property, plant and equipment and other intangible assets	**1.695.880.462**	2.039.773.327	(1.573.598.634)
Inventories	**(124.009.408)**	(109.389.287)	(99.985.665)
Other	**45.482.674**	(41.331.408)	(8.592.348)
	2.214.830.269	2.430.270.416	(1.342.573.421)

Deferred tax (asset)/liability	**31 December 2023**	31 December 2022	1 January 2022
Deferred tax assets	**2.214.830.269**	2.430.270.416	-
Deferred tax liability	**-**	-	(1.342.573.421)
	2.214.830.269	2.430.270.416	(1.342.573.421)

The movement of deferred tax (assets) / liabilities for the year ended at 31 December 2023 and 2022 is as follows:

	31 December 2023	31 December 2022
Opening balance as of 1 January	**2.430.270.416**	(1.342.573.421)
Charged to income statement	**(264.351.736)**	3.711.112.931
Charged to other comprehensive (income) / expense	**48.911.589**	61.730.906
Closing balance as of 31 December	**2.214.830.269**	2.430.270.416

Tax expense for the period can be reconciled with the profit for the period as follows:

	1 January - 31 December 2023	1 January - 31 December 2022
Profit before tax	**9.755.652.080**	6.434.733.313
Income tax rate of 25% (2022: 23%)	**(2.438.913.020)**	(1.479.988.662)
Tax effect of:		
- non-deductible expenses	**(127.962.857)**	(301.346.252)
- exemptions and other discounts	**121.306.359**	21.341.217
- Current period losses not subject to deferred tax	**-**	(275.206.092)
- Financial losses used in the current period	**639.043.612**	-
- TPL 298/Ç revaluation of fixed assets	**-**	4.221.824.181
- Investment incentive exemption	**59.029.987**	215.699.544
- Effect of change in tax rates	**217.010.698**	256.247.510
- Additional corporate tax	**(94.120.681)**	-
- Monetary gain / (loss) and other inflation effects	**(100.832.296)**	(210.520.134)
Tax expense on statement of income	**(1.725.438.198)**	2.448.051.312

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

29. FINANCIAL INVESTMENTS

Financial investments

	31 December 2023	31 December 2022	1 January 2022
a) Financial assets at fair value through profit and loss	**536.044.754**	657.311.381	437.798.084
b) Equity instruments designated as fair value through other comprehensive income	**11.290.249**	11.290.249	11.290.249

a) Financial assets at fair value through profit and loss

	31 December 2023	31 December 2022	1 January 2022
Listed equity instruments (short-term)			
-Ereğli Demir Çelik Fabrikaları A.Ş.	***235.495.203***	*390.303.729*	*437.798.084*
-Investment funds	***300.549.551***	*17.185.334*	*-*
Time Deposits			
- Time deposits with a maturity of more than three months (*)	***-***	*218.019.400*	*-*
-Currency protected time deposits	***-***	*31.802.918*	*-*
	536.044.754	657.311.381	437.798.084

(*) Interest rates for deposits with a maturity of more than three months are 26.00% and their maturity date is 5 June 2023. All deposits with maturities longer than three months are denominated in TL.

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

	31 December 2023	31 December 2022	1 January 2022
Shares Not Traded on the Stock Exchange	**11.290.249**	11.290.249	11.290.249
	11.290.249	11.290.249	11.290.249

	31 December 2023			31 December 2022			1 January 2022		
Company	**Share Rate %**	**Amount**	**Cost**	Share Rate %	Amount	Cost	Share Rate %	Amount	Cost
Shares Traded on the Stock Exchange									
Ereğli Demir Çelik Fabrikaları A.Ş. (*)	**<1**	**235.495.203**	**144.927.125**	<1	390.303.729	144.927.125	<1	437.798.084	144.927.125
Investment funds		**300.549.551**	**230.290.075**		17.185.334	9.662.848		-	-
Currency protected time deposits		-	-		31.802.918	18.993.114		-	-

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

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

30. EARNING PER SHARE

Earnings per Share	**1 January – 31 December 2023**	1 January – 31 December 2022
Net profit for the period	**8.127.896.250**	8.822.949.317
Average amount of shares available during the period	**124.657.840.600**	124.657.840.600
Earning per share from ongoing activities (1 TL nominal cost)	**6,52**	7,08

31. 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 and equity items which comprise cash and cash equivalents, issued capital, reserves and prior years' profits, respectively.

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.

	31 December 2023	31 December 2022	1 January 2022
Total payables and other financial liabilities (Note 16)	**1.688.209.155**	2.986.918.418	2.783.887.900
Less: Cash and Cash Equivalents (Note 4)	**(5.299.903.159)**	(3.190.095.468)	(990.614.896)
Less: Short-term Financial Investments (Note 29)	**(536.044.754)**	(657.311.381)	(437.798.084)
Net Debt	**(4.147.738.758)**	(860.488.431)	1.355.474.920
Total Equity	**26.666.146.625**	18.597.447.845	10.065.836.388
Total Capital	**1.246.578.406**	1.159.793.441	1.159.793.441
Net Debt/Total Capital Ratio	**(3,33)**	(0,74)	1,17

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.

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

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

b) Financial Risk Factors (cont'd)

b.1) Credit risk management

Credit risks exposed by type of financial instruments	**Receivables**					**Deposits**	
	Trade Receivables		**Other Receivables**		**Financial**	**Deposits at Banks**	
31 December 2023	**Related Party**	**Other**	**Related Party**	**Other**	**Investments**	**Related Party**	**Other**
Maximum credit risk exposed to as of the reporting date (A+B+C+D)	**241.806.734**	**4.100.437.184**	**31.366.654**	**37.783.159**	**547.335.003**	**1.453.298.630**	**3.679.822.370**
- Secured portion of the maximum risk by guarantees, etc. (*)	-	**3.728.632.180**	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	**89.398.879**	**3.903.749.469**	**31.366.654**	**37.783.159**	**547.335.003**	**1.453.298.630**	**3.679.822.370**
B. Book value of financial assets that are renegotiated. if not that will be accepted as past due nor impaired	-	-	-	-	-	-	-
C. Net book value of financial assets that are past due but not impaired	**152.407.855**	**196.687.715**	-	-	-	-	-
Secured portion with guarantees, etc.	-	**164.728.500**	-	-	-	-	-
D. Net book value of the impaired assets	-	**108.093.810**	-	**1.303.668**	-	-	-
- Past due (gross amount)	-	**(108.093.810)**	-	**(1.303.668)**	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Secured portion of the net book value by guarantees, etc.	-	-	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	
- Secured portion of the net book value by guarantees, etc	-	-				-	-

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

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

c) Financial Risk Factors (cont'd)

b.1) Credit risk management (cont'd)

Credit risks exposed by type of financial instruments	Receivables					Deposits	
	Trade Receivables		Other Receivables		Financial	Deposits at Banks	
31 December 2022	**Related Party**	**Other**	**Related Party**	**Other**	**Investments**	**Related Party**	**Other**
Maximum credit risk exposed to as of the reporting date (A+B+C+D)	262.708.398	4.239.728.396	180.236.787	407.051.066	668.601.630	761.129.539	2.258.102.341
- Secured portion of the maximum risk by guarantees, etc. (*)	-	2.474.320.771	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	162.137.330	3.901.699.719	180.236.787	407.051.066	668.601.630	761.129.539	2.258.102.341
B. Book value of financial assets that are renegotiated. if not that will be accepted as past due nor impaired	-	-	-	-	-	-	-
C. Net book value of financial assets that are past due but not impaired	100.571.068	338.028.677	-	-	-	-	-
Secured portion with guarantees, etc.	-	77.998.556	-	-	-	-	-
D. Net book value of the impaired assets							
- Past due (gross amount)	-	164.592.930	-	1.284.130	-	-	-
- Impairment (-)	-	(164.592.930)	-	(1.284.130)	-	-	-
- Secured portion of the net book value by guarantees, etc.	-	-	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Secured portion of the net book value by guarantees, etc	-	-	-	-	-	-	-

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

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

b) Financial Risk Factors (cont'd)

b.1) Credit risk management (cont'd)

Credit risks exposed by type of financial instruments	**Receivables**					**Deposits**	
	Trade Receivables		**Other Receivables**		**Financial**	**Deposits at Banks**	
1 January 2022	**Related Party**	**Other**	**Related Party**	**Other**	**Investments**	**Related Party**	**Other**
Maximum credit risk exposed to as of the reporting date (A+B+C+D)	338.385.795	3.305.873.448	184.241.980	180.071.709	449.088.333	-	922.645.874
- Secured portion of the maximum risk by guarantees, etc. (*)	-	2.617.147.386	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	139.408.528	3.021.898.118	184.241.980	180.071.709	449.088.333	-	922.645.874
B. Book value of financial assets that are renegotiated. if not that will be accepted as past due nor impaired	-	-	-	-	-	-	-
C. Net book value of financial assets that are past due but not impaired	198.977.267	283.975.330	-	-	-	-	-
Secured portion with guarantees, etc.	-	198.026.203	-	-	-	-	-
D. Net book value of the impaired assets							
- Past due (gross amount)	-	370.860.715	-	1.615.174	-	-	-
- Impairment (-)	-	(370.860.715)	-	(1.615.174)	-	-	-
- Secured portion of the net book value by guarantees, etc.	-	-	-	-	-	-	-
- Not past due (gross amount)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Secured portion of the net book value by guarantees, etc	-	-	-	-	-	-	-

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

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

b) Financial Risk Factors (cont'd)

b.1) Credit risk management (cont'd)

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group aims to decrease credit risk by transacting only with parties who has credit assurance and where possible, obtaining sufficient guarantee. The Group's collection risk arises mainly from its trade receivables. The Group manages this risk which may arise due to its customers by limiting the credit limits set for customers with the guarantees received. The use of credit limits is continuously monitored by the Group, and the customer's credit quality is continuously evaluated considering the customer's financial position, past experiences and other factors. Trade receivables are evaluated by considering the Group policies and procedures and clearly shown accordingly in the balance sheet after the provision for doubtful receivables is made (Note 6).

Trade receivables cover a high number of customers across various industries and geographical areas. Credit evaluations are continuously made over the trade receivables of the customers.

Aging of the overdue receivables is as follows:

	Receivables		
31 December 2023	**Trade Receivables**	**Other Receivables**	**Total**
Overdue 1 to 30 days	**234.620.317**	**-**	**234.620.317**
Overdue 1 to 3 months	**17.095.130**	**-**	**17.095.130**
Overdue 3 to 12 months	**97.380.123**	**-**	**97.380.123**
Total overdue receivables	**349.095.570**	**-**	**349.095.570**
Portion secured with guarantee, etc.	**164.728.500**	**-**	**164.728.500**

	Receivables		
31 December 2022	Trade Receivables	Other Receivables	Total
Overdue 1 to 30 days	56.334.340	-	56.334.340
Overdue 1 to 3 months	167.073.404	-	167.073.404
Overdue 3 to 12 months	215.192.001	-	215.192.001
Total overdue receivables	438.599.745	-	438.599.745
Portion secured with guarantee, etc.	77.998.556	-	77.998.556

	Receivables		
1 January 2022	Trade Receivables	Other Receivables	Total
Overdue 1 to 30 days	73.097.897	-	73.097.897
Overdue 1 to 3 months	64.958.568	-	64.958.568
Overdue 3 to 12 months	344.896.132	-	344.896.132
Total overdue receivables	482.952.597	-	482.952.597
Portion secured with guarantee, etc.	198.026.203	-	198.026.203

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

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

31 December 2023	**Note**	**Financial assets at amortized cost**	**Fair value through profit or loss**	**Fair value through other comprehensive income**	**Financial liabilities at amortized cost**	**Carrying value**
Financial assets						
Cash and cash equivalents	4	**5.299.903.159**	**-**	-	-	**5.299.903.159**
Trade receivables (including related parties)	6	**4.342.243.918**	**-**	-	-	**4.342.243.918**
Other receivables (including related parties)	7	**69.149.813**	**-**	-	-	**69.149.813**
Other financial assets	29	-	**536.044.754**	**11.290.249**	**-**	**547.335.003**
Financial liabilities						
Borrowings	16	-	-	-	**1.688.209.155**	**1.688.209.155**
Trade receivables (including related parties)	6	-	-	-	**3.641.331.007**	**3.641.331.007**
Other receivables (including related parties)	7	-	-	-	**1.271.652.839**	**1.271.652.839**
31 December 2022	Note					
Financial assets						
Cash and cash equivalents	4	3.190.095.468	-	-	-	3.190.095.468
Trade receivables (including related parties)	6	4.502.436.794	-	-	-	4.502.436.794
Other receivables (including related parties)	7	587.287.854	-	-	-	587.287.854
Other financial assets	29	-	657.311.381	11.290.249	-	668.601.630
Financial liabilities						
Borrowings	16	-	-	-	2.986.918.418	2.986.918.418
Trade receivables (including related parties)	6	-	-	-	3.331.613.384	3.331.613.384
Other receivables (including related parties)	7	-	-	-	8.527.035.402	8.527.035.402
1 January 2022	Note					
Financial assets						
Cash and cash equivalents	4	990.614.896	-	-	-	990.614.896
Trade receivables (including related parties)	6	3.644.259.243	-	-	-	3.644.259.243
Other receivables (including related parties)	7	364.313.689	-	-	-	364.313.689
Other financial assets	29	-	437.798.084	11.290.249	-	449.088.333
Financial liabilities						
Borrowings	16	-	-	-	2.783.887.900	2.783.887.900
Trade receivables (including related parties)	6	-	-	-	2.931.024.482	2.931.024.482
Other receivables (including related parties)	7	-	-	-	9.341.277.892	9.341.277.892

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

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

b) Financial Risk Factors (cont'd)

Fair value hierarchy table

The fair value of financial assets and liabilities is determined as follows:

- First level: Financial assets and liabilities are valued at stock market prices traded in the active market for identical assets and liabilities.

- Second level: Financial assets and liabilities are valued from the inputs used to find the price of the relevant asset or liability that can be observed directly or indirectly in the market, other than the stock market price specified at the first level.

- Third level: Financial assets and liabilities are valued from inputs that are not based on observable data in the market used in determining the fair value of the relevant asset or liability.

Level classifications of financial assets and liabilities stated at their fair values:

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

	31 December 2023		
Financial assets measured at fair value	**Level 1**	**Level 2**	**Level 3**
Stock shares	**235.495.203**	**-**	**-**
Investment funds	**300.549.551**	**-**	**-**

	31 December 2022		
Financial assets measured at fair value	Level 1	Level 2	Level 3
Stock shares	390.303.729	-	-
Investment funds	17.185.334	-	-
Currency protected deposits	-	31.802.918	-

	1 January 2022		
Financial assets measured at fair value	Level 1	Level 2	Level 3
Stock shares	437.798.084	-	-

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

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

b.2) Liquidity risk management

The Group's activities expose it to a variety of financial risks including interest rate risk, liquidity risk, currency risk and credit risk. The Group management and the Board of Directors analyze and approve the policies about the management of the risks described below. The Group also takes into consideration the market value risk of all its financial instruments.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities and its derivative financial instruments. The tables below have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes interests payable on the relevant liabilities. The fair value of financial assets and liabilities is determined as follows:

Liquidity risk table:

31 December 2023					
Contract terms	**Carrying value**	**Total contractual cash outflows (I+II+III+IV)**	**Less than 3 months (I)**	**3 to 12 months (II)**	**1-5 years (III)**
Non-derivative financial liabilities	-	-	-	-	-
Financial liabilities	**1.688.209.155**	**1.741.884.432**	**1.529.909.655**	**70.983.251**	**140.991.526**
Trade payables	**3.641.331.007**	**3.641.331.007**	**-**	**3.641.331.007**	**-**
Other payables	**1.271.652.839**	**1.271.652.839**	**-**	**178.562.931**	**1.093.089.908**
Payables related to employee benefits	**124.865.831**	**124.865.831**	**124.865.831**	**-**	**-**
Total liabilities	**6.726.058.832**	**6.779.734.109**	**1.654.775.486**	**3.890.877.189**	**1.234.081.434**

31 December 2022					
Contract terms	Carrying value	Total contractual cash outflows (I+II+III+IV)	Less than 3 months (I)	3 to 12 months (II)	1-5 years (III)
Non-derivative financial liabilities	-	-	-	-	-
Financial liabilities	2.986.918.418	4.458.300.404	1.557.041.467	2.691.652.955	209.605.982
Trade payables	3.331.919.889	3.331.919.889	-	3.331.613.385	306.504
Other payables	8.527.035.401	8.527.035.401	-	930.000.111	7.597.035.290
Payables related to employee benefits	80.537.337	80.537.337	80.537.337	-	-
Total liabilities	14.926.411.045	16.397.793.031	1.637.578.804	6.953.266.451	7.806.947.776

1 January 2022					
Contract terms	Carrying value	Total contractual cash outflows (I+II+III+IV)	Less than 3 months (I)	3 to 12 months (II)	1-5 years (III)
Non-derivative financial liabilities	-	-	-	-	-
Financial liabilities	2.783.887.900	3.104.014.117	1.447.453.404	658.522.739	998.037.974
Trade payables	2.931.024.482	2.931.024.482	-	2.931.024.482	-
Other payables	9.341.277.892	9.341.277.892	-	67.266.961	9.274.010.931
Payables related to employee benefits	62.177.293	62.177.293	62.177.293	-	-
Total liabilities	15.118.367.567	15.438.493.784	1.509.630.697	3.656.814.182	10.272.048.905

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

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

b) Financial Risk Factors (cont'd)

b.3) Market risk management

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including:

- currency swaps to manage the foreign currency and interest risk associated with foreign currency denominated borrowings;

Market risk exposures are supplemented by sensitivity analysis.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

b.3.1) Foreign currency risk management

Transactions denominated in foreign currencies result in foreign currency risk. The Group is mainly exposed to currency risk in Euro and USD.

The carrying amounts of the Group's foreign currency denominated monetary and non-monetary assets and monetary and non-monetary liabilities at the reporting period are as follows:

	31 December 2023			
	TL Equivalent (Functional currency)	**US Dollar**	**EURO**	**Other**
1. Trade Receivables	**227.243.871**	**3.591.175**	**3.730.784**	**-**
2. Monetary Financial Assets (including cash, bank deposits)	**1.086.492.046**	**30.484.789**	**5.788.516**	**13.893**
3. Other Current Assets	**61.636.081**	**317.975**	**1.604.827**	**-**
4. Current Assets (1+ 2 + 3)	**1.375.371.998**	**34.393.939**	**11.124.127**	**13.893**
5. Non-current Assets	**126.533.217**	**180.182**	**3.721.660**	**-**
6. Total Assets (4+5)	**1.501.905.215**	**34.574.121**	**14.845.787**	**13.893**
7. Trade payables	**995.635.732**	**16.800.764**	**15.368.041**	**(35.597)**
8. Financial Liabilities	**-**	**-**	**-**	**-**
9. Other current liabilities	**48.456.107**	**1.083.583**	**505.624**	**-**
10. Current Liabilities (7+8+9)	**1.044.091.839**	**17.884.347**	**15.873.665**	**(35.597)**
11. Other non-current liabilities	**1.093.089.908**	**-**	**33.496.868**	**-**
12. Non-current Liabilities (11)	**1.093.089.908**	**-**	**33.496.868**	**-**
13. Total Liabilities (10+12)	**2.137.181.747**	**17.884.347**	**49.370.533**	**(35.597)**
14. Net foreign currency asset liability position (6 - 13)	**(635.276.532)**	**16.689.774**	**(34.524.746)**	**49.490**
15. Monetary items net foreign currency asset/liability position (6 - 13)	**(635.276.532)**	**16.689.774**	**(34.524.746)**	**49.490**

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

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

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

	31 December 2022			
	TL Equivalent (Functional currency) (*)	**US Dollar**	**EURO**	**Other**
1. Trade Receivables	534.005.961	9.458.523	7.384.547	-
2. Monetary Financial Assets (including cash, bank deposits)	674.908.227	16.322.185	5.216.666	17.526
3. Other Current Assets	2.217.797.348	286.286	67.214.109	31.590
4. Current Assets (1+ 2 + 3)	3.426.711.536	26.066.994	79.815.322	49.116
5. Non-current Assets	61.842.572	504.000	1.409.723	-
6. Total Assets (4+5)	3.488.554.108	26.570.994	81.225.045	49.116
7. Trade payables	96.215.850	949.009	2.039.033	-
8. Financial Liabilities	1.162.527.316	26.263.726	10.757.334	-
9. Other current liabilities	3.847.448	5.000	112.421	-
10. Current Liabilities (7+8+9)	1.262.590.614	27.217.735	12.908.788	-
11. Other non-current liabilities	7.597.025.128	-	231.283.285	-
12. Non-current Liabilities (11)	7.597.025.128	-	231.283.285	-
13. Total Liabilities (10+12)	8.859.615.742	27.217.735	244.192.073	-
14. Net foreign currency asset liability position (6 - 13)	(5.371.061.634)	(646.741)	(162.967.028)	49.116
15. Monetary items net foreign currency asset/liability position (6 - 13)	(5.371.061.634)	(646.741)	(162.967.028)	49.116

(*) The amount is stated on the basis of the purchasing power of Turkish Lira as of December 31, 2023.

	1 January 2022			
	TL Equivalent (Functional currency) (*)	**US Dollar**	**EURO**	**Other**
1. Trade Receivables	518.176.904	13.313.721	926.806	-
2. Monetary Financial Assets (including cash, bank deposits)	408.570.122	8.410.534	2.574.398	195
3. Other Current Assets	384.033.555	737.524	8.731.890	17.575
4. Current Assets (1+ 2 + 3)	1.310.780.581	22.461.779	12.233.094	17.770
5. Non-current Assets	121.244.276	235.677	2.760.875	-
6. Total Assets (4+5)	1.432.024.857	22.697.456	14.993.969	17.770
7. Trade payables	1.206.788.019	24.567.913	7.846.876	-
8. Financial Liabilities	-	-	-	-
9. Other current liabilities	-	-	-	-
10. Current Liabilities (7+8+9)	1.206.788.019	24.567.913	7.846.876	-
11. Other non-current liabilities	9.257.313.482	-	226.698.000	-
12. Non-current Liabilities (11)	9.257.313.482	-	226.698.000	-
13. Total Liabilities (10+12)	10.464.101.501	24.567.913	234.544.876	-
14. Net foreign currency asset liability position (6 - 13)	(9.032.076.644)	(1.870.457)	(219.550.907)	17.770
15. Monetary items net foreign currency asset/liability position (6 - 13)	(9.032.076.644)	(1.870.457)	(219.550.907)	17.770

(*) The amount is stated on the basis of the purchasing power of Turkish Lira as of December 31, 2023.

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

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

Foreign currency sensitivity analysis

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

The following table shows the Group's sensitivity to a 20% (31 December 2022: 20%, 1 January %20) increase and decrease in USD and EURO. 20% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis only includes outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 20% change in foreign currency rates. A positive number indicates an increase in profit / loss and other equity.

	31 December 2023 Profit / Loss	
	Appreciation of foreign currency	**Depreciation of foreign currency**
In case of 20% appreciation of US Dollar against TL		
1 - USD net asset / liability	**98.073.443**	**(98.073.443)**
2- Portion hedged from USD risk (-)	-	-
3 – USD net effect (1+2)	**98.073.443**	**(98.073.443)**
In case of 20% appreciation of Euro against TL		
4 - Euro net asset / liability	**(225.500.737)**	**225.500.737**
5 - Portion hedged from Euro risk (-)	-	-
6 – Euro net effect (4+5)	**(225.500.737)**	**225.500.737**
TOTAL (3+6)	**(127.427.294)**	**127.427.294**

	31 December 2022 Profit / Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
In case of 20% appreciation of US Dollar against TL		
1 - USD net asset / liability	(3.985.184)	3.985.184
2- Portion hedged from USD risk (-)	-	-
3 – USD net effect (1+2)	(3.985.184)	3.985.184
In case of 20% appreciation of Euro against TL		
4 - Euro net asset / liability	(1.070.605.911)	1.070.605.911
5 - Portion hedged from Euro risk (-)	-	-
6 – Euro net effect (4+5)	(1.070.605.911)	1.070.605.911
TOTAL (3+6)	(1.074.591.095)	1.074.591.095

(*) The amount is stated on the basis of the purchasing power of Turkish Lira as of December 31, 2023.

	1 January 2022 Profit / Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
In case of 20% appreciation of US Dollar against TL		
1 - USD net asset / liability	(13.496.412)	13.496.412
2- Portion hedged from USD risk (-)	-	-
3 – USD net effect (1+2)	(13.496.412)	13.496.412
In case of 20% appreciation of Euro against TL		
4 - Euro net asset / liability	(1.793.091.753)	1.793.091.753
5 - Portion hedged from Euro risk (-)	-	-
6 – Euro net effect (4+5)	(1.793.091.753)	1.793.091.753
TOTAL (3+6)	(1.806.588.165)	1.806.588.165

(*) The amount is stated on the basis of the purchasing power of Turkish Lira as of December 31, 2023.

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

32. ASSETS HELD FOR SALE

Assets held for sale and liabilities related to these asset groups

	31 December 2023		
	Cimpor Cameroon	**Oyak Çimento Fabrikaları A.Ş.**	**Total**
Current assets	-	-	-
Cash and cash equivalents	-	-	-
Trade receivables	-	-	-
Inventories	-	-	-
Other current assets	-	-	-
Non-current assets	-	*18.179.544*	18.179.544
Property, plant and equipment	-	*18.179.544*	18.179.544
Right-of-use assets	-	-	-
Intangible assets	-	-	-
Prepaid expenses	-	-	-
Deferred tax asset	-	-	-
Assets held for sale	-	*18.179.544*	18.179.544
Current liabilities	-	-	-
Short-term portion of long-term leases	-	-	-
Trade payables	-	-	-
Other cuurent liabilities	-	-	-
Non-Current liabilities	-	-	-
Long-term lease liabilities	-	-	-
Liabilities held for sale	-	-	-
Net assets held for sale	-	18.179.544	18.179.544

	31 December 2022		
	Cimpor Cameroon	Oyak Çimento Fabrikaları A.Ş.	Total
Current assets	339.966.528	-	339.966.528
Cash and cash equivalents	*41.584.097*	-	*41.584.097*
Trade receivables	*24.634.288*	-	*24.634.288*
Inventories	*178.462.317*	-	*178.462.317*
Other current assets	*95.285.826*	-	*95.285.826*
Non-current assets	1.958.436.417	62.799.957	2.021.236.374
Property, plant and equipment	*1.600.629.831*	*62.799.957*	*1.663.429.788*
Right-of-use assets	*139.708.064*	-	*139.708.064*
Intangible assets	*3.895.265*	-	*3.895.265*
Prepaid expenses	*202.794.800*	-	*202.794.800*
Deferred tax asset	*11.408.457*	-	*11.408.457*
Assets held for sale	2.298.402.945	62.799.957	2.361.202.902
Current liabilities	*125.451.620*	-	*125.451.620*
Short-term portion of long-term leases	*12.800.835*	-	*12.800.835*
Trade payables	*109.366.942*	-	*109.366.942*
Other current liabilities	*3.283.843*	-	*3.283.843*
Non-Current liabilities	*183.944.354*	-	*183.944.354*
Long-term lease liabilities	*183.944.354*	-	*183.944.354*
Liabilities held for sale	309.395.974	-	309.395.974
Net assets held for sale	1.989.006.971	62.799.957	2.051.806.928

(Amounts are expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL at 31 December 2023, unless otherwise indicated.)

32. ASSETS HELD FOR SALE (cont'd)

	1 January 2022		
	Cimpor Cameroon	Oyak Çimento Fabrikaları A.Ş.	Total
Current assets	790.534.840	-	790.534.840
Cash and cash equivalents	*25.587.998*	-	*25.587.998*
Trade receivables	*764.946.842*	-	*764.946.842*
Inventories	-	-	-
Other current assets	-	-	-
Non-current assets	813.637.359	60.868.614	874.505.973
Property, plant and equipment	*364.837.011*	*60.868.614*	*425.705.625*
Prepaid expenses	*177.078.089*	-	*177.078.089*
Right-of-use assets	*4.643.562*	-	*4.643.562*
Intangible assets	*257.035.364*	-	*257.035.364*
Prepaid expenses	*9.819.221*	-	*9.819.221*
Deferred tax asset	*224.112*	-	*224.112*
Assets held for sale	1.604.172.199	60.868.614	1.665.040.813
Current liabilities	41.963.616	-	41.963.616
Short-term portion of long-term leases	*5.616.657*	-	*5.616.657*
Trade payables	*25.188.886*	-	*25.188.886*
Other current liabilities	*11.158.073*	-	*11.158.073*
Non-Current liabilities	220.557.534	-	220.557.534
Long-term lease liabilities	*220.557.534*	-	*220.557.534*
Liabilities held for sale	262.521.150	-	262.521.150
Net assets held for sale	1.341.651.049	60.868.614	1.402.519.663

Profit/(loss) from discontinued activities:

	1 January – 31 December 2023	
	Cimpor Cameroon	**Total**
Revenue	*16.509.994*	**16.509.994**
Cost of Sales (-)	*(11.030.077)*	**(11.030.077)**
General administrative expenses (-)	*(48.218.270)*	**(48.218.270)**
Other income and expenses from operating activities, net	*(24.695.271)*	**(24.695.271)**
Investment activities income and expense, net	-	**-**
Finance income and expense, net	*(5.725.899)*	**(5.725.899)**
Tax Income / (Expense) from Continuing Activities	*941.806*	**941.806**
Income from sales of discontinued operations	*169.900.085*	**169.900.085**
Net Profit / (Loss) for the Period	*97.682.368*	**97.682.368**

	1 January – 31 December 2022	
	Cimpor Cameroon	Total
Revenue	*15.707.222*	15.707.222
Cost of Sales (-)	*(4.797.930)*	(4.797.930)
General administrative expenses (-)	*(20.702.813)*	(20.702.813)
Other income and expenses from operating activities, net	*(38.755.498)*	(38.755.498)
Investment activities income and expense, net	-	-
Finance income and expense, net	*(12.821.964)*	(12.821.964)
Tax Income / (Expense) from Continuing Activities	*1.535.675*	1.535.675
Net Profit / (Loss) for the Period	(59.835.308)	(59.835.308)

33. SUBSEQUENT EVENTS

None.